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END OF VOLUME XXIV

HOUSE OF COMMONS

Monday, September 12, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1983

MEASURE TO ESTABLISH

The House resumed from Wednesday, June 29, consideration of the motion of Mr. Trudeau that Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we are resuming debate today on a very important piece of legislation that has far-reaching consequences. It relates to the reorganization and the over-all philosophy of economic development policy for Canada. It is very important that this be done correctly because over 1.5 million people are out of work today.

We oppose this legislation. We do not expect to defeat it because the Government is asking us to legitimize something that has been in place for about a year and a half now. The Government had a Bill passed last June which provided for a principal program for the new Department, even before the Department was approved by the House of Commons; which displayed the arrogance of this Government and its disdain for the institution of Parliament. It also indicated the approach the Government wants to take to economic development. It is ignoring the desires and views of Members on both sides of the House in what should be a non-partisan effort. The procedure is a bad precedent because it is asking us to enact something already in place. As well it removes the opportunity for the public and Members of Parliament to have any meaningful influence on legislation.

While we do not expect to defeat this Bill, we do oppose it. I am disappointed the Minister is not even in the House today to hear comments of Members on this side of the House. We are opposing this legislation in order to bring to the Minister's attention some of the legitimate concerns that Canadians and that we on their behalf have. We want to address them to him so he can administer this Department effectively and deal with the important problem of unemployment.

I will be speaking only of the regional economic development, the DRIE aspect. The Hon. Member for York-Peel (Mr. Stevens) will be addressing those elements that relate to external affairs later on in this debate.

There are three main objections I want to address today. First, the Government is making far-reaching structural changes in government for short-term political purposes. Second, the Government is merging two Departments which have quite different operational objectives and looking into the future will be very difficult to operate. Third, there will be a lack of cohesion and direction in the economic policy of the Government.

Let me be more specific. Beginning two years ago the Government stated publicly and has demonstrated on many occasions its concern that it was not getting the proper political profile for certain of its programs. The federal Government is more concerned about this political profile than the actual impact of the programs under its administration and its public image is far more important than the effect these programs will have on the unemployed and on economic development.

By decentralizing the program in this new Department, the Government will be increasing the grant-making mechanism. This has important ramifications in that the over-all grant-making mechanism will be put under much more political and arbitrary control. This will help the Government in ridings it is concerned about, and there are many of them. This Bill will result in a political boondoggle. There will be more grants. There will be a huge grant budget which will be controlled under one group, the new Department of Regional Industrial Expansion. Undoubtedly, there will be a large increase in the arbitrary decisions on grants that will be based on overwhelmingly blatant political considerations. It is no coincidence that we have an election coming up some time within the next twelve months. We can expect more Liberals running around the country cutting ribbons and handing out cheques than ever before.

An Hon. Member: You are jealous.

Mr. Wilson: I am not jealous at all, Mr. Speaker. The Hon. Member opposite says I am jealous. I want to tell you something about one grant. I hope you will take this into consideration the next time you throw a flip comment like that across the floor.

Mr. Deputy Speaker: Order, please. I am sure the Hon. Member realizes that he must address his remarks to the Chair.

Mr. Wilson: I will bring my remarks directly to your attention, Mr. Speaker. In one day the Hon. Member for

Egmont (Mr. Henderson) flew to his riding and back in a JetStar. He had a very important grant to hand out, Mr. Speaker. It was for $3,500, about the cost of the jet fuel consumed by going there and back. Why did the Hon. Member go there? What was so important about this cheque? It was not the fact that the money was going to some local community organization. It was far, far more important that he see his picture on the front of the paper. He could have sent this cheque by mail. But he wanted to have stories about him on the radio program that night. This is why he took that $3,500 and wasted taxpayers' money, just to get his picture in the paper.

● (1110)

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson: As I said, we will see an awful lot more of that over the next little while. When we look at the green spaces on the other side of the House, we will know where those Members are; they are handing out the money of this new Department. We see the Hon. Member over there licking his chops as he thinks about all the cheques he will be handing out in his riding. It may be for 12 more months. Then he will have to watch. He will have to read the papers as a Conservative Member will represent that part of the country.

Let me just summarize this particular point. With this legislation the Government of Canada is distorting a very important structure of Government for clear and blatant political reasons. The new IRDP, Industrial Regional Development Program, announced last June gives the Minister tremendous discretionary powers. It removes the more specific objectives of about half a dozen Government programs and replaces them with one bland program with ministerial discretion to say where the money will be spent and how it will be administered—total ministerial discretion. We can be excused from being too cynical when we consider the uses that might be made of this discretion, but one only needs to look at what has gone on in the past to understand what is likely to happen in the future.

The Minister—again I wish he was here to listen to my remarks—has protested that the whole program will be politically tamperproof—I believe those were his words—because decisions will be taken at local levels. Let us discuss this. We have seen that under that particular program decisions involving over $250,000 have to be referred to Ottawa and decisions over $500,000 will be taken in Ottawa. Thus it is not tamperproof. We do not have to use our imagination too much to understand how local Members of Parliament, particularly some who are in the House today, will be beating local and regional administrators over the head to have their cronies in the Liberal Party favoured by that legislation. This opens up all sorts of opportunities for political abuse. We can see where some of that money, with a little recycling, will end up in local campaigns. This is one of the greatest weaknesses in the grant system of support. I will come back to it later in my remarks.

The second objection I want to address is that the operations of the merged Department will be disrupted by the inconsistent objectives of the two Departments which will form this one Department. The Department of Regional Economic Expansion, DREE, was concerned with regional development. The Department of Industry, Trade and Commerce has been concerned with developing internationally competitive industry. These are diametrically opposed objectives. Industry, Trade and Commerce was dedicated to matching the industrial strengths of Canada with international trading opportunities through both export and import displacement. On the other hand, DREE addressed the needs of less developed regions of the country by assisting in the creation of new companies which could be established without Government assistance. There are exceptions to this. I am aware of those exceptions. However, as a general rule those were the two objectives.

● (1115)

ITC was building on strengths; DREE was shoring up weaknesses. It is a different philosophy. There are different problems and different ways of dealing with it. We have to be very concerned in the administration of the Department that we understand what the overall approach of the Government will be.

The Minister of Industry, Trade and Commerce (Mr. Lumley) or the new Minister of DRIE have not spoken in this debate. Therefore, we do not know how the Government will combine these two different philosophies in the new Department. Both are worth while, but both can be greatly undermined by the attempt to blend the two. We have to know what balance the Minister is going to try to achieve in building the industrial development side and the regional development side, where the priorities are going to be, what industries will be favoured and what industries will be downgraded during the course of the next year or so under the Minister's administration. A key to the success in this merger is that the Minister address these questions so as to give industry some idea of the direction that he proposes to take.

Let me address the third objective, and that is the lack of control, co-ordination and consistency in industrial development policy that can arise out of this merger. If we accept the Minister's statement that decision-making will be decentralized it raises a question as to how regional decisions will be co-ordinated with the broad economic policy of the Government. Reluctant or recalcitrant regional officers can obstruct over-all policy objectives.

Let us not forget that ranking of certain officers in the field is higher than with many of the people in the industry branches and in other parts of the Department here in Ottawa. We are dealing with a bureaucracy here. When people in Ottawa in trying to fulfil broad policy objectives are not able to exert their influence on people in the regions, there will be some breakdown in the administration of Government policy.

The regional officer, being a normal human being, is going to respond to pressures that he feels from the regions. That is why he is there. However, we have to understand how those

regional pressures can be co-ordinated with the broad policy approach of the Government. The people in Ottawa are a long distance away, but the people in the regions are right on the spot and there are specific pressures on the regional officers.

We are dealing with a bureaucracy. That bureaucracy is very hard to administer. In analyzing this Bill, I believe that the over-all administration of the Department will become much more difficult. It will become much more difficult to arrive at some broad, co-ordinated economic policy rather than one which breaks down into the political boondoggle I was referring to a few moments ago.

I want to single out one industry that is most affected by this particular problem, and that is the tourist industry. It is composed mainly of small businesses, businesses that will be eligible for smaller amounts of money under the $250,000 limitation where the decision is made in the regions. The sole prerogative for those decisions resides in the regional officers. We have a major ongoing tourism deficit in this country of some $1.5 billion to $2 billion. This will require some national co-ordination to rectify. I fear that this new structure is going to break down that national co-ordination.

I have another real concern. Under the previous enterprise development program there was a financial burden criterion which encouraged that program to favour small business. This is gone under the new IRDP Program. Big business is now on the same footing. We have to know how this will be handled. Don't forget, Mr. Speaker, that big business has the staff, the resources and the time to access Government programs. Small business has not. Time is money to them. When the president, the person who relates to government, is also the chief sales manager and sometimes acts in many other capacities within a small business, he does not have time to spend dealing with governments. I am concerned that when big business is put on the same footing as small business, big business will gain some advantage that it did not have under the previous program.

• (1120)

So what will the criteria for spending that money be? How will the Minister retain control of the programs? What will his strategy be? What sort of industries will be favoured? Because of those questions we must hear from the Minister of Industry, Trade and Commerce in the House before this Bill is passed.

That brings me to a fundamental difference in philosophy between the Liberal Party and the New Democratic Party on the one hand, those two bedfellows in crime together, and the Progressive Conservative Party on the other hand. The other two Parties make use of grants and hand out Government largesse to a much greater extent. We on the Conservative side favour tax incentives.

I would like to summarize in a general way what the difference is between grants and tax incentives. Grants are arbitrary and, as I said, lend themselves to political abuse. Grants distort the economic process because a civil servant or a politician is required to make the decision rather than having the decision made by the broad marketplace. Those who have the expertise or the ability to tap Government programs get a benefit which others who may be less successful at that but more successful as businessmen do not get, leaving them at a disadvantage.

The grant process is too slow. It does not benefit high technology or companies that are seeking research and development assistance. As well, grants create bureaucracies which we certainly do not need today. Tax incentives, on the other hand, are open to all. Only the marketplace determines who will succeed. With a grant, a business gets the money before it is tested by the market. With a tax incentive, there must be some record of success as demonstrated by existing profit in order to make that tax benefit worth while.

Now, Mr. Speaker, there will always be a role for grants to play, for start-ups, for major projects and for certain elements of regional development. However, I fear that the combination of Industry, Trade and Commerce and DREE under one roof demonstrates a growing desire on the part of the Government to encourage more use of grant money and less use of the tax incentive. This is a process which we on the Conservative side would reverse because we feel that we must return to a more open, more efficient method of dealing with the whole process of economic development.

In closing, Mr. Speaker, let me say that I feel that it is important for the Minister of Industry, Trade and Commerce to come to the House to address this Bill in order to give us an understanding of the direction in which we are likely to go. It is important that he embark upon an educational campaign soon in order to straighten out the misunderstanding in the minds of people across the country and remove the confusion that those people are faced with about what this merger means and how it will benefit them in industry.

Mr. Deputy Speaker: The rules of the House provide for a ten-minute period of questions and answers at this point. Are there any Hon. Members seeking to ask questions or make brief comments?

Mr. Hawkes: I rise on a point or privilege.

Mr. Deputy Speaker: The Hon. Member is rising on a point or privilege. I presume that it arises from what has immediately preceded.

Mr. Hawkes: Mr. Speaker, I do not want to take up a great deal of the time of the House, but I would simply like to bring to your attention and to the attention of Members of the House that at the commencement of the sitting of the House this morning, the bells did not ring in the Confederation Building. Over half of the Members of the House have offices in that building. I wonder whether or not we are in legal session when in fact the Members from that building have not been called to the sitting of the House.

Mr. Deputy Speaker: The Hon. Member has brought to the attention of the Chair a matter which will be investigated immediately.

Mr. Orlikow: Mr. Speaker, I direct a question to the Hon. Member. He has indicated that his Party prefers tax incentives to grants. I wonder how the Hon. Member expects new companies, innovative companies, companies entering into high technology that are just starting and that have not been in business before and therefore do not have any tax credits coming to them, will be able to operate if they do not get those kinds of grants, particularly in slow growth areas such as Atlantic Canada or the Province I represent.

Mr. Wilson: Mr. Speaker, I am pleased that the Hon. Member for Winnipeg North (Mr. Orlikow) has raised this question because it is an important one. During the course of my comments, I did say that there will always be a role for grants to play. I did specifically identify start-ups.

● (1125)

I think what we have to do is balance the grant approach with the tax incentive approach. As an example, in the case of start-ups I believe that if more incentive is provided through the taxation system to encourage people to invest money in new start-ups, that will reduce the need for grants to get companies on their feet. If the companies can be properly capitalized at the start, which is an ongoing problem in this country, then they will not need the grant so much. The ongoing tax incentive will provide the means for the company to be successful and gain the continuing support necessary to keep moving.

Mr. Orlikow: Mr. Speaker, there is a great deal of evidence that many of the newest inventions and newest procedures have been begun not by large corporations, which in Canada particularly are pretty stodgy, but by very new companies run by young people just starting out who have very little capital. Certainly they have no tax credits to begin with.

In his speech the Hon. Member indicated that he believed in both, but he made it clear that he and his Party favoured tax credits over grants. Of course, we can all agree that we should have both. I am concerned, however, that if a Conservative Government were to depend mainly on tax credits, we would not get the kind of start-up or the kind of input from new, innovative, small companies which we will need if we are to succeed.

Mr. Wilson: Mr. Speaker, I think it has been very clearly demonstrated in other countries as well as, in a converse way, in this country that you get more start-ups through an attractive tax system than through having a bureaucrat or a politician in Ottawa or in a region saying: "You are going to get some money and you are not going to get some money; you are going to be favoured but you are not".

I was in the investment business and I know the mistakes people can make when deciding which one is going to be favoured and which is not. The people in government, whether on the political side or on the bureaucratic side, do not have the expertise to be able to judge which is going to succeed ultimately and which is not. I prefer to see that decision left to the private sector and to the marketplace.

If we can have a tax system which will encourage innovation and risk taking, then fewer people will come to governments looking for handouts. Speaking on behalf of the Conservative Party, I say that is the type of economy we want to have in this country.

Mr. Kristiansen: Mr. Speaker, I should like to address a question to the last speaker. By dealing primarily with the incentive system, whether tax credit or other types of write-offs or incentives, he is basically providing assistance to those who already "have". In other words, "them who has gets". What the Hon. Member for Winnipeg North (Mr. Orlikow) mentioned to him a few moments ago was that those who were lean and hungry—

● (1130)

Mr. Deputy Speaker: Would the Hon. Member make his point briefly because there are one or two other Hon. Members seeking to be recognized?

Mr. Kristiansen: Yes, Mr. Speaker. The question is, why does he insist on favouring—and that was clearly the thrust of his remarks—those who already have a dominant position or a strong position, rather than giving encouragement to those who are lean and hungry, who are inventive, who want to establish small businesses, get them moving and make a productive impact on the economy?

Mr. Wilson: The Hon. Member, Mr. Speaker, has totally distorted my comments. I have said on many occasions—I said it here in the House—that if you have a taxation system which encourages people to put money into start-ups of new businesses, you are going to have an immense number of new businesses starting up and they will create tremendous employment in this country. The Conservative Party understands small business far better than the New Democratic Party and far better than the Liberal Party. The Conservative Party has supported small business for years and years and the Conservative Party derives a tremendous amount of support from the small business community.

If I can just refer the Hon. Member to both the Canadian Organization of Small Business and the Canadian Federation of Independent Business, who represent small businessmen right across this country, there is no question in the minds of either one of those organizations that they far, far prefer the tax incentive rather than the grant, because with the grant they have to come to Ottawa, they have to plead with government, they have to take government through the whole process and they waste time. They do not have access in nearly the same way as big business. Therefore, by favouring tax incentives over grants, there is no question that we in the Conservative Party are favouring small business rather than big business, which I suppose the NDP are starting to get much closer to than they have in the past.

Mr. Tobin: Mr. Speaker, my question for the Hon. Member for Etobicoke Centre (Mr. Wilson) is with regard to the reorganization of the Department of Industry, Trade and

Commerce. First of all, I would like to congratulate him for being a very articulate spokesman for Thatcherism and Reaganomics in this House. We have all seen how that has worked.

Some Hon. Members: Oh, oh!

Mr. Tobin: I would like to say, Mr. Speaker, that the Hon. Member is entitled to his views and I respect his right to express his views. However, when I see him appointed the shadow minister for Industry, Trade and Commerce, DREE and for the development of the regions of Canada, I become very concerned because I heard the Hon. Member opposite say—and perhaps he can correct me and reassure me as well as the far-flung regions of Canada—that he had some concern with the notion that in the reorganization of that Department there were going to be regional people, not just responsible for regions but people located in the regions, reporting directly back to the Ministers. He said he was concerned that there would be pressure on those regional officers to express regional views. I know that clashes somewhat with the centralist line, but it seems to me that all Parties, all members of the DREE committee, including Hon. Members of his own Party, have agreed many times in committee and in this House—

Mr. Deputy Speaker: The Hon. Member has in mind the time limitation?

Mr. Tobin: I will put the question, Mr. Speaker. All Hon. Members have agreed that a strong regional voice is indeed necessary. It has been renewed with this reorganization. I am concerned that the Hon. Member opposite is saying that under a Conservative government there would be a centralist planning board and no room for regional voices, regional spokesmen and regional questions.

Mr. Wilson: Mr. Speaker, it is very interesting how the Hon. Members in the other Parties use this ten-minute interlude to distort the speeches of the Hon. Members who have just spoken. I never said that at all. What I did say was that there can be policies which are decided upon by the Government in order to support regional development, as well as the over-all economic development of the country, which can be interpreted differently by regional officers in ways which do not support the over-all policy. That is the concern which I have expressed.

I have asked the Minister to come to the House and tell us how he is going to administer this policy so we can have a co-ordinated regional development policy, rather than have different regions and different parts of the country fighting among themselves and distorting the policy, ensuring that the policy will not work.

Mr. Deputy Speaker: The period of questions and answers having expired, the Hon. Member for Saskatoon East has the floor.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy today, as the House of Commons resumes, to have the opportunity to address Bill C-152, although I would have to say in the beginning that it is rather difficult to speak about something, as the previous speaker has already indicated which has already taken place. We are talking about a reorganization of departments in Ottawa which has already been put in place, so our speeches today are really a reflection on something which, to all intents and purposes, we cannot change.

However, I do believe it is still very appropriate to reflect upon and suggest to the Ministers, and to the Government, that we are concerned and worried about certain things which have taken place with Bill C-152, which Bill has changed the structures of external affairs and trade. I would particularly like to address the Bill from the aspect of its international effects. I feel that this kind of Bill will have serious repercussions down the road as it affects Canadians and as it affects the country of Canada.

As I understand it, the new Bill has set up a giant new Ministry under the Secretary of State for External Affairs (Mr. MacEachen). Under that ministry there are going to be two "minor" Ministries, shall we can them—or are they equal? I am not sure how it is going to operate. One Ministry is called the Ministry of External Relations and the other is called the Ministry of International Trade.

Of course, there is no doubt that when Canada deals with other people and other countries in the world there is a whole multitude of relationships taking place. The problem I have is that by putting the Ministry of International Trade under External Affairs there will probably be an imbalance in the perception and the way the Ministry will operate which I feel could be very dangerous to the human rights of many people around the world. Because the Department of Trade is not out there by itself, is not being directed by a Minister and making its decisions completely on its own but is being handled now by this "super" Ministry, I have a fear that many decisions which formerly might have been made for strict international and political reasons or for reasons which would be related to human rights, or which would involve the humanity part, will now be made for another reason, which will be profit at this particular time for some Canadian firm. The pressure which will be brought against the Department of External Affairs, not for human reasons but for reasons which relate to business and profit, I feel has become entrenched in a way that it was not before.

Since we have gone home for our holiday break during July and August there have been changes in the House of Commons and in the roles of different Hon. Members. At this particular time I would like, as a fellow colleague in the House of Commons, to congratulate the Hon. Member for York-Peel (Mr. Stevens) for having pulled the plum out of the basket and received the new role of external affairs critic for the Progressive Conservative Party. At the same time, though, I am sure he would be the first to appreciate the fact that I have great difficulty in understanding why that choice was made. One of the writers in *The Globe and Mail*, Michael Valpy, has said it must be part of the Irish humour of the new leader of the Progressive Conservative Party, who at the same time I would like to congratulate on his arrival in the House of Commons,

for being able to make that kind of choice. Now, if it is a joke, I have not laughed yet; and I am worried. The direction that the Progressive Conservatives have officially taken in external affairs really upsets and worries me as a Canadian, not only as a Member of the NDP.

● (1140)

With all due respect to my colleague, the Hon. Member for York-Peel and I have worked closely with him on the Latin American report and over a number of years in external affairs matters, and he has a view of the world about which I am deeply concerned. He has not spoken yet and I will be very happy to hear his views, but I believe that this set-up of External Affairs being responsible for international trade will be very much to his liking. I believe the Hon. Member sees international relations as being basically concerned with trade.

Now, Mr. Speaker, in the subcommittee on Canada's Relations with Latin America and the Caribbean, of which there were 15 Members from all three Parties, 14 Members came to an agreement on the report about how Canada should deal with its neighbours in the Caribbean and Latin America. There was one dissenting voice, that of the Hon. Member for York-Peel, although in the meetings of the full Committee on External Affairs and National Defence there were Members who supported the Hon. Member for York-Peel, all from the Conservative Party. But the report, which I felt was balanced and was prepared only after extremely hard work and an awful lot of study, I feel gave Canadians and the Government a direction to follow in dealing with the people of the Caribbean and Latin America, yet it was opposed by that one Member who is now the Conservative Party critic for external affairs. I do not think that this appointment is a joke, even though Mr. Valpy of *The Globe and Mail* says it is.

I repeat, Mr. Speaker, that if this legislation is going to please that Hon. Member, then it is the kind of legislation he probably would have planned himself. I believe the Hon. Member is going to speak later today on this particular Bill and I will be anxious to see just exactly how he will address it. I will be anxious to see whether or not the Hon. Member will see it as an intrusion into the freedom of the Secretary of State for External Affairs to make clear decisions on morality and not be pushed by the business side more than others. There are many sides the Minister has to take into consideration when he makes his judgments.

The sub-committee on Canada's relations with Latin America and the Caribbean is one of the few groups in this House of Commons which has taken seriously this part of the world and has studied how Canada should relate to its neighbours. All 14 Members of that subcommittee, excluding the Hon. Member for York-Peel, felt that in dealing with countries in Central and Latin America the primary thing to be taken into consideration by the diplomats and the Government is the question of human rights. What are we as a country doing to protect the human rights of the people who live in Uruguay, Peru, Bolivia, Nicaragua, El Salvador, Jamaica, Cuba, or wherever, so that they can live as human beings with the rights and privileges of a human being at this particular time in the history of the world?

In our report we also make the very clear point that trade and investment is another reason Canada is interested in relations with those countries. The world runs on trade and I have no difficulty with that. But we also recommended that in development assistance Canada should be very conscious of the fact that it is to assist and develop the country, not just something to develop and make Canadian industry go. Development assistance or true aid is to aid and assist people, wherever they happen to be, who because of the current economic situation need this assistance. Aid is something that people do not ordinarily want; they would prefer to assist themselves. But at times in their lives, as in ours and everyone else's, aid is demanded.

The point I make concerning this reorganization is that development assistance can now become much more of a tool, let us say, to trade. I repeat, development assistance should be for the human needs of people wherever they happen to be, but I have a fear that what can easily happen with this reorganization is that this will be the first stepping stone to increasing trade. Canada will send off aid in the form of machines and tools or technology which will tie the receiving country into a web they cannot get out of. Everything they do will be directed to the particular Canadian industry involved.

Well, Mr. Speaker, people can ask what is wrong with that. I suspect there are good reasons for thinking a little bit in that direction but my experience, having worked in developing countries and with people in the Third World, is that many times aid programs, because of this effort to try to tie them into trade, did not or do not help those to whom they are directed. The program was imposed by those who want to trade something they have here and are trying to find a market for, but the market is not there because the people of that country have not arrived at that level as yet.

For better or worse, CIDA has been criticized many times for programs which do not work well and reflect badly on the whole idea of aid. But I think that if you looked at those programs which have received the biggest opposition and caused the most conflict, they would be programs which are very closely associated with an aid approach which was attached almost directly to Canadian trade.

Therefore, Mr. Speaker, this new set-up really does concern me. Is there going to be an unequal pressure now from the Minister of Trade (Mr. Lumley) in the area of external affairs so that human rights, which the subcommittee laid down as the guiding force of Canada's relationships with other countries, and development assistance will now fall out of focus and be forced away because Trade and Commerce have become too predominant in the judgments being made in External Affairs?

There is another thing that concerns me about this Bill. I do not know what the Minister of External Relations means. What is it? Who is it? Why is it? I cannot find in the Bill a definition of what that Minister is supposed to do. I may not have read the Bill correctly but I cannot find that, so I think

that by itself is a great omission. What is this Minister supposed to do?

At the same time I would like to congratulate the new Minister of State for External Relations (Mr. Pepin). I hope he will do well in his role, whatever it is. At the same time, I would like to congratulate him for the way he handled the initial news about the Korean airplane incident. As we are all aware, that was a horrendous event and a terrible thing to happen in modern day society. Unfortunately, I still feel that we do not know many of the things about the event. Even today as the papers come in and television reports are made, we receive more information which leaves doubts in people's minds about what was actually happening. For instance, how could a modern airliner with its three navigation systems get that far off course? These questions still have not been answered.

• (1150)

When the news first came out that this tragedy had taken place, that lives had been lost and Canadians had been involved in an international disaster and had died in a terrible incident like this, the Minister of State for External Relations kept giving us whatever information he had but left the door open for further information. I congratulate him for that. There was no immediate closing down of the question.

At the same time, I would like him to rise in the House to explain what his job is, because I do not know what it is and it is not described in the Bill. I can see great conflict arising between the two roles, if they are necessary at all, unless they are clearly defined and divided so that we know the purpose of each. While I think I should know that, I and I am sure most Canadians do not know why there are two Ministers dealing with international affairs or relations.

I will end my remarks by saying that I believe this particular Bill, from an international point of view, causes me grave concern because the whole question of trade, profit and commerce will play too big a role in the judgments made by the Minister of State (External Affairs), other very important conditions to international life, such as human rights and development assistance, and how we deal diplomatically with other nations in the world could be very strictly limited.

Second, I would like the Government or the Minister himself to define for us the role of the Minister of State for External Relations and how it both differs from and relates to the role of Secretary of State for External Affairs (Mr. MacEachen). Whom are we to believe if their statements and views differ?

Miss Jewett: Mr. Speaker, as the New Democratic Party critic for CIDA, does the Hon. Member know that the new president of CIDA, I understand, will be reporting directly to the undersecretary rather than the Secretary of State for External Affairs (Mr. MacEachen)? If that is the case, what are the implications of that change?

Mr. Ogle: Mr. Speaker, I thank the Hon. Member for the question. I had been forewarned that this was a possibility. The new president of CIDA is Mrs. Margaret Catley-Carlson. I would like publicly to congratulate her on her appointment at this time because CIDA has been without a president for nearly a year. It had been rumoured that the new president would have to report to a lower level in External Affairs. I checked with CIDA to make sure that would not happen. Mr. Jack Shea, the person from CIDA who monitors the House, informed me this morning that she will be reporting to the Secretary of State for External Affairs.

Mr. Deputy Speaker: Are other Hon. Members seeking to ask questions? If not, the Chair recognizes the Parliamentary Secretary to the Minister of State for Economic Development and Minister of State for Science and Technology.

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I am pleased to rise in the House today particularly to have the opportunity to respond to many of the criticisms that have been levelled against the regional economic aspects of this particular Bill. However, I must confess that I am not particularly pleased with what I have heard in the House so far today. The reason is that it will have a bearing on our capacity as legislators from every Party in the House to deal with the very difficult economic challenges which Canadians face in the days, months and even years ahead.

Let me be more specific. At a time when we have so many opportunities and challenges ahead of us, I would have hoped that we would see a concrete, positive and upbeat approach by the Opposition showing that they are prepared to work in a constructive manner toward proposing concrete alternatives to the situation that we face today. We did not see this.

The Hon. Member for Etobicoke Centre (Mr. Wilson) gave a perfect example of small, partisan bickering, bringing to the House no new alternatives and looking to confrontation rather than constructive alternatives. He may say that these are many charges, but let me substantiate them by repeating what he said.

First, he said that he is concerned that we are making increased funding available to the most depressed regions of our country. He said that this is merely a political move. One may call any move that we make a political move, but the question is whether it is a move that is in the interest of the people in a particular region. Personally, I do not apologize for our Government's posture in increasing the funding which we are making available to the poorest regions in Canada. Did the Hon. Member have a constructive alternative in this case? Absolutely not.

Second, he is concerned that the new federal economic development co-ordinators who are being appointed in each Province of Canada to deal specifically with economic development problems at the local level will not be able to respond to regional economic problems, or he suggested that they will respond to regional pressures. If that is his criticism, I gladly accept it. If the voices of the regions which reflect the needs of

the people in those areas in a concrete and specific way do not come to us, I do not want a part of this particular program.

We are establishing federal economic co-ordinators who will work with the Provinces and the people in the regions in order to develop through co-operation the programs that best relate to the specific difficulties that are being faced by our most impoverished regions of Canada. Perhaps his alternative is to centralize the whole bureaucracy even further in Ottawa. If that is the Conservative alternative, which is what the Hon. Member was saying, then I want Canadians to know that specifically.

A third point the Hon. Member made was that small business will be left out of the new initiatives and that only big business will benefit. What proof does he have for that assertion? Surely by putting the small businesses and the federal economic development co-ordinators together in the particular regions, additional access for small businesses will be created so they can go to the table to negotiate and become involved in the process of setting our regional priorities. It was far more difficult for small businesses from the various regions to come to Ottawa. Instead, we are going to the regions and making this access available. This is a third instance where there is confusion, deliberate misrepresentation or simply total ignorance of exactly what we are trying to do. Again, no constructive alternatives.

● (1200)

Fourth, we have tax incentives versus grants. In essence he said he favours tax incentives to grants. This is a motherhood statement when you look at the record of our Government and particularly at the last budget. What did we do? There were enhanced tax incentives to all businesses and to the private sector in Canada in terms of enriched investment tax credits whereby those companies wanting to expand could receive greater benefits. We also saw a program where research and development was enhanced for the introduction of new technologies. We had before that budget the most generous tax program in the world for introducing new technologies in the private sector. We enhanced those provisions in the budget in a way that will particularly assist small businesses. They will be able to transfer their excess tax advantages to investors to attract new capital.

I am not interested in theoretical arguments about whether tax incentives or grants are best. We all favour a generous tax incentive program that will enable the private sector to set its own priorities, and that is exactly what we have done. Did the Hon. Member propose any alternatives to us? Did he specify where he wants to see small business given additional tax breaks in addition to those already in existence? This is the Member who has been complaining so much in the past about the level of the deficit. I want to see what those specific alternatives are and where we wants to enhance the capacity of small business further.

Let me say something about grants. I prefer, and this Government prefers, that we have tax incentives instead of grants. There is no question about that. But grants do have a very important role to play. Hon. Members should talk to companies that once were very small, such as Mitel, which have benefited from grants and have had opportunities to expand and become very large. Yes, there will be problems with grants. They require a decision by Government. There is not one small-business person to whom I have spoken who would ask us to do away completely with grants that assist small businesses, new entrepreneurs and, those people who otherwise would have no tax advantage to speak of. If you think that every grant we give will result in a successful operation, Mr. Speaker, that is absolutely wrong. We must not be afraid to have certain failures in these areas. By using grants in certain cases we are expressing faith in Canadian entrepreneurs. I make no apology for that. I particularly make no apology for doing that when it comes to entrepreneurs in the developing regions of Canada.

I think we have demonstrated that this approach of the Opposition is not one based on fact or on one dealing with the specific realities of the Bill before us; rather it is one based either on misrepresentation or total ignorance. It is an approach based on an attempt to replace co-operation in solving our national problems with partisan bickering. I hope that as legislators we could determine that the good of the people of Canada, those who send us here, is more important than this partisan approach in dealing with our problems today.

Having said that, Mr. Speaker, I would like to talk about some of the specifics of this Bill as they relate to our Government's commitment in dealing with the regional economic problems of Canada. Before the reorganization, the responsibility for regional economic development was contained in one Department, the Department of Regional Economic Expansion. This was a bold, new initiative and it had many successes under our Government. We have felt for some period of time that this important initiative cannot be left to only one department, that it is one where the responsibility has to be expanded. Therefore, we have attempted through this Government reorganization to create a new Ministry called the Ministry of State for Economic and Regional Development, "regional" being the important word, and to put the emphasis on the regional aspect of the economic development program.

What does this mean in concrete terms? Instead of just one Minister for DREE as in the past, we will have every Minister with an economic portfolio involved in the regional aspects. Second, we will have the economic and regional development committee of Cabinet with all of the economic development Ministers having the regional aspect as a chief priority on any decision that goes before that committee. What we have done is make the responsibility not that of solely one Minister or Department but one of all the economic Ministers and the very important co-ordinating committee chaired by the Hon. Minister to whom I report. This is a very concrete step forward.

The implementing tool of this type of approach will be, as you have already heard, Mr. Speaker, the placement of a federal economic development co-ordinator in each province. The co-ordinator will be responsible for implementing our

programs. Second, co-ordinators will be responsible for reporting back to Ministers on every economic priority of the particular region and Province. They will be co-ordinating and chairing economic development committees involving citizens and, provincial representatives in order to determine what the priorities are in each region. Then at the Cabinet level, those regional priorities can be co-ordinated with our national priorities and national goals. I do not apologize for putting those important decision-making and consultative functions at the provincial and regional level. On the contrary, I applaud this move. I would hope that Members from the Opposition would at least recognize that this is a step forward and has many benefits. It will help us here in Ottawa to determine what our local and national priorities are but more particularly it will help the people in the regions to make their views known.

Another aspect is to replace the general development agreements with new agreements called economic and regional development agreements. These new agreements, to be entered into with each of the Provinces, is another attempt by a federal Government to demonstrate our respect for provincial and regional economic priorities. We feel the way to work these out is in co-operation and consultation with the various regions. My Minister has already entered into extensive consultations with six Provinces. Others are slated for the future.

Another concern I have heard expressed is that we no longer have a regional fund available to devote to priorities as determined by the particular regions and in the particular regions. Let me refute this very strongly. For example, in Atlantic Canada in 1981-1982 the amount of funds committed was $155.9 million. This year, 1982-1983, under the new system we are devoting $214 million, a large increase. Comparable figures for Quebec are rising from $98 million to $124 million; for Ontario, from $33 million to $40 million; and for western Canada, from $94 million to $101 million.

• (1210)

The Hon. Member for Etobicoke Centre told us that he resented the increases in the funding we are making available. I hope he has the courage to visit the particular regions which have been benefiting and to tell them that we are wrong to be setting an economic priority on their particular development needs.

I do not regret the fact that we are undertaking these initiatives in consultation, co-operation and on a co-ordinating basis with the regions and the Provinces. We will be able to parallel our regional incentives programs with those of the provincial Governments. Is that not the way it should be done? There is no reason that these programs should be in conflict. Surely the interests of the Provinces are our interests when it comes to this type of economic development.

Another aspect which the Hon. Member for Etobicoke Centre criticized was the fact that we allocated $75 million this year, and at least that many dollars in succeeding fiscal years, to target specifically on DREE-style projects that involve multi-sectoral planning in particular regions. This fund of $75 million will not be subject to the arbitrary whim of the Government because we have set criteria for it. Those criteria are public and the allocation of the funds will be public. They will go—and we have stated this specifically—only to the poorest regions in Canada. The purpose is to give them projects to help them create infrastructure which will aid them in recovery. They will be applied on a graduated four-tier scale basis aimed selectively at particular sub-regions which need them most. We will be able to use these funds to lever and buttress the efforts of the private sector to bring about development. Surely this is the best way to create lasting jobs; surely this is the best way to give people the skills to use the resources of the private sector and work in co-operation with it.

All the changes I have mentioned are, to my way of thinking and certainly to the Government's way of thinking, positive moves in an attempt to deal with the difficult problems we face in Canada today. In addition to these funds, the new system of consultation, the new system of respecting local needs, the new delivery mechanism and consultation method through federal economic development co-ordinators in each region, Canadians should not overlook the fact that we have a system of equalization and economic opportunity in Canada that has been worked out over many years but which I think is a very noble, worth-while and effective approach. It is one in which the six poorest Provinces in Canada receive federal transfers from all taxpayers to bring their standard of living up from between 57 per cent and 79 per cent of the national average to between 90 per cent and 99 per cent of the national average. This is the essence of what Canada stands for—co-operation and sharing. This is something of which we as Canadians can be extremely proud. It is a right and a principle we find enshrined in our new Constitution.

[*Translation*]

Finally, I would like to say that what we are proposing in the legislation before the House should increase our ability to serve Canada's regions and Canadians.

[*English*]

Mr. Deputy Speaker: Are Hon. Members rising to ask questions of the Hon. Member who has just spoken? The Hon. Member for Peterborough (Mr. Domm).

Mr. Domm: Mr. Speaker, I rise on a point of order concerning the proceedings today. I do not wish to detract from the opportunity to ask questions of the Hon. Member for Willowdale, (Mr. Peterson), but I would like to point out that there could be a dress or undress problem in the House today. I know there is very little in the records dealing with Hon. Members wearing short sleeves in the House of Commons, but there is a definite reference in Beauchesne to the "conservative, contemporary standards" of dress which are acceptable in the House. Also I draw attention of the Hon. Member for Kootenay East-Revelstoke to some of the debates on dress which have taken place in the House. It would be a sad day when the House of Commons accepts short sleeves—

Mr. Deputy Speaker: Is the Hon. Member referring to the Hon. Member for Kootenay West or the Hon. Member for Kootenay East-Revelstoke?

Mr. Domm: Perhaps I made an error. It is Kootenay East-Revelstoke, is that not right?

Mr. Deputy Speaker: No.

Mr. Domm: I apologize to the Hon. Member for Kootenay East-Revelstoke (Mr. Parker). I am referring to the dress of the Hon. Member for Kootenay West (Mr. Kristiansen). This question has arisen in the House of Commons and appeared in *Hansard* a long time ago. The Speaker at the time said that he would be sorry to see Canada resort to making our policies in short sleeves, referring to the business of the House of Commons. I realize there is a fine distinction between dress and undress—

Miss Jewett: I protest.

Mr. Domm: —but I think we would be treading on rather thin ice if we adopted a policy in the House of Commons which allowed Hon. Members of Parliament to attend in short sleeves while debating issues in the House.

Mr. Epp: What about Flora?

Mr. Domm: Mr. Speaker, I am referring to a male Member. I realize there is a distinction between men and women in the House. I would like to refer to citation 244 of Beauchesne's Fifth Edition which reads:

> The Standing Orders of the House are virtually silent on the subject of Members' dress. S.O. 28 requires that a Member who wishes to speak must rise in his place uncovered. While the wearing of hats in the Chamber has a respectable historical tradition, Speakers in recent years have frowned on unorthodox headgear. Beyond this, Speakers have enforced conservative, contemporary standards in the House.

I suggest with all due respect that a short-sleeved safari shirt or jacket over top of another shirt is hardly considered to be "conservative, contemporary standards" in the House.

Mr. Deputy Speaker: The Hon. Member for Peterborough raises a matter which is not easily resolved by the Chair. The Chair prefers, if possible, to ask Hon. Members to use their own good judgment, according to their own conscience, on contemporary standards of good taste in the House. I note the Hon. Member for Kootenay West (Mr. Kristiansen) came into the Chamber in the attire described—and the Chair would not attempt to be more precise—but I also note that the Hon. Member subsequently entered the House with a more conventional jacket. I have no further observation to make.

Mr. Lambert: They are still short sleeves.

Mr. Deputy Speaker: I feel the point concerning dress has been made. In the interests of the debate and in the interests of Hon. Members, the Chair would like to put an end to the discussion by simply stating that the Chair hopes Hon. Members will at all times observe contemporary standards of good taste in their dress.

Mr. Kristiansen: Mr. Speaker, I certainly accept your comments in the spirit in which I believe you made them. I would like to correct the record by stating that I happen to be dressed in exactly the same way as I was when I entered the Chamber earlier. Mr. Speaker may not have perceived that; anyone can make a mistake. As to the matter of sexual equality, I would not deign to show my knees in the House, but I certainly think my elbows are as attractive as those of the other gender. I do not see a problem. Apart from that, it is well past the time that we in the House rolled up our sleeves and did some work.

Mr. Anguish: Mr. Speaker, I would like to direct a question to the Hon. Member for Willowdale (Mr. Peterson) regarding the tier system about which he talked and how it relates to regional economic development. I am quite concerned that different tiers can occur within different areas of a Province, but I think there is some inconsistency in terms of establishing on what tier a certain area is.

● (1220)

The area that I represent, The Battlefords-Meadow Lake, is on a lower tier of that four-tier level. If the tiers are based on need and the highest tiers have the highest needs, they therefore get the first preference on funds, grants and economic development. As the Hon. Member is the "buddy" Liberal Member for The Battleford-Meadow Lake, he knows that unemployment and economic development is in a very sad state in the northern part of Saskatchewan, especially from Meadow Lake north. In fact, some communities there have in excess of 90 per cent unemployment.

I want to ask whether there is some way of reassessing the tiers and whether they can be re-evaluated. A certain area may have inadvertently been put on a lower tier than it should be. Can that be reviewed and reassessed to a higher tier level?

Mr. Peterson: Mr. Speaker, I am very pleased to receive the representations of the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). Having a very specific and close interest in his riding and the good people of that riding, I will certainly undertake to work in a constructive way to ensure that their needs within the over-all priorities are respected.

I look forward to the opportunity of co-operating with him to ensure that the tier system and the approach we are taking of implementing our programs will be effective. I very much welcome his question and his representation on increased collaboration and co-operation in this area.

Mr. Nowlan: Mr. Speaker, I would like to direct a question to the Parliamentary Secretary to the Minister. As the Parliamentary Secretary knows, there were other elements of his speech which I found interesting and, of course, some which I found controversial. I will not get into the elimination of DREE, which is really the heart of the Bill before us in terms of reorganization. There are many aspects to it, such as the external affairs merging with the trade aspect. In effect, there is the elimination of DREE. The real question that concerns many people in Atlantic Canada is how attention will be

focused on regional problems with the elimination of departments set up to study and resolve them.

My question is not on that broad issue. It is about the element in the Bill that will allow senators to become parliamentary secretaries. I want to ask this Parliament Secretary what justification, under the greatest parliamentary interpretation, is there to have senators become parliamentary secretaries under this Bill? This Member is not a bad Parliamentary Secretary, as far as that goes. Will he use the intellectual acumen that he sometimes displays, stand up in the House and say that the reason this reorganization Bill will allow senators to become parliamentary secretaries, which is almost a contradiction in terms, is that there are no Members on the other side of the House who have the ability, acumen or competence to be such creatures?

Mr. Peterson: Mr. Speaker, I have two comments. First, I will take the Hon. Member's comments as a repesentation that he would very much like an appointment to the Senate. I, along with all Members of this House, have been very impressed with many of the representations he has made in the past. We look forward to long service on behalf of the people of Canada from this Member in whatever House.

I want to respond to the preamble in which the Hon. Member indicated that the abolition of DREE will not enable the Government and the people of Canada to focus on regional economic development concerns. I make the following points.

Yes, we have eliminated that one ministry, but we have created a new ministry to replace it. The new ministry replacing it is the one headed by the Minister of State for Economic Development and Minister of State for Science and Technology (Mr. Johnston). In that capacity, he will not be working alone; he will be using his role as chairman of the economic and regional development committee of Cabinet to co-ordinate the efforts of all the Ministers who have an economic portfolio. In this way regional development needs will become priorities. There will not be as in the past just one Minister, but many Ministers plus a whole Cabinet committee, plus the ministry itself.

What we have done is augment Cabinet's capacity to deal with the specific issues in the regions, including the region the Hon. Member is particularly concerned with, Atlantic Canada. Second, we have given increased funding to deal with these areas. Third, we have a new mechanism so that decisions are not made on all of these projects here in Ottawa.

We have very strong co-ordinators in each of the regions and Provinces so that we will be closer to the people, closer to small business, closer to provincial needs as determined by the provincial Governments. We will be closer to the people who have the input to make.

Mr. Nowlan: What about the parliamentary secretaries?

Mr. Lambert: Mr. Speaker, I would like to ask the Parliamentary Secretary whether he feels that in the last 20 years there has been a substantial playing of musical chairs with, among others, DREE. In 1964 we saw the coming forward of the Department of Industry, Trade and Commerce as the logical spin-off from Trade and Commerce. Ultimately we saw the development of DREE as a full Department. I trust the Parliamentary Secretary will note the hundreds of millions of dollars that have been poured into various regions of the country with, admittedly on his own remarks this morning, little or no effect. He claims that we still have a real problem in Canada.

Will the Parliamentary Secretary tell me how this new section of a Department with provincial commissioners replacing former provincial directors, who allegedly were to work with the provincial Governments, will improve the situation? Will we not see a continuation of the pouring of hundreds of millions of dollars into bottomless wells?

Mr. Peterson: Mr. Speaker, in responding to the concerns of the Hon. Member for Edmonton West (Mr. Lambert), it would be irresponsible for me to claim that every bit of federal money spent in a particular region will produce the benefits that all of us would hope. We are human beings. Just because there is that challenge, it does not mean that we should give up our efforts of trying to maximize the return to all taxpayers, particularly to those in the region affected, those who want the jobs, those who are looking to the projects that we, in co-operation with other groups fund in order to build a better economic infrastructure.

The prospect of failure should not deter us. Rather, as the Hon. Member is suggesting, it is something that requires mechanisms to try to minimize the possibility of failure. This is why I believe that the new system with the federal economic commissioners in the region, working with the people on the spot who best know the priorities, difficulties and concerns, in consultation not only with the provincial Governments and among the federal Departments but with the private sector, with citizens and businesses in that particular area, will minimize those situations in which the return is not exactly what we would hope.

Lastly, and I think this is important, in the last year of operation DREE has a budget of $680 million. This represented only 8.8 per cent of the federal Government's total economic development spending of about $7.7 billion. With this approach, we are not only enhancing the mechanism to ensure that the Hon. Member's concerns are met, but we are also increasing in hard dollars our commitment to our concern for the people in those regions.

• (1230)

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I am very pleased to have the opportunity to participate in this debate. I appreciate the excellent comments that have been made by all of my colleagues who have preceded me.

The division of DREE into two parts and its burial in two other departments of Government is not a matter for rejoicing in the areas of Canada that suffer most from problems of regional disparity. With the passage of this Bill, the Government's commitment to addressing the problems of regional

disparities will reach an all-time low because there will be no one department of Government with a mandate to attack the problems of regional disparity as differentiated from national development.

In economic development there are federal responsibilities, provincial responsibilities and shared responsibilities. The provincial Governments in the wealthier Provinces are better able to discharge their responsibilities than are Governments of less wealthy Provinces. The general development Agreement recognized this and provided for assistance from the federal Government to less wealthy Provinces in order to help them in their development efforts. The weakness of the general development agreement was that it did not provide for the integration of programs in the area of federal jurisdiction into the total development effort of the Province.

Divided responsibility for economic development should be recognized and the need to co-ordinate federal and provincial efforts should also be recognized so that all development activity is oriented to the achievement of common objectives. The federal Government should have a primary interest in regional economic development since it is only through an effective federal regional development effort that Canadians in all parts of the country can achieve reasonably similar employment and income levels.

Also, in the less wealthy Provinces it is only with federal Government assistance that smaller areas of high unemployment and low income can move toward national standards. In addition, the achievement of these goals can mean the reduction of transfer payments and real savings to Canadian taxpayers.

DREE followed a sound strategy when it focused on growth centres within depressed regions, but in later years it has signalled a departure from the practice of building on strengths. A classic example of this occurred in New Brunswick where the Fredericton-Saint John-Moncton triangle was excluded from the 50 per cent tax investment credit. This scattergun kind of approach is inefficient and unreliable. It may involve heavy expenditure on infrastructure and incentives only to have the subject collapse or require permanent subsidization because of conditions in a particular industry or company. Almost inevitably, moreover, the case by case approach ignores provincial planning and priorities. It is not surprising that DREE's greatest success has occurred under the auspices of the general development agreements.

The decision of the Government to allow existing general development agreements and the subsidiary agreements under the umbrella provisions of the GDA's to expire on termination is indeed regrettable. Last year in New Brunswick all of these agreements had expired except one, and that agreement has either expired very recently or is just about to expire. Its replacement is not in effect, and during the budget speech of the New Brunswick Legislature the Premier of New Brunswick underscored the great difficulty he and his departments have had in developing a new framework agreement.

Nothing could be simpler than the general development agreements themselves and nothing could be more appropriate to the needs of the areas being served by the subsidiary agreements than those agreements which in fact are the product of negotiation by the two levels of Government involved. To replace DREE in part with the Ministry of State for Economic and Regional Development and require it to inflict a developmental dimension on other departments of Government is to ask a fly to chase an elephant.

The fanfare that preceded MSERD is a lot of bureaucratic jargon. Unless the Prime Minister of Canada (Mr. Trudeau) personally heads up MSERD and unless he personally leads the attack on regional disparity, line departments of Government in times of restraint have not, and bureaucrats will not, accept any challenge other than the bare bones responsibilities of their departments of Government which now exist.

The absence of a single department or Minister exclusively committed to regional development does not augur well. The mandate to foster development in all regions is doubletalk. It is the negation of a concerted attack on regional disparity. In that sense it can truly be said that MSERD is absurd. The reference to regions in which opportunities for productive employment are exceptionally inadequate is hopelessly vague, and in any case, it appears last among the Minister's principal duties. There is no assurance that the Special Areas Act will priorize genuinely regional as opposed to local underdevelopment.

The principle that all Government departments will be sensitive to regional needs is fine in theory and particularly appropriate now that regional equality is a goal enshrined in the Constitution, but it is meaningless without a specific designation of responsibility within each department. We have strong evidence that the opposite is likely to occur.

An obvious priority for regional development is the identification of possible foreign markets and the establishment of contact with potential foreign joint investors who already have their own market contacts. Yet that portion of the old Department of Industry, Trade and Commerce with international expertise is now going to External Affairs, which is not likely to give much attention to the needs of the Atlantic region per se unless specifically directed.

Moreover, it is clear that the Government has less determination than ever to co-ordinate its initiatives with those of the Provinces. It still has no designated successor to the general development agreements in place across Canada despite the fact that the Department has been in existence for over a year and that the ones completed are not an improvement over the ones which they have replaced. It proposes a regional development fund which invites a political and bureaucratic free for all; a search for sure winners rather than a consistent long-term policy.

The removal of the New Brunswick development office out of the capital city of that Province is a totally gratuitous slap at the ideal of intergovernmental co-ordination. The fact is that economic development in the Atlantic region can occur only when its unique conditions and opportunities are the central focus of policymakers. For example, it is clear that successful enterprises will be medium to small in size and that

the most promising new manufacturing opportunities are related to technological changes in its own major primary industries.

There is no reason the Atlantic region should not be internationally competitive in the manufacture of fisheries hardware and marine equipment or a leading innovator in the use of marine resources. There are regions in the world with far less capacity for growth which nevertheless exceed our own accomplishments; the difference is that the development of their potential is a political priority.

Where in this legislation is the impetus for more policy specialization in unique regional circumstances? Nowhere, I fear. In its mad march to win political points and have the federal Government do its own compact piece of work so that all can look at it in wonder, the federal Government has made one basic mistake. Its industrial development program relies almost entirely on resources within provincial jurisdiction. The consultative process is mandatory and important. It is not taking place.

● (1240)

Let me say a word about the federal Government's quest for more credit and visibility in the regional development projects it supports. Within reason this is legitimate but I fear it has become almost an indecent obsession. Clearly, this is a primary motive for the disengagement from general development and subsidiary agreements, even those that have proven their effectiveness. The Senate committee, its Liberal majority included, has concluded that there are very few circumstances where it is best for the federal Government to fly alone, but fly alone is now its primary policy.

What is the source of this obsession? Have the Leaders of the Government developed such a siege mentality in their war with Quebec separatists that they think Canadians will be loyal to the national state only if they are beholden to the federal Government? Is every provincial Government that steals a little more credit than it should working for the break-up of Canada? The Bill will give the Minister of State for Economic Development (Mr. Johnston), as the nominal ringmaster of the circus called the Cabinet Economic Development Committee and keeper of the mysterious Regional Development Fund, the legislative power to create a bureaucrat's dream. The federal Government will be able to reset provincial priorities through the powers of the purse and get all the credit for the moneys spent in the region to boot. It will also bear the responsibility and reap the whirlwind.

It may well be that political will rather than the structure of the Government will determine the success of regional development policies, but it does not appear to me as if the proposed changes can accommodate priorities like the following for the Atlantic region.

First, in concert with the provincial Governments, a new emphasis on managerial and manpower training and research and development geared specifically to viable small industries to enable them to compete in national and international markets.

Second, financial incentives for such viable enterprises wherever they can be best located within the region. In other words, treat the region as a region and the provincial communities as communities.

Third, immediate reform of Government purchasing practices, not to favour the inefficient, but to counteract systematic discrimination against smaller and more distant firms.

Fourth, immediate action to identify and seize ocean and marine related manufacturing opportunities where the Atlantic region can become internationally competitive.

I believe this Bill should be amended to define "Underdeveloped region" in terms of its provincial context, to specifically require the Minister to co-ordinate and report to Parliament on the attention being focused by all Government departments on regional underdevelopment and to restore the Government's obligation and mandate to enter into general development and subsidiary agreements with the Provinces.

Hard times have brought us to the end of an illusion that dependency is a satisfactory answer to regional disparity. Not only is it futile, it is defeatist. It assumes that Canada's least affluent region, the Atlantic Provinces, has no real future, that it lacks the resources and the opportunity to establish greater self-sufficiency.

The fact is that modern communications and other technology development provide the opportunity to overcome the large locational disadvantage from which the Atlantic region has suffered for much of the last century. If the Government of Canada does not act now it will be because of the political weakness of the region, a simple but tragic numbers game. Such an attitude would make a mockery of the Government's claim to be committed to national unity and to regional development. I would like to think its intentions are higher, but I do not see it in Bill C-152.

Mr. Deputy Speaker: Are there Hon. Members who are seeking to ask questions? The Hon. Member for Churchill (Mr. Murphy).

Mr. Murphy: Mr. Speaker, I should like to agree with a few of the remarks of the previous speaker. Coming from northern Manitoba, one of the underdeveloped regions of Canada, I agree that the death of the Department of Regional Economic Expansion is bad news for people in the underdeveloped areas. I also agree with the Hon. Member's remarks regarding the decision of the Liberal Government not to renew the general development agreements and the subsidiary agreements. One of those was the Northern Development Agreement in northern Manitoba. We were lucky to beat the Liberal deadline and have a new agreement in place worth $186 million to the region over the next five years. The death of that type of agreement is bad news for every part of Canada where there is an underdeveloped region.

The critic for the Conservative Party, who spoke earlier did not speak about regional development and did not talk about special programs for the underdeveloped areas. I should like to ask the Member who just spoke what the Tory position is. Is

that Party saying it will reinstitute the Department of Regional Economic Expansion? Is the Hon. Member saying that a Conservative Government would reinstitute general development agreements?

Mr. Howie: Mr. Speaker, I should like to thank the Hon. Member for his kind comments. Policy is an ongoing, developmental process within this Party. The last words spoken on this matter were spoken by our former Leader in Halifax, Nova Scotia, I believe, when he said that the Party's position was that the Department of Regional Economic Expansion would be reinstated. It is difficult to foresee the future but I anticipate that carries with it the general development agreements and matters of that nature.

There is a very real position in development for grants, contributions, loans, guarantees, loan guarantees and tax incentives. I have spoken twice in the House on tax incentives for expenditures for capital and for labour. I think that programs of this nature are extremely important.

Another attractive program that I would mention is the DISC program that operates in the United States. That would be an interesting program for us to consider. It is essentially a free trading area for our great ports along the Atlantic and Pacific seaboard that would enable us to operate assembly plants, to import, without tariff charge, goods made by developing nations of the world and to include Canadian technology and Canadian content in order to help regain some of the world markets we have lost in the last few years. Development of this type of port in the Atlantic Provinces, for example, would be a great incentive to our export trade and would enable us to put more Canadians to work in those Provinces.

I think the jobs would be permanent and that they would expand as our Canadian technology continues to grow. In some areas this is the best in the world.

I appreciate the contribution made by the Hon. Member and I thank him for it.

Mr. Deputy Speaker: A short supplementary question by the Hon. Member for Churchill.

Mr. Murphy: Yes, I have a very short supplementary question, Mr. Speaker. The Hon. Member spoke about the position his former Leader took when he spoke in Halifax. I wonder if the new Member of the House, the Hon. Member for Central Nova (Mr. Mulroney), spoke about DREE and the general development agreements during the recent by-election and, if so, what he said?

Mr. Deputy Speaker: That is hardly a short supplementary. Does the Hon. Member for York-Sunbury (Mr. Howie) care to comment?

Mr. Howie: I think that I essentially answered the Hon. Member's question when I spoke before. I cannot recall everything that was said during the by-election in Central Nova. As a matter of fact, the by-election was not very well reported in my area of New Brunswick. I read the papers and saw that some 11 Cabinet Ministers went down to help elect a Conservative as the Hon. Member for Central Nova. They were very successful.

Mr. Breau: Mr. Speaker, I wonder if the Hon. Member could clarify something. In answer to the Hon. Member for Churchill (Mr. Murphy), I thought he inferred that under this Bill the reorganization would do away with general development agreements. Did I understand him clearly to interpret the reorganization as suggesting that no more general development agreements would be signed? Is that his position?

• (1250)

Mr. Howie: The Hon. Member for Gloucester (Mr. Breau) has correctly interpreted my interpretation of the Bill. I raised the matter with the Minister at the MSERD committee. The Minister indicated he had a schedule to develop new framework agreements, the nature of which he was not able to explain to me, which will replace the general development agreements. The general development agreements have for the most part lapsed. All of the subsidiary agreements in New Brunswick have now lapsed.

During the recent debate on the budget legislation the Premiers indicated they had great difficulty developing a new agreement with the Minister. Being a senior member in the Government department and very responsive to the needs of New Brunswick I hope the Hon. Member will join with me in urging the Minister responsible for economic and regional development to proceed with all due haste to try to put in place some new development agreements to replace the ones which have lapsed in New Brunswick.

Mr. Breau: Mr. Speaker, I did not ask the Hon. Member what he had or had not talked about with a Minister. Could he show me in this Bill where he sees any change in the statutory position of general development agreements? Could he show me in this Bill where there is anything said which would change the status legally or otherwise of general development agreements?

Further, Mr. Speaker, I hope the Hon. Member will correct the misinformation which he just gave us, I am sure unintentionally, that all of the subsidiary agreements under the GDA in New Brunswick had lapsed. There is at least one agreement which has not lapsed and which is continuing. There are negotiations on at least three others which are still going on. There has been no decision by anyone, to my knowledge, and I follow this very closely, that there will not be a new general development agreement signed for New Brunswick.

Mr. Howie: Mr. Speaker, I find it difficult to follow the Hon. Member's question, but I will try to clarify my remarks for him. This Bill abolishes the Department of Regional Economic Expansion, which has been the only Department of Government dedicated to the development of regions in the country which suffer from problems related to disparity. Second, it buries the Department and splits it in two. The operative part of the Department now goes to DRIE and the part which dealt with general development agreements, the

Minister of State for Economic and Regional Development, is now a new Department.

The policy announced by the Minister in the new Department is that he is going to let general development agreements die. They have died. They are dying. The one in New Brunswick to which the Hon. Member refers has one remaining component. I accept the Hon. Member's statement that one out of more than 18 remains. It will be news to the Hon. Member but it will die also this year. Then there will be none. When they are all gone, there will be none left. What takes its place?

The Premier of New Brunswick says he is having great difficulty negotiating a new agreement to take the place of the general development agreement. I accept that. It is reported in the press. It is in the synoptic reports of the New Brunswick Legislature. We can stand here all day and quibble about when the one subsidiary agreement is going to die. I would choose instead to urge on all Hon. Members who represent New Brunswick—the Hon. Member is the only one on the opposite side of the House here today, in fact the only one from the Maritimes, and I commend him for his attention and interest—that what we must do is stop playing silly games, get this Minister off his butt and down to New Brunswick to get a new agreement with Richard Hatfield so we can do something for that Province.

Mr. Breau: Mr. Speaker, I know there are problems in developing a new general development agreement in New Brunswick, but the Hon. Member should know that one of the reasons is that since his last provincial election the Premier has not seen fit, nor his government, to allocate any money for regional development.

My question did not deal with the statutory base of DREE. I was asking the Hon. Member a very clear question. Where does he see in this Bill the statutory base or the statutory position of the general development agreements change? They are not affected at all by this Bill, so the Hon. Member should stop confusing the issues. I would like the Hon. Member to show me where they are changed and if not—

Mr. Deputy Speaker: The Hon. Member has made his point.

Mr. Howie: Mr. Speaker, the Hon. Member has asked this question before and I have tried very hard to answer it. The abolition of DREE is accomplished in this Bill and a new department, one of the purposes of which will be to deal with the subject of general development agreements, is created. The Minister of that department has indicated that general development agreements will die. Facts are facts. I believe we must stop playing games with words and recognize the fact that general development agreements as we have known them are done. Let us take it from there and instead of playing silly word games, let us get on with the business of building Canada and building our regions.

Mr. Deputy Speaker: I hesitate to interrupt but the period allotted to questions and answers has expired. The Chair calls to the attention of Hon. Members at this point that the next speaker to be recognized will be the last having a limit of 20 minutes with a 10-minute question and answer period. Subsequent speakers will be limited to ten minutes only.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I see by the clock we are fast approaching the luncheon recess. However, it is a privilege and a pleasure for me to make some remarks on this Bill which is of great importance to a great many of our areas, if not all of them.

I have had the privilege of being member of the committee on DREE for a number of years now and, of course, have questioned many Ministers who have held that portfolio. DREE, I believe, was instituted first, Mr. Speaker, back in 1969. As an Hon. Member representing the riding of Parry Sound-Muskoka, which, I must say, is not in the highest economic bracket across this great Dominion of Canada—I still say that, although I see smiles from some of my colleagues—I have no doubt that DREE has in the past contributed directly to the disadvantaged areas. I am one of those who share considerable concern at the doing away with DREE in itself as a regular department, and in spite of the wonderful statements made by the Minister of Industry, Trade and Commerce (Mr. Gray) this spring and later that it is going to be much better, well, I am from Missouri and am looking forward to seeing the concrete proposals which will be made.

In the past, and again in my particular area, I have been put in a tough spot because half my riding is eligible for DREE, that is, the territorial district of Parry Sound, and the other part of my riding, the regional municipality of Muskoka, has not been eligible. Of course, when you come to that boundary, that borderline, I am going to tell you that the haves and the have-nots take a very dim view of it. However, under this new set-up and tier system, the District of Parry Sound is in territory three which, from reports, will be provided grants which may even be slightly higher. The regional municipality of Muskoka goes into a lower tier but at least will be eligible for capital grants and for other advantages which they were denied before.

Needless to say, Mr. Speaker, they take a jaundiced view. The mayors of the various municipalities and the regional municipality of Muskoka and, of course, their industrial commissioners feel they have been left out in the cold for a very long period of time and, therefore, should have their place in the sun at the same percentage or on the same tier as the district of Parry Sound. I have assured them that at least they have their toe in the door and they are going to get something. Of course, it depends on the economy.

Mr. Speaker, I see it is one o'clock, so may I call it one o'clock?

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

* * *

NEW MEMBERS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of the following members:

Of Mr. Brian Mulroney, for the electoral district of Central Nova.

Of Mr. Gerry St. Germain, for the electoral district of Mission-Port Moody.

* * *

NEW MEMBERS INTRODUCED

Brian Mulroney, Member for electoral district of Central Nova, introduced by Hon. Erik Nielsen and Hon. George Hees.

Some Hon. Members: Hear, hear!

Gerry St. Germain, Member for the electoral district of Mission-Port Moody, introduced by Mr. Brian Mulroney and Mr. Chuck Cook.

Some Hon. Members: Hear, hear!

[*Translation*]

WELCOME TO NEW PAGES

Madam Speaker: I also wish to welcome our new group of pages who are commencing their duties today in the House.

Some Hon. Members: Hear, hear!

[*English*]

Madam Speaker: The House has already applauded the pages who are beginning service today in the House of Commons for the entire year. We hope with all our hearts that they have a good year among us and that they learn a lot from all of us.

Some Hon. Members: Hear, hear!

* * *

● (1410)

[*Translation*]

THE LEADER OF THE OPPOSITION

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker—

Some Hon. Members: Hear, hear!

Mr. Trudeau: —as you see, a spirit of benevolence pervades the House today. Perhaps you will allow me to say a few words, in addition to the welcome extended from this side of the House to the new Leader of the Opposition. I would like to address a special word of welcome to the two new Members who have just joined the House. I am told that the Member for Mission-Port Moody (Mr. St. Germain) is perfectly bilingual. Madam Speaker, I can give the Hon. Member the assurance that, in this House, all Members are on an equal footing and that we on this side intend to be as attentive to his words as to those of the other Hon. Member who has just joined our ranks.

I would like to say a very special word of welcome to the Right Hon. Member for Yellowhead (Mr. Clark). I would like to congratulate him on the duties he will be taking up at York University. However, I hope that his responsibilities there will not keep him away from the parliamentary scene, because as emeritus leader his position is a very honourable one and we intend to show him the respect he is due.

[*English*]

You will understand, Madam Speaker, if I say that, standing in this place, I feel a little bit that we are witnessing the onslaught of history. When I first came into this Chamber we on this side were faced by a very formidable Leader of the Opposition, the former Member for Prince Albert, the Right Hon. Mr. Diefenbaker. But he stood alone as leader on the other side.

On the other hand, very soon after I stood in this place, I was faced by the Leader of the Opposition who was then Mr. Stanfield. But he was flanked by his former leader, the Right Hon. Mr. Diefenbaker. It then came the turn of the Right Hon. Member for Yellowhead (Mr. Clark) to lead his Party. He was flanked not by one but by two former leaders, Mr. Diefenbaker and Mr. Stanfield, who stood by his side to assist him.

Now, as we see the Member for Central Nova (Mr. Mulroney) take on his duties as Leader of the Opposition, he is not only flanked by the Right Hon. Member for Yellowhead but also by the Hon. Member for Yukon (Mr. Nielsen) who was interim Leader of the Opposition. I dare say there is a third leader—at least his ghost is still in this place and we feel it often—the former Member for Prince Albert who, I am sure, will be here to assist the Hon. Member for Central Nova.

We are very happy to welcome the Hon. Member for Central Nova. I am sure he will forgive us if we say that we have even greater pleasure at the presence in the gallery of Mrs. Mulroney.

Some Hon. Members: Hear, hear!

Mr. Trudeau: The Hon. Member for Central Nova has come a long way from that log cabin in Pictou County. I see that he has put away his rumpled trousers and old sweaters, to be brought out again at the next election. In the meantime it is nice for us in this Chamber to be able to bask in the glow, in

the benign smile, of a man who sent such shivers of pleasure down the spines of the matrons all the way from Oyster Pond to Mushaboo.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I can assure him that we on this side of the House will endeavour to be every bit as helpful to him as we have to his many predecessors.

[*Translation*]

As the great André Siegfried said, if you want to harm someone, too much praise is more effective than criticism. In fact, Madam Speaker, I think there is a Machiavellian plot afoot among members of the Press Gallery who seem to be out to destroy in this way the new Leader of the Opposition—he can count on us to render the plot ineffective. We are certainly not going to praise him excessively, because he is faced with a difficult and a historic task as leader of a party that has played a major role in the history of this country, and he ought to realize that the task that lies ahead will be a difficult one. I want him to know that we wish him the very best.

[*English*]

I also want to congratulate the members of the shadow Cabinet. I think it is fair to say that never has a more vaporous group of shadows ennobled this place.

This has been an occasion to talk about the man rather than the policies, so he will understand that I have gone on a little longer than otherwise would have been possible.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I can assure the Leader of the Opposition that we all wish him good luck, good health and, as they say in show business, "break a leg".

[*Translation*]

In French, the traditional expression is the "mot de Cambronne".

[*English*]

Hon. Edward Broadbent (Oshawa): Madam Speaker, in this world of constant flux I am glad to see that there are certain constants. The Prime Minister (Mr. Trudeau) has maintained his usual gracious and congenial disposition in welcoming the Hon. Member for Central Nova (Mr. Mulroney).

Some Hon. Members: Oh, oh!

Mr. Broadbent: Before I add my few words of welcome to the new Leader of the Conservative Party, I too would like to join with the Prime Minister in expressing the good wishes of my colleagues to the Right Hon. Member for Yellowhead (Mr. Clark), who is now teaching back at my old alma mater, York University—and right away I have written a warning note to all the students there not to pay too close attention. Quite seriously, though, I want to say that we do hope the Right Hon. Member for Yellowhead will continue to bring his concerns about the well being of our country to this important Chamber so that we will benefit from his views.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I think the new Member for Mission-Port Moody (Mr. St. Germain) will understand that in welcoming him I have several reasons for not elaborating on the point. Again most seriously, however, I do welcome him to the House on behalf of my colleagues and I am sure he will understand my comment when I say that I hope his stay will not be too long.

I now want to turn to the Hon. Member for Central Nova (Mr. Mulroney) to say that when he has been in Chamber for some time—we do not know for how long—he will know that he should not expect again the kind of greeting that he received from all sides today. I suspect this is a one and only shot, especially for a leader of a political party. But we do welcome him and wish him well in his personal concerns and in his activities in this Chamber.

● (1420)

I have noted, and for some time knew, that the Member for Central Nova was not only a working colleague but rather close to one of our former leaders in the Province of Quebec, Robert Cliche, an old friend of mine, a distinguished Quebecois and a distinguished Canadian.

I look forward to the days ahead in this Chamber, hopefully even today, when the Member for Central Nova will be just a wee bit more specific on some of his policy orientations. No doubt because of the little publicity he has had in recent weeks we have not had a detailed provision of his policy positions, but when he does reveal them I hope we will begin to note the impact on his life of Robert Cliche. I shall watch with interest.

[*Translation*]

And once more, I would like to say, very sincerely, as they say in Baie Comeau, bienvenue, bonne chance, but perhaps not too much of the latter!

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, first of all I wish to thank the Right Hon. Prime Minister (Mr. Trudeau) for his gracious and cordial remarks. There may have been some minor political differences between us in the past, as there certainly will be in the future, but nevertheless, I have always recognized that the Right Hon. Prime Minister is a man of great distinction, and I wish to offer him my sincere thanks for his warm welcome here today.

[*English*]

The Prime Minister has always been a man of great accomplishment and distinction. I was honoured by the thoughtfulness and the generosity of his words today. I wait with bated breath for tomorrow.

Some Hon. Members: Oh, oh!

The Leader of the Opposition

Mr. Mulroney: But I want particularly to welcome the Prime Minister back from Greece, and the Cabinet back from Central Nova.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I want you to know, Prime Minister, that during the summer, while you were otherwise occupied, it was a very pleasant summer for me. There was one untoward incident, only one. The Liberal candidate in Central Nova persistently referred to a candidate from Quebec who did not live in his riding but lived in a million dollar house rent free, and I defended you, Sir, regularly.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: I rose to your defence with an alacrity that surprised even me.

I was also delighted and interested to read in the weekend press, Madam Speaker, the fact that the Prime Minister announced he is not a quitter. I want you to know, Sir, that we are behind you all the way.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: And I say "Hang in there", notwithstanding the urgings to the contrary from some people over there. This Party, and I am sure the New Democratic Party, stands united on at least that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I am delighted as well in having an opportunity of representing Central Nova to be so close to my old friend, the Hon. Secretary of State for External Affairs (Mr. MacEachen).

Some Hon. Members: Oh, oh!

Mr. Mulroney: It is not a widely known fact—

[*Translation*]

—but I would like to mention it because it is quite an interesting phenomenon and one of the subjects I am really delighted to raise in the House today—

[*English*]

—that the Secretary of State for External Affairs, the Prime Minister and I, all hold degrees from St. F.X. University, and I should point out that the President of St. F.X. is here today. On behalf of the Prime Minister and myself we want to say we did not study economics at St. F.X. under the Hon. Secretary of State for External Affairs.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I only mention that because the Prime Minister asked me to.

Some Hon. Members: Oh, oh!

[*Translation*]

Madam Speaker, imagine my surprise and, in fact, my delight, at seeing before me, in the House today, the smiling face of the Minister of Finance (Mr. Lalonde). Before I left Ottawa for my riding in Nova Scotia, I thought that considering the tremendous and increasing popularity of the Minister in Quebec, he would have been drafted for the leadership of the Quebec Liberal Party. I am truly delighted to see that he turned down a Quebec draft, to stay in our midst. That is really good news.

[*English*]

I want to say a word of thanks as well to the Hon. Member for Oshawa (Mr. Broadbent). Indeed, on many occasions the Hon. Judge Robert Cliche, a truly great Canadian, spoke well and eloquently with regard to the qualities of the Hon. Member, and with good reason. Judgment, as Robert Cliche used to say, was always so important. I want you to know that we Nova Scotians appreciate your judgment, Sir, in taking your caucus down to Nova Scotia.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: It did my heart good to see the socialists spending $90 and $95 a day, and then, Prime Minister, they have the temerity to say things are not going well!

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Mulroney: Dear friends and colleagues, Madam Speaker, I know this is a very unusual day, at least for me, but I sincerely wish to thank everyone for the warm and cordial welcome I was given here today.

[*English*]

My thanks to all of you for your kindness and generiosity. I will try, given the magnificent example set by my predecessor, the Right Hon. Member for Yellowhead (Mr. Clark), to serve this House and to serve you with honour and distinction.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DOCTOR BAL RAM JAKHAR, SPEAKER OF THE HOUSE OF THE PEOPLE OF INDIA

Madam Speaker: I would like to draw to the attention of the House the presence in our gallery today of Dr. Bal Ram Jakhar, who is the Speaker of the House of the People of India.

Some Hon. Members: Hear, hear!

Madam Speaker: Just in case the enthusiasm of people who are in the galleries continues, I must remind them that they are not allowed to applaud or to manifest in any way.

I suppose we have passed the time at which we can have Statements by Members. I will immediately go to Question Period.

Mr. Benjamin: Why?

Madam Speaker: The Standing Orders are quite clear.

Mr. Baker (Nepean-Carleton): With consent.

Madam Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Lalonde: No.

Madam Speaker: Does the House agree that we go to Statements by Members?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is not unanimous consent.

● (1430)

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

U.S.S.R.—COMPENSATION SOUGHT FOR RELATIVES OF VICTIMS IN DOWNED KOREAN AIRLINER

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my first question is directed to the Right Hon. Prime Minister.

[*English*]

As the Sea of Japan continues to give up the dead, a result of the recent tragic and terrible international incident, ten Canadians having been killed, could the Prime Minister inform the House and the people of Canada as to the action he has initiated to ensure that massive and exemplary damages are secured on behalf of the grieving families, in the interest of the Canadian people?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, in reply to the question raised by the Leader of the Opposition, I should begin by expressing the deep sympathy of Canadians to the bereaved families of the Canadians who were so tragically killed in an unjustified act of murder by the Soviet airfighter.

We have, as part of our response to this grave incident, conveyed a note to the Soviet Embassy indicating that we would be presenting a claim for compensation. That note was delivered both in Ottawa and in Moscow, and we are currently preparing further steps to support that particular effort to secure compensation. That effort will be pursued not only bilaterally but also with the United Nations and at the upcoming meeting of the International Civil Aviation Organization to be held in Montreal later this week. That effort to secure compensation will be joined by other aggrieved parties, of which Canada is one, including the United States and South Korea.

SAFETY OF CANADIAN CITIZENS VISITING SOVIET UNION

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, I have a supplementary question. Could the Prime Minister inform the House, given the fact that so many hundreds of Canadians are presently in the Soviet Union, and given the impact of the commercial air blockade which will be launched against the Soviet Union, of what action he has taken to ensure the safety of all Canadians presently in the Soviet Union, and what contingency plans he may have in regard to transportation when urgently required by them?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think that is a very good question. Since we terminated the regular scheduled Aeroflot flights between Moscow and Mirabel, the fate of Canadians who would normally have travelled back to Canada by these Aeroflot flights has been a worry and a concern. We have extended all assistance to these Canadians, and where they will make other arrangements, as they must, to return to Canada with other airlines, we will assist them financially so that they will not be out of pocket because of this particular incident.

Up to the present there has been no danger whatsoever to these Canadians, and the authorities in Moscow up to the present have co-operated to ensure that they will be able to return to Canada by other methods.

CONTENTS OF DIPLOMATIC NOTE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Secretary of State for External Affairs who indicated to the House that a note securing, hopefully, compensation for the victims of this tragic incident has been delivered in Ottawa and in Moscow. Would the Minister be good enough to table the note so that all Canadians know exactly its terms and what is being sought on behalf of the survivors of these victims?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not think it is normal practice to table these international exchanges, but there is something that I can tell the Hon. Member at the present time, namely, that we indicated to the Soviet Union that we had proposed to establish a claim against the Soviet Union arising from the airliner incident. We have not put any quantification on that claim up to the present

time. That is a very difficult thing to do and a rather offensive, in a sense, or unpalatable thing to do when human life is involved. But it has to be done, and we will be undertaking consultations and discussions with family members before we will make a lump sum demand upon the Soviet Union. We intend to do that, and we know that that will be done by other countries as well.

I believe it will take some time and considerable effort to secure results because of the unsatisfactory attitude which the Government of the Soviet Union has taken as a result of this particular incident.

Mr. Stevens: As the House knows, the Minister referred to the contents of the note, and as a rule it is taken for granted that the tabling of the note will be forthcoming.

APPLICATION OF CANADIAN-SOVIET PROTOCOL ON CONSULTATIONS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would like to direct my second question to the Prime Minister who will recall that on May 19, 1971, he signed a Canadian-Soviet Protocol on Consultations with the Government of the U.S.S.R. in which was included Clause 2 that seems to contemplate the type of incident that has occurred. It indicates that, without delay, there shall be an exchange of views between the two countries on what might be done to improve the situation. Would the Prime Minister indicate whether any steps have been taken under the provisions of that protocol with respect to consultation with the Soviets to determine what in fact transpired, and why the incident occurred?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member will know that the then Acting Prime Minister, the Minister of State for External Relations, in the very first gesture of response by this Government asked the Soviet chargé d'affaires precisely to embark upon consultations and to explain the circumstances of the tragic happening. The other gestures taken by the Secretary of State for External Affairs in dealing with Soviet authorities both here and in Moscow have precisely been doing that, asking for consultations, asking for explanations, asking for reparation, and taking some measures of our own.

REQUEST FOR REFERRAL TO COMMITTEE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again my question is directed to the Prime Minister. In view of the fact that obviously these consultations have not been taking place, would the Prime Minister indicate if, in his view, the terms of the agreement have in fact now been broken? Second, would he consider referring this agreement and related agreements to the Standing Committee on External Affairs of the House so that there can be a meaningful review of what exactly, first, the Government of Canada has done with respect to this matter and, second, what the Soviet reply has been?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Soviet Union replies from time to time, the Secretary of State for External Affairs or the Acting Minister in his place will be happy to inform the House of the exchanges. It is clear from the earlier answers of the Minister that thus far we have not had an explanation which we deem satisfactory, and on the subject of reparations we have not had a satisfactory answer either.

RESPONSIBILITY OF SOVIET UNION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister on the same subject. The Soviet Union has taken a long time even to acknowledge responsibility for this barbarous act.

Mr. MacEachen: They have not done that yet.

Mr. Broadbent: The Secretary of State for External Affairs is saying that they have not done it yet. My understanding is that they have acknowledged that they shot down a plane.

My question, to either the Prime Minister or the Secretary of State for External Affairs, concerns the question of guilt. Could either inform the House as to whether or not the Soviet Union has in any way acknowledged up to this point moral responsibility for this act and, if not, what kind of follow-up action does the Government plan to take to bring forward such acknowledgement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, up to the present the Soviet Union has not accepted moral responsibility for its action; it has not accepted any responsibility. It has clearly evaded accepting any responsibility. It has clearly transferred the entire responsibility for this event on to the shoulders of the Government of the United States. That is one of the most depressing aspects of the Soviet response. Not only have they failed to acknowledge any responsibility, but they have served notice on the world that they will repeat the incident if necessary. I regard that as a very retrograde statement by the Soviet Union in a context when they ought to be acknowledging responsibility and admitting to the world their guilt in this particular instance.

● (1440)

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION ON COMPENSATION ISSUE

Hon. Edward Broadbent (Oshawa): Madam Speaker, it was precisely in the context of the knowledge that we on this side of the House have had up to this moment, that the Soviet Union had not acknowledged its guilt, that I posed the question that I did. I therefore want to ask the Minister another question in this context. Since the Government has demanded compensation and has said to the Soviet Union that it must acknowledge its guilt, but the Minister has told the House the Soviets are not going to do it, what serious expectation does

the Minister have that any compensation for the families or relatives of Canadian victims will be forthcoming? If there is no compensation, what does the Government plan to do?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, we have embarked upon a process which I think has to be pressed forward very aggressively in the field of civil aviation, and with respect to compensation we have served a notice of claim. Other countries have served a notice of claim. We know that in a previous example where we sought damages from the Soviet Union we waited for two years before we received a response. I do not think they are going to come forward very easily or quickly. However, I think we have to continue to assert aggressively (a) their responsibility and (b) the necessity of compensation, not only in our direct contacts with Soviet officials, but also at the United Nations and at the International Civil Aviation Organization.

We have to ensure that the weight of public opinion worldwide is registered upon the Soviet leadership so that they will respond. As I stated, up to the present time they have not responded adequately or satisfactorily to the wave of indignation that has swept the world. Neither have their explanations been found plausible in the countries of the West.

Some Hon. Members: Hear, hear!

CALL FOR INVESTIGATION

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister has referred to the United Nations and to the International Civil Aviation Organization which is meeting in Montreal this week. Does the Government of Canada have any specific proposals that it plans to take either to the United Nations or to the international body that is meeting in Montreal this week, in order to establish some kind of international changes that might at least militate against the possibility of this kind of horrific action ever occurring again?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes, Madam Speaker, we were, I believe, the first country to propose at the United Nations that an impartial investigation be undertaken by the Secretary General into all the allegations and to counter allegations that have been made with respect to this incident. We are still pressing at the United Nations to empower the Secretary General to have an impartial investigation. Likewise we will press at ICAO in Montreal to secure an impartial investigation of all the facts and also to do what the Hon. Member suggests as a reasonable objective. I think it is an overwhelmingly important objective, namely, to ensure that in the future the rules of international law will be observed and that this incident will not be repeated, because no traveller can travel these routes in the future without some great fear or unease that a similar event will occur. Therefore, procedures to ensure an avoidance are absolutely necessary. We will be pressing forward with those in Montreal and in the other international organizations.

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT—GOVERNMENT POSITION

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to address a question to the Minister of Employment and Immigration. In congratulating the Minister on his appointment, I hope that during his brief tenure he will be able to address himself in a meaningful way to the plight of the unemployed.

Today, following on the heels of a release by Statistics Canada showing an unemployment rate among young people of 19.4 per cent, Canadian Press obtained a document commissioned by the Minister's Department which states "High unemployment amongst youth will be a major factor in keeping the over-all unemployment rate high during the next few years." The document then stated that we can expect one in five young people in this country to be unemployed into 1985. That is unacceptable to this House and to most Canadians. I ask the Minister what he intends to do about this totally unacceptable situation which is full of disastrous consequences for this country.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I thank the Hon. Member for his kind words of welcome. I would say in return that, knowing he is one of the most compassionate and experienced Members of the House, I look forward to his advice and counsel. I hope that he will be in his position for a very long time to offer me that kind of assistance in the years to come.

There is no doubt that the problem of job creation, particularly for young people, is a pre-eminent and dominant concern of this Government. We do not find, as he does not find, those projections to be acceptable. We are already devoting considerable resources to assist in the employment of young people. This year we are spending something like $1 billion of federal funds for that purpose. The average is something like $2.5 million a day going to these programs to assist young people, both in training and direct job-creation programs. I do not argue for a moment with the Hon. Member that we may simply stay satisfied with that level of effort. We are exploring a variety of options to improve our record in this area.

RATE OF JOB CREATION

Hon. James A. McGrath (St. John's East): Madam Speaker, I hesitate to remind the Minister that unemployment among young people has on average been over 20 per cent since July of last year. This is not a new problem. The Minister knows that during an economic downturn young people are the first to be fired and the last to be hired. Therefore, given the fact that last Friday Statistics Canada indicated a sharp downturn in the economy, a 75 per cent drop in the rate of new employment in this country over the previous four months, where is the economic climate within which the Minister promises to perform for these young people? He has now had a chance to examine the policies of

his predecessor and the disastrous policies of his seatmate, the Minister of Finance.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the economy is improving and, along with it, jobs. Something like 300,000 jobs have been created in Canada over the last eight months. Young people benefit from that job creation just as much as others who are unemployed. Not only young people benefit, but women entering the work force. As the Hon. Member knows, we have consolidated our programs in an attempt to connect better with young people and to respond more effectively to the services which they need. If the Hon. Member has alternative programs which he would like us to consider, I would be delighted if he would bring them forward so we could examine them and, if they are of value, accept and implement them.

There is not going to be any immediate magic wand solution in responding to this problem. However, we do have proposals to present. I hope we will be able to do that in the context of the Speech from the Throne. I hope that Members opposite will proceed as quickly as possible with the termination of the present matters of debate before the House of Commons so that we can bring those proposals forward.

* * *

FISHERIES

RESTRUCTURING OF NEWFOUNDLAND FISHING INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. My question is related to the disastrous crisis which exists in Atlantic Canada's fishing industry and the Minister's announced unilateral federal plan to form one large nationalized Newfoundland company, including a large part of the Newfoundland offshore fishery. How can the Government expect that its presence in the fishing industry will strengthen that industry when the provincial Government, labour, and the private companies concerned are solidly opposed to the restructuring plan and are solidly opposed to such heavy-handed government involvement?

● (1450)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would first like to remind my hon. friend that if three or four companies have financial difficulties, I have met with each of them and have asked them why. Believe me, the reasons have nothing to do with Government policies, and they have the honesty to tell me about it. While they are having difficulty, over 700 small companies are in business, are making money, and are managing their business.

As for those three or four companies to which the Hon. Member is referring, may I remind him that the federal Government, and only the federal Government, has put money on the table. The federal Government is the only one. It is not the unions, it is not the companies, it is not the bank, it is not the provincial Government. We are the only ones who have put $75 million on the table. We have put our money where our policy is and where our mouth is.

Mr. Crouse: Madam Speaker, I would remind the Hon. Minister that it is not three or four companies of which we are speaking. Those companies represent some 12 companies throughout the length and breadth of Newfoundland.

NORTHUMBERLAND STRAIT HERRING FISHING SEASON

Mr. Lloyd R. Crouse (South Shore): There is another area of fisheries problems, namely, the Northumberland Strait herring fisheries about which the Hon. Member for Central Nova has already expressed his concern over the fact that the fishermen have been cut off from harvesting the fish which are there in abundance and which provide them with their livelihood. I would ask the Minister if he would re-think this situation and extend the season this year until a more thorough review of all the factors can be made.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would like to remind Hon. Members about the main fact. The fact is that the biological advice I have received is that that herring stock is in a dismal state, and unless we want to allow the collapse of that stock we should reduce the catch as much as possible. This year I have increased it by 4,000 tonnes. I have extended the period for fishing, and already the catch this year has exceeded the catch of last year. I think it would be irresponsible on my part, since my first responsibility is to the management of the resource, to allow an extension. I met this morning, for instance, with the Minister of Fisheries of New Brunswick and spoke with my counterpart in Nova Scotia, and all of the biological advice indicates that it would be most imprudent to allow over-fishing.

NEWFOUNDLAND REPRESENTATION IN CABINET

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister, and it is in the context of the economic crisis in Newfoundland. There are 43,000 Newfoundlanders unemployed at the moment; 19 per cent of the labour force unemployed at the best time of the year for employment. Within that context, the fishing industry and the offshore industry are in chaos. The Government, conspiring with the Bank of Nova Scotia, has put the three offshore trawler companies into receivership, disrupting markets in the United States and endangering thousands of jobs.

In the middle of this chaos there is no Cabinet representation from Newfoundland whatsoever. Will the Prime Minister tell the House when he will replace the Hon. Member from White Bay whom he dismissed, and the Hon. Member for Burin-St. George's who was there for the ten days that shook the world and who has, for personal reasons—we do not know what those reasons are—resigned? When will the Prime Minister appoint a new representative who can begin to focus on some of these problems with respect to the federal Govern-

ment? When will it be and who will it be? How soon will the announcement be made?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member will know that the Minister of Fisheries deals with fishery problems in every Province of Canada including Newfoundland. Problems with the offshore, if the Hon. Member is looking at energy, are dealt with by the Minister for Energy for Canada. I would not think it fitting to suggest that this Cabinet is not dealing with Newfoundland's problems because there happens to be no Minister from Newfoundland at this time.

The Hon. Member should be better informed himself of these problems when he suggests that it is the federal Government that has put the companies into receivership. He knows full well that it is the banks that have put the companies into receivership because the provincial Government has not been able to find satisfactory an agreement proposed by the federal Government to solve the problem. Therefore, the banks acted on their own. They did not act on behalf of or at the instigation of the federal Government.

Mr. Crosbie: Madam Speaker, while the Prime Minister was in the Greek Islands, I was in my own island, Newfoundland, and I know what is happening in Newfoundland. The fishing industry is a failure. The offshore industry is paralysed. Truckers who take frozen fish from Newfoundland and bring back fruits and vegetables are now stopped from doing so. They have not been paid. There is an economic crisis.

AGREEMENT BETWEEN GOVERNMENT AND BANK OF NOVA SCOTIA

Hon. John C. Crosbie (St. John's West): Madam Speaker, it has already been admitted that there was an agreement between the Government and the Bank of Nova Scotia. Will the Prime Minister produce the agreement between the Government and the Bank of Nova Scotia? Why has the Government permitted or directed the Bank of Nova Scotia to put these companies into liquidation and to cause the problems which are now under way, particularly when the main company, Fishery Products Limited, is owned and controlled by the Canada Development Corporation, a federal company incorporated by the House? Why is the Prime Minister acting to expropriate shares owned by the CDC and to cause these problems by means of a conspiracy with the Bank of Nova Scotia?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member talks about an agreement with the Bank of Nova Scotia. I am informed by the Minister of Fisheries and Oceans that confidentially a copy of that agreement has been shown to Mr. Peckford. He knows the content of it and it would be for him to object or to make remarks about it.

In so far as agreements that we have made are concerned, the Hon. Member will recall that the Minister of Fisheries and Oceans did sign an agreement with Mr. Morgan, the Minister of Fisheries for Newfoundland—two agreements as a matter of fact. They were repudiated by Premier Peckford, and I think, in fairness, that if the Hon. Member was really on his island and not dreaming, he would know that one does not have to speak Greek in order to realize that Mr. Peckford shares the blame for the disaster in the fisheries industry.

* * *

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

TARGET STARTING DATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, last week the Government admitted that the recession in Canada was not entirely caused by world-wide pressures but that some of its own policies had helped to deepen the recession here in Canada. Considering that the recession was many times more severe in Canada than in the rest of the industrialized world, I must say, Madam Speaker, that this admission came as a welcome change in the Government's approach to the truth.

My question is directed to the Prime Minister. Last Spring the Government approved 270 special recovery projects. The idea was to create jobs which were to be implemented in early Spring or early Summer. As of last week, Madam Speaker, the Government had only begun 13 of these 270 projects. I would ask the Prime Minister when the Government is going to begin to act.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I have the designated responsibility for the program in question, the Special Recovery Capital Projects. The target for those projects was that they would be begun within six months, which is towards the end of October, and that the expenditures would be made, for the most part, to the extent of 60 per cent at least within two years. That could be March, 1985. I am very pleased with the progress that is being made. As Hon. Members know, these projects were part of the package put forward by the Minister of Finance and were specifically designed not only to create jobs in the short term but to provide much needed economic infrastructure in a number of areas. The jobs were selected on the basis of those criteria.

There are now, a total of 270 projects, Madam Speaker. Originally there were to be only 100. These have been broken down into activities from coast to coast which are currently providing economic stimulation in a wide variety of sectors, and I hope that Hon. Members on all sides of the House share our enthusiasm for these jobs and recognize how important they are and were to the Canadian economy especially during this period of recession from which we are now emerging. In fact they make up a very substantial investment package during a period when investment intentions of Canadians have been shown to be particularly low.

● (1500)

Mr. Riis: Madam Speaker, I think most of us in the House will recall very specifically that there was a promise that those jobs would be on line in early summer, or, for some, even in late Spring. That is another promise which was not kept. I suspect the Prime Minister was hesitant about answering because of the promise that he did keep and that his Government has kept. As a westerner, I remember that 15 months ago in Banff he mentioned that, if he had to, there was one thing he could do, and that was to scare the hell out of Canadians. He certainly has done that.

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EMPLOYMENT

REQUEST FOR GOVERNMENT ACTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Two years ago in the House we were reminded that there were over ten million people employed full-time in Canada. Since then over half a million people have lost full-time jobs that will not be replaced. The Government has set specific targets for inflation. Why will it not do the same now for employment? Will the Government set a specific target for employment levels and then bring in concrete programs to achieve that target?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I should like to remind the Hon. Member that Canada is creating jobs at the present time at a faster rate than any other industrial country in the world.

Mr. Crosbie: That is absolute bunk. Tell the truth for a change.

Mr. Lalonde: Under this Government, this was the situation in the ten years between 1970 and 1980. As we are coming out of the recession, we are creating jobs in this country faster than the United States, faster than any country in Europe, and faster than any other industrial country that my hon. friend can think of.

Mr. Crosbie: Faster than a speeding bullet. What nonsense!

Mr. Lalonde: I challenge my hon. friend to demonstrate the contrary. We are very concerned about job creation and we are attacking this problem very seriously and very systematically.

As the Hon. Minister of Employment and Immigration has indicated, we have created some 328,000 jobs since last November, on a seasonally adjusted basis. Today in Canada there are 800,000 more Canadians at work than there were last November. I invite my hon. friend to remember that record.

[*Translation*]

RESTRUCTURING OF PROGRAMS

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I have a question for the Minister of Employment and Immigration, and I also wish to congratulate him on his recent promotion within the Cabinet.

[*English*]

We respect the initiative shown by his predecessor in office who brought in many fine programs for the creation of employment. We have heard about the 328,000 jobs that have been created in the economy. The Minister recently indicated that he would be undertaking some reorganization of programs in place and that he would be making that announcement soon. I wonder if he is in a position to indicate what that reorganization will be and what impact he sees as far as numbers are concerned, whether it be in money or individuals.

[*Translation*]

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I wish to thank the Hon. Member for his congratulations.

[*English*]

It is true, as was announced in the budget last Spring, that we have undertaken a restructuring and reinforcement of a variety of job-creation programs under the Commission of Employment and Immigration. That consolidation and reinforcement goes into effect today. In effect the old programs have been placed in four major new thrusts of Canada Works, of Career Access, of the Job Corps and LEAD, the Local Employment Assistance and Development Program. Each of those programs is focused on a different area of the job-creation problem. Under these programs we expect to spend between $1.3 billion and $1.5 billion to create jobs in Canada this year and next.

I could go on in some detail to outline the purposes of the programs and the way in which they will operate, Madam Speaker. All Members of the House will receive, either today or tomorrow, a very extensive kit outlining the criteria and the application of those programs, and I urge them to study it with care.

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FARM CREDIT CORPORATION

LEVEL OF FUNDING

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question concerning farm finances and I will direct it to the Minister of Agriculture. The Minister will know that last Spring the Farm Credit Corporation asked for an additional $600 million to meet its demands. The Minister of Finance subsequently approved $250 million, which has virtually all been used up.

I should like to ask the Minister if he has made representations to the Minister of Finance on behalf of the Farm Credit Corporation to obtain some additional funding so that it will not simply become a lender of last resort.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that the Farm Credit Corporation is a Crown corporation.

Some Hon. Members: Hear, hear!

Mr. Whelan: I am glad to see that even the Leader of the Opposition says it is a good one. I believe it is the eleventh largest lending institution in Canada at the present time. This year will be its biggest ever for lending money to farmers, and 56 per cent of its funds will go to refinancing farmers from the private sector, from the banking institutions and other lending institutions. That is the greatest extent to which we have ever become involved in taking over the responsibilities for loans from these other lending institutions.

I have received a full report on the Farm Credit Corporation but I have not had time to look at it. I will be glad to report to the Hon. Member tomorrow what the position is at the present time.

Mr. Mayer: Madam Speaker, the Minister knows that I am new to my position so I thank him very much for informing me that the Farm Credit Corporation is a Crown corporation. I was not aware of that before!

ROLE OF CORPORATION

Mr. Charles Mayer (Portage-Marquette): Let me repeat the question, Madam Speaker, and ask the Minister for a yes or no answer. Has he approached the Minister of Finance on behalf of the Farm Credit Corporation for permission for it to meet the needs of the farm community and not simply become a lender of last resort? Could I have a yes or no answer for the Minister?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows the lending policy of the Farm Credit Corporation. I am sure he has studied the legislation and knows that we are following the lines of the legislation as far as we can go.

An Hon. Member: Answer the question.

Mr. Whelan: We are lending under the rules and guidelines set down by the legislation.

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MEDICAL CARE

GOVERNMENT POSITION ON EXTRA BILLING BY DOCTORS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I have a question for the Minister of National Health and Welfare. The Minister will know that many Canadians are reported to be concerned about the rising incidence of extra billing and user-fees. As a participant in the debate on medicare, she is aware of the concern that many Canadians have about it. This is a concern which even the new Leader of the Opposition had to acknowledge finally. Even though he began his by-election campaign by saying that medicare was not an issue, he had finally to admit that it was, although he only came up with half a solution when he did so.

May I ask the Minister if we can expect a concrete proposal to be put before the House, before the provincial Ministers of Health and before the country, in whatever way she chooses? When are we going to get a concrete proposal? Could she give us some timetable showing when we might expect that the babbling will stop and the action will start?

Hon. Monique Bégin (Minister of National Health and Welfare): Yes of course, Madam Speaker. It would have been impolite—and the Hon. Member would have been the first one to shout at me this afternoon—if I had not waited for the provincial Ministers who wanted me to go to Halifax last week to listen to their proposals. But they did not have any proposals to make and I am sorry to say that the meeting was quite a waste of time for many people involved in it. I really regret that they had not done any homework whatsoever. The Canadian Government's position paper was put out at the end of July and in it the position, which is well known by all Canadians, is expressed. The Bill which will finalize it is in the process of getting Cabinet approval right now.

INQUIRY OF THE MINISTER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, one way that I suggested the Minister could indicate she is sincere about medicare would be to make a concrete proposal. Another way in which she could indicate she was sincere—

Madam Speaker: The Hon. Member will ask the question, please.

Mr. Blaikie: —would be to indicate—

Some Hon. Members: Order, order!

Madam Speaker: Question.

Mr. Blaikie: Will the Minister indicate to the House that she is serious about saving medicare—

Madam Speaker: Order. Order, please.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PREMIER OF NOVA SCOTIA

Madam Speaker: I think I ought to draw the attention of the House to the presence in our galleries of the Premier of Nova Scotia, Mr. Buchanan.

Some Hon. Members: Hear, hear!

Oral Questions

FINANCE

EFFECT OF LIQUOR TAX

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of Finance. The Minister will know from his travels that the price of liquor in the United States, even before he increased his tax by 13.3 per cent, was about half what it is in Canada. This has caused a lot of damage. Will the Minister tell us if he has conducted any studies as to the cost to his treasury caused by the fact that a great deal of liquor is purchased in the United States and brought into Canada either legally or illegally? What is the cost? Has he had any studies?

• (1510)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am happy to see that my colleague travelled in the United States this summer. I stayed in Canada.

Mr. Blenkarn: You know, Madam Speaker, if the Minister had any responsibility for job creation, he would know that jobs could be created in the—

Madam Speaker: Order. Order, please. I must remind the Hon. Member that he is not to comment on the answer of a minister. He must move to a supplementary question, if he has one.

IMPACT ON GOVERNMENT REVENUE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I would like to know if the Minister has any study to indicate how the revenue was damaged in totality by the increase in tax, either the excise tax or the loss in revenue from personal income taxes of people employed in the hospitality industry, or corporate taxes from businesses in that industry?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have two comments. First of all I would like to say it is rather ridiculous to ask if there exists a study on a tax increase which took place on September 1, and what the impacts were. Even the Hon. Member should realize that his question is preposterous.

As far as the other question is concerned, the Hon. Member knows how much money is raised by governments provincially and federally. I would like to remind my hon. friend that the largest share of revenues coming from taxation of liquor is taken by the provinces, not by the federal Government. Over the last ten years the share of taxation taken by the federal Government on cigarettes and on liquor has gone down, and has essentially been taken over by the provinces.

As far as the impact of such tax increases on consumption is concerned, it is very hard to assess because there are many factors intervening. Price is one, but also changes in consumer behaviour, switches to other forms of liquor consumption and, as far as cigarette consumption is concerned, as the Hon. Member knows, a number of Canadian have, thank God, abandoned smoking, and I would be very happy if there were fewer and fewer Canadians abusing both cigarettes and liquor.

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THE ADMINISTRATION

APPOINTMENT AND RESIGNATION OF MINISTER OF STATE (MINES)

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is addressed to the Prime Minister. Given the fact that there is a long parliamentary tradition requiring the Prime Minister to ensure there is nothing prohibitory in the background of any Member of Parliament or person whom he asks to become a member of his Cabinet, would the Prime Minister tell us whether, during the course of his announcement this summer, he inquired of the Hon. Member for Burin-St. George's as to any reasons why he should not be a member of the Cabinet and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, when I propose appointing someone to the Cabinet, I do meet with that person and we have a conversation on various subjects, during which I assess my view of his or her ability to discharge the functions which I plan to impose on him or her. I had that conversation with the Hon. Member.

ACCEPTANCE OF RESIGNATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Minister of State for Fitness and Amateur Sport is reported in the press to have indicated that she only knew, about an hour or an hour and a half before she was sworn in, the fact that she was to become a member of the Cabinet. I ask the Prime Minister, in view of the fact that this is an unprecedented short term of office for any Minister of the Crown, whether he does not feel there is a responsibility upon him to give us some reason why the resignation was accepted? And when is he going to appoint a replacement for the very important responsibility relating to mines?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the remarks attributed to the Minister of State for Fitness and Amateur Sport, they do indicate that until the shuffle of Cabinet is complete I am still in the process of choosing between different people. We on this side have the advantage of having so many qualified members to become Ministers that—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, it is true that some of the decisions are made within days and some are made within hours of their effective appointments. Insofar as the particular Member is concerned, I understand he has the agreement of the House to rise on a question of privilege at 3.15 p.m., and the Hon. Member may receive some answers at that point.

THE ADMINISTRATION

STATEMENT EXPLAINING RESIGNATION FROM CABINET

Madam Speaker: The Hon. Member for Burin-St. George's.

Some Hon. Members: Hear, hear!

Hon. Roger Simmons (Burin-St. George's): Madam Speaker, I rise to make a personal statement. I understand there have been consultations—

Mr. Nielsen: I rise on a point of order, Madam Speaker. I heard the introductory words of the Hon. Member which were that he was rising to make a statement. If it is not a question of privilege on which he is rising, I would suggest the Chair has an obligation to seek the unanimous consent of the House prior to the making of such a statement.

Madam Speaker: I thought the Hon. Member was going to refer to the unanimous consent. I was just waiting for him to terminate his sentence. However, the Hon. Member knows, and I believe he has spoken to some of his colleagues, that he must ask for the unanimous consent of the House.

[*Translation*]

Mr. Pinard: Yes, Madam Speaker. Earlier this morning I spoke to the Member for Yukon (Mr. Nielsen) and to the Member for Hamilton Mountain (Mr. Deans), and asked them to give unanimous consent or find out whether it could be obtained, to allow the Hon. Member to make a personal statement. Their reaction was positive, provided that if the Member for Yukon concluded that the statement required a reply, he would be free to act accordingly. We do not think the statement will be political. We think it will be very short, and that it will be a statement of facts, and in the circumstances, he gave me to understand he would have no objection to a personal statement that was not a question of privilege, provided he would have a chance to reply if he found it necessary.

[*English*]

Mr. Nielsen: Madam Speaker, the Government House Leader is quite correct in pointing out that he did consult with me with respect to the intentions of the Hon. Member in seeking to make a statement. The Government House Leader is also quite correct that I assured him that the Members of the Official Opposition would provide that consent since it was my view, considering the likely nature of the statement which is going to be made, that it affects that Hon. Member's personal privileges as a Member of the House, and on the basis that it is in substance a question of privilege, we do give that consent.

Mr. Deans: Madam Speaker, my views were also sought, and on behalf of my colleagues I indicated that we would likewise give consent.

Madam Speaker: The Hon. Member for Burin-St. George's.

Some Hon. Members: Hear, hear!

Statement—Mr. Simmons

Mr. Simmons: Madam Speaker, I thank the Hon. Member for Yukon (Mr. Nielsen) for his observations. When he interjected, I was about to say I was rising to make a personal statement rather than a statement on privilege because, in my view, it is a larger issue. However, the House can decide that when it has heard me. I was about to say, also, that I understand there have been consultations, as has since been confirmed, and if I do have unanimous consent I would like to proceed with my statement.

Madam Speaker: Does the Hon. Member have the unanimous consent of the House?

Some Hon. Members: Agreed.

Mr. Simmons: Madam Speaker, let me come, then, immediately to the point of my remarks. In so doing let me welcome the new Leader of the Opposition (Mr. Mulroney) and thank him and his caucus, the Leader of the New Democratic Party (Mr. Broadbent) and his caucus, my good friend the Hon. Member for Edmonton East (Mr. Yurko), and the Prime Minister (Mr. Trudeau) and our caucus, for affording me an opportunity to address an issue which will be of some interest to the House.

I propose to take the next few minutes of the time of the House to provide as full an explanation as possible of the circumstances surrounding my resignation from Cabinet on August 22.

In my letter of resignation I cited personal reasons for my decision. Subsequently, I stated publicly that, since my reasons were private, and without any public dimension at that time, I had elected to exercise a right which I believe is the unfettered right of every person in this country, whether a public office holder or not, and that is the right to discuss one's private matters with others, including the press, or not to do so.

If I may say so with reference to the press, just in passing, I believe the press has handled this issue with the persistence and, with two very glaring exceptions, with the responsibility which has always been its trademark.

● (1520)

I had good reason, Madam Speaker, for exercising that right as you will shortly see. I can tell you now that the private reasons for my resignation relate to a tax matter. I became aware subsequent to my appointment to Cabinet that a recommendation from the Department of National Revenue that a charge be preferred against me in relation to certain unreported income had not been dealt with by the Department of Justice. I shall return in a little while to the background of that recommendation. First let me deal with the matter solely in the context of my appointment to, and my resignation from, Cabinet.

On the evening prior to the day of my being sworn in as Minister of State for Mines I had an indication that an invitation to join Cabinet may be forthcoming from the Prime Minister. On the strength of that indication I proceeded to reflect on the implications of Cabinet membership on my

personal affairs and on my family, and to discuss these matters with my wife who, by the way, had the good sense to be born several years ago on this particular day. In the process of that reflection, Madam Speaker, I reflected on the tax issue which had been ongoing for more than two years. Prior to that evening, Thursday, August 11, I had already concluded in consultation with my lawyer that I had reasonable grounds for believing that the legal aspect of the tax matter had been resolved in my favour.

Further, I noted that the indication earlier that evening of a possible invitation to join Cabinet was confirmation, and especially the invitation itself would be even more clearly so a confirmation, that the legal aspect of the tax matter had indeed been resolved. I reasoned that an invitation to join Cabinet would have been preceded by a security check which, among other things, would have revealed any outstanding legal aspects of the tax matter.

I now know that my reasoning was falsely based in two crucial aspects. First, there was no security check prior to my appointment to Cabinet. Secondly, the timeframe indicated to my accountant and me during a meeting with Revenue Canada officials was not adhered to and consequently the recommendation went from Revenue Canada to Justice considerably later than we were assured would be the case.

Hindsight is 20/20. I now realize all too graphically that I should have raised the tax issue with the Prime Minister during our August 12 meeting. I apologize to him and to the House for not having done so. I want you to know, Madam Speaker, that my reasons for not doing so were predicated neither on naive hope nor on treacherous calculation. Rather, as I have said, it was based on two premises, both of which appeared at the time to be eminently reasonable, both of which we now know to have been falsely based.

There were, Madam Speaker, in theory at least, options open to me other than offering to resign. I could have tried to continue in Cabinet; perhaps I would have survived a few days, a few weeks, perhaps indefinitely. Whether or not survival in Cabinet was theoretically possible is entirely beside the point. There is only one way to be in Cabinet—because you have legitimacy, because you have the full right to be there. When I was sworn in, I had that legitimacy. Once the circumstances which triggered my offer to resign arose, I no longer had unbridled legitimacy. Questions would arise. Should I be in Cabinet in those circumstances? If the answer to that question is no, maybe not, even maybe; if the answer to that question is anything but an unqualified yes, then my full legitimacy as a Cabinet Minister would have been abridged, circumscribed, emasculated, compromised.

Then, Madam Speaker, there is the issue of accountability; the public's right to know. I felt it would be wrong to continue in Cabinet once I had learned that the legal aspect of the tax matter was still outstanding, irrespective of whether a charge would ultimately be laid or not. Secondly, there was a fairly easy, pragmatic choice to be made: either to damage somewhat my credibility by resigning from Cabinet so ridiculously soon after my appointment, even if my reasons never became public, or to ultimately destroy that credibility altogether by continuing to hold a position for which I now lacked unbridled legitimacy.

So you see, Madam Speaker, my decision to resign was an important one, yes; a decision with wrenching implications for me and others, yes; but for all that it was not an especially difficult decision for me to make and that is why I, within minutes of hearing of the Justice circumstance, requested the Secretary to the Cabinet to be in touch with the Prime Minister as quickly as possible and, on my behalf, offer him my resignation.

Those who know me well will, I am sure, place the judgments I have made in these matters in the perspective of others I have made over the years. If they do that, I will not be ill served by the resulting conclusions.

Let me return, then, Madam Speaker, to the issue of the Revenue Canada recommendation to Justice. The Department of Justice has now made a determination and I will say in a moment what that decision is. First, you will now see why it was neither prudent nor in my best interests to disclose at the time of my resignation from Cabinet the specific nature of my private reasons for doing so. It was important that I not do or say anything publicly which could have had the effect of interfering with the decision of Justice. Further, only if Justice were to decide to lay a charge would the reasons for my resignation take on a public dimension and I would then be governed by the public's right to know.

Just a comment in passing on the confidential status of personal income tax affairs of Canadians generally. The law clearly provides for that confidentiality. But, any law is only as good as the people who administer it. I can only express the hope that the "highly placed Government source" who reportedly discussed my private tax affairs in public has a more competent, less malicious understanding of his other job responsibilities and of the legal parameters within which he is supposed to be operating.

Some Hon. Members: Hear, hear!

Mr. Simmons: Madam Speaker, the Department of Justice has made its decision. It has decided to lay a charge on the ground of intent to avoid the payment of taxes. This is, of course, not the place for me to state my views on the subject. I will have adequate opportunity to do that in the courts of the land, an opportunity of which I shall be taking full advantage. I am satisfied, and my lawyers are satisfied, that the evidence we shall lead before the courts will exonerate me. I have the profoundest confidence in the ultimate justice of our legal processes. I have every reason to believe that the Department of Justice will take the appropriate initiative almost immediately and I welcome an early opportunity to clear the air once and for all.

I came into public life over 20 years ago, and into elective politics 10 years ago, because I wanted to have a direct say in how things get done in my Province and in this country, because I believed I could contribute to that dialogue and in

some small way influence for the better the outcome. That continues to be my belief and my objective.

The tax issue will, without a doubt, occupy some of my attention in the days ahead. I do want you to know, however, Madam Speaker, that it is my full intention, subject only to the constraints of time, to continue to the best of my ability to represent the diverse and important interests of the people who sent me here.

Finally, Madam Speaker, I would like to thank the Prime Minister for his understanding and support in this matter. I thank the many friends who have come to my support, and through you, Madam Speaker, I would want to thank my colleagues in this House for allowing me this opportunity to provide this explanation.

Thank you, Madam Speaker.

● (1530)

Mr. Nielsen: Madam Speaker, the Hon. Member has just completed a fairly lengthy statement which we will want to study with care and if it becomes necessary at all, we may wish to reply tomorrow.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, June 29, 1983, with the exception of three, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Fraser Valley East (Mr. Patterson), one of the petitions presented by the Hon. Member for Nanaimo-Alberni (Mr. Miller), and one presented by the Hon. Member for Regina East (Mr. de Jong) do not meet the requirements as to form.

* * *

[*Translation*]

INTERNAL ECONOMY COMMISSION

Right Hon. P. E. Trudeau (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved order in council appointing the Hon. Herbert Eser Gray, President of the Treasury Board, the Hon. Roméo LeBlanc, Minister of Public Works, the Hon. Yvon Pinard, President of the Queen's Privy Council for Canada and the Hon. Roy MacLaren, Minister of State (Finance), to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of Chapter H-9 of the Revised Statutes of Canada, 1970 intituled: An act respecting the House of Commons.

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION TO REPORT OF COMMISSION FOR PROVINCE OF BRITISH COLUMBIA

Madam Speaker: It is my duty to inform the House that an objection signed by the Hon. Members for Comox-Powell River (Mr. Skelly), Regina West (Mr. Benjamin), Selkirk-Interlake (Mr. Sargeant), Vancouver-Kingsway (Mr. Waddell), Winnipeg-Birds Hill (Mr. Blaikie), Winnipeg North (Mr. Orlikow), Spadina (Mr. Heap), Yorkton-Melville (Mr. Nystrom), Burnaby (Mr. Robinson) and Nanaimo-Alberni (Mr. Miller), was filed with me on June 29, 1983, pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C., 1970, to the report of the Electoral Boundaries Commission for the Province of British Columbia.

If the House agrees, I would suggest that we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*.

Is that agreed?

Mr. Lewis: Madam Speaker, I rise on a point of order. May I ask the Chair's indulgence in this matter? During our consideration of when objections had to be filed to this matter, it was not clear to us whether it was within 10 or 12 parliamentary days or calendar days. Is the Chair now determining that whatever the time gap is should be calendar days or is it parliamentary days?

Madam Speaker: I will have to check that. I do not have the Standing Order or the legislation at my fingertips. I will have to check that and inform the Hon. Member.

Mr. Lewis: Madam Speaker, may I suggest that it will determine whether or not it is in order to accept those objections and have them printed? If it is not in order to accept them, you will require unanimous consent of the House and we will want to consider that before giving it.

Madam Speaker: I had to assume that this was in order since it was referred to me by the Table. However, we can delay the printing of these objections until tomorrow when the matter is clarified.

FILING OF OBJECTION TO REPORT OF COMMISSION FOR ONTARIO

Madam Speaker: Again it is my duty to inform the House that an objection signed by the Hon. Members for London-Middlesex (Mr. Bloomfield), Windsor West (Mr. Gray), Etobicoke-Lakeshore (Mr. Robinson), Laurier (Mr. Berger), Thunder Bay-Nipigon (Mr. Masters), Rosemont (Mr. Lachance), Niagara Falls (Mr. MacBain), Kitchener (Mr Lang), Guelph (Mr. Schroder) and Lac-Saint-Jean (Mr. Gimaïel) was filed with me on June 30, 1983. It is obviously within the delays. I do believe that it is parliamentary days. These were filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C.

1972 report of the Electoral Boundaries Commission for the Province of Ontario.

We will delay that in case there is a doubt as to the delay which is permissible.

* * *

INDIAN SELF-GOVERNMENT

PRESENTATION OF FIRST REPORT OF SPECIAL COMMITTEE

Mr. Keith Penner (Cochrane-Superior): Madam Speaker, I have the honour to present the first report of the Special Committee on Indian Self-Government. I present it in Canada's two official languages.

If the House gives its consent, I intend to move concurrence in this report later this day.

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

* * *

[*Translation*]

THE CABINET

TABLING OF ORDER IN COUNCIL DESIGNATING ACTING MINISTERS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in accordance with Standing Order 46(2), I am tabling, in both official languages, copies of Order in Council, P.C. 1983-2782, designating the acting ministers.

In accordance with recent practice, I ask that this document be appended to today's *Hansard*.

Madam Speaker: Is it the pleasure of the House to have this document appended to *Hansard*?

Some Hon. Members: Agreed.

[*Editor's Note: The above document is appended to today's Hansard.*]

* * *

[*English*]

PETITIONS

MR. BLENKARN—FOREIGN AID—DISCRIMINATION AGAINST TAMIL POPULATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have the honour and privilege to present to the House of Commons a petition which has been signed by some 138 Members of the Tamil Association in Ontario who have immigrated to Canada from Sri Lanka. These people are deeply concerned by the manner in which Canadian foreign aid is being used to discriminate against the members of the Tamil population who still live in Sri Lanka.

MR. WENMAN—VIOLENCE AGAINST RCMP

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present a petition signed by businessmen from Langley, B.C., in my riding of Fraser Valley West, expressing concern over the increasing number of violent actions against members of the RCMP in performing their duties.

The nature of the petition is to bring public attention to the importance of our law enforcement system, especially those individuals entrusted with peacekeeping who are coming under increasing violence from lawbreakers.

The purpose of the petition is to request stricter legislation against those who resist arrest or create violent disturbances in ours and other Canadian communities.

● (1540)

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

FISHERIES

CRITICAL CONDITION OF INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise to move the adjournment of the House on a matter of urgent public importance and indeed grave national concern. As all Canadians are aware, the fishing industry is a major employer on our east and west coasts, and is in process of being paralysed following years of Government neglect.

The critical conditon of the industry is a matter of major national concern because of the one hundred thousand Canadians from coast to coast who depend directly or indirectly on the industry for their livelihood.

The attempted nationalization of the off-shore fishing industry of Newfoundland by the Government, aided by the Bank of Nova Scotia without the consent of the industry, has created further chaos.

The confusion brought about by precipitate government action following on years of neglect and indifference, has driven producers to the wall, deprived fishermen of their livelihood and threatened the survival of a major resource industry.

On the issue of urgency, it is quite clear that the Government has no intention of providing an opportunity to come to grips with this far-reaching issue in a meaningful way.

The Canadian fishing industry is not prepared to accept another long-distance solution imposed by Ottawa, which simply means more centralization, Government intervention, and the takeover by the state of the industry.

Unless we act immediately, there will not be a fishing industry left in this country.

Madam Speaker: The Hon. Member knows that in deciding whether a motion to adjourn to discuss this matter is in order, the Chair must decide whether the matter constitutes a genuine emergency which is so urgent that it must be considered this very day. Beauchesne states that the matter:

—must be so pressing that the public interest will suffer if it is not given immediate attention.

While this clearly is an important matter, the Hon. Member has not convinced me that it meets the exacting standard I have just quoted.

Many Speakers in the past have considered the problem of continuing as opposed to acute problems. The conclusion has, most often, been that however grave an ongoing situation may be, because of its continuing nature the House will have other opportunities to debate it. I refer the Hon. Member to the many citations in this regard.

I just want to note for Members that the manner in which the request for debate was written was much closer to a motion of non-confidence in the Government and it makes it increasingly difficult for the Chair to focus on that particular Standing Order.

I am satisfied that such is the case and therefore I must reluctantly find that this matter does not satisfy the requirements of the Standing Order and I cannot accept the Hon. Member's request to discuss this matter under Standing Order 30.

ROUTINE PROCEEDINGS

[*English*]

INDIAN SELF-GOVERNMENT

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Keith Penner (Cochrane-Superior) moved that the first report of the Special Committee on Indian Self-Government presented to the House earlier this day be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 783, 4113, 4629, 4754, 4785, 4795, 4796, 4805, 4829, 4848, 4853, 4856, 4858, 4866, 4868, 4890, 4908, 4924, 4930, 4934, 4936, 4958, 4965, 4967, 4979, 4983 and 4986.

[*Text*]

LEGAL ACTION UNDER INCOME TAX ACT

Question No. 783—**Mr. Corbett:**

1. In the 1978-79 fiscal year, was legal action instituted by the Department of Justice under the Income Tax Act against incorporated companies and, if so (a) how many companies were involved (b) how many were taken to court (c) of those not taken to court, how many settlements were made monetarily favourable to the Crown, excluding costs?

2. How many of the total actions instituted by the Department were against small businesses as defined by the Small Businesses Loans Act (FDBD) and how many were taken to court?

3. Of the total number of cases settled without court action, how many involved small businesses and how many were settled monetarily favourable to the Crown, excluding costs?

4. How many registered partnerships was legal action instituted against by the Department and how many involved doctors, lawyers and accountants?

5. What is the average cost to the Crown of litigation instituted under the Income Tax Act by the Department against small businesses which (a) goes to court (b) does not go to court?

6. What was the total cost of litigation instituted by the Department under the Income Tax Act against (a) incorporated companies (b) partnerships, in the 1978-79 fiscal year?

7. What was the total amount of revenue realized by the Crown as a result of legal action instituted by the Department against (a) incorporated companies (b) partnerships, in the 1978-79 fiscal year and of that realized from incorporated companies, what amount would be attributed to small businesses?

8. What is the average estimated cost to a small business to defend itself against an action instituted by the Department under the Income Tax Act?

Hon. Pierre Bussières (Minister of National Revenue): 1 to 8. The Department of Justice institutes legal action against taxpayers, on behalf of the Department of National Revenue, in respect of the collection of unpaid taxes and the prosecution of tax evasion. The substantial number of cases of tax litigation, however, arise from appeals filed by taxpayers to the Tax Review Board and Federal Court of Canada against decisions made by the Department of National Revenue as to the assessment of income tax payable.

While records of actions and appeals are maintained, they are not kept in the manner posed by the question and the information requested could not be obtained without incurring prohibitive costs and would still be quite incomplete.

See also question No. 2,767 answered January 26, 1982.

IMPORTATION OF FARM MACHINERY PARTS

Question No. 4,113—**Mr. Cossitt:**

Are parts for farm machinery, ordered by Canadian farmers from the U.S. because such parts were not made nor readily available in Canada, held up by customs officials on arrival at the border for periods of up to and including three weeks and, if so (a) for what reason and is one reason that Canada Customs stated they must first determine that the parts were not to be used for purposes other than agricultural before releasing them (b) does the Government realise that this causes Canadian farmers, particularly those in Eastern Canada, inconvenience and the loss of use of a piece of machinery (c) will the government take immediate steps to alter the process and (i) if not, for what reason (ii) if so, on what date?

Order Paper Questions

Hon. Pierre Bussières (Minister of National Revenue): (a), (b) and (c). The Department is not aware of any delays or reasons for delays in releasing parts for farm machinery. Canada Customs musts first determine that parts for farm machinery are not to be used for purposes other than agricultural before releasing them. In this regard, the importer of record must satisfy customs officials at time of entry that the parts are for use on farm machinery.

It should be mentioned, however, that the importer is not always the end-user. Satisfactory evidence, therefore, must be submitted at time of entry in the form of end-use certificates, purchase orders, or similar documentation to substantiate that the parts are for farm machinery. When an importer is without the proper customs forms at time of importation, he can avail himself of the immediate release procedure (bond required) which is normally used when the importation is of commercial nature (i.e. goods for resale). In cases when the importer of record is the farmer and he can satisfy the customs official that the part is for his farm machinery, the goods are documented on a casual import entry and released immediately.

When the legislation stipulates that the parts imported must be for use on farm machinery the Department must ensure that this requirement is met.

The present practice of obtaining satisfactory evidence at time of entry is the best method of ensuring that the parts imported are for farm machinery.

SURVEY OF VACATION TRAVEL BY CANADIANS

Question No. 4,629—**Mr. Mazankowski:**

Was a firm hired on behalf of the Department of Industry, Trade and Commerce to conduct a survey of vacation travel by Canadians and, if so (a) did the survey look at both domestic and international travel (b) what were the results (c) to what use will the results be put (d) what amount did the study cost?

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism): In so far as the Department of Industry, Trade and Commerce is concerned: Yes, Traveldata International of Toronto. (a) Yes. (b) Marginal decrease in foreign travel by Canadians and a small increase in domestic travel in 1981. (c) The results of this study will be used in developing marketing strategies to promote the tourism plant in Canada by the Canadian Government Office of Tourism. Other users are the departments responsible for tourism in the Provinces/Territories, and the Tourism Industry in general. (d) $100,000.

DEVELOPMENTAL POTENTIAL OF NEW AIRCRAFT

Question No. 4,754—**Mr. Mazankowski:**

Was a study done on behalf of the Department of Transport to examine the development potential for the 150-seat new technology aircraft for the 1990s and, if so (a) who performed the study and at what cost (b) what was the purpose (c) what were the major conclusions and recommendations (d) what steps has the government taken to implement the recommendations?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned: No.

(a) The Department, assisted by the Development Centre of the Department of Transport and Peat Marwick consulting firm, is preparing a study at an estimated cost of $66,000. (b), (c) and (d) In the process of evaluating the market for this class of aircraft, the Department is working with Canadian industry and negotiating with leading manufacturers of commercial aircraft. No recommendations have been made as the evaluation is still incomplete.

INDOOR ENTRY WAYS FOR ATLANTIC PROVINCES AIRPORTS

Question No. 4,785—**Mr. Howie:**

1. Which Department of Transport airports in the Atlantic Provinces are equipped with an indoor entry way to aircraft to protect passengers from severe cold and inclement weather and which airports are not so equipped?

2. What is the criterion used for determining the need for installation of indoor entry ways to aircraft?

3. Are the Atlantic Provinces discriminated against in this regard and, if so, for what reason?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport):

1. In the Atlantic Provinces only two airports, Halifax and St. John's, are equipped with indoor entry ways to aircraft called "passenger loading bridges".

The following Transport Canada airports do not have passenger loading bridges: Charlottetown, Churchill Falls, Deer lake, Fredericton, Gander Int'l, Moncton, Saint John, N.B., St. Anthony, Stephenville, Sydney, Wabush and Yarmouth.

2. Transport Canada policy is that the Department may provide a passenger loading bridge where there exists an annual passenger volume of 250,000 or more at an airport, and, in addition, at least 125,000 passengers from loading bridge compatible aircraft, enplaning and deplaning annually at the aircraft gate in question.

Air carriers are entitled to install their own loading bridges where an air carrier normally utilizes a particular aircraft gate for at least 35 per cent of the operational day at the airport, or for the busiest 16 hours of airport operation.

3. The Atlantic Provinces are not discriminated against in the national application of this policy.

CANADA POST—INSIDE WORKERS EMPLOYED IN FREDERICTON

Question No. 4,795—**Mr. Howie:**

On (a) January 1, 1981 (b) January 1, 1982 (c) January 1, 1983 (d) the first day of the month in which this question is answered, how many (i) permanent (ii) casual inside workers were employed by the Fredericton, New Brunswick central mail sorting depot?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): The Canada Post Corporation Informs me as follows:

Part (a) January 1, 1981:	60 full time indeterminate 11 part time indeterminate
Part (b) January 1, 1982:	67 full time indeterminate 5 part time indeterminate
Part (c) January 1, 1983:	67 full time indeterminate 4 part time indeterminate
Part (d) April 1, 1983:	67 full time indeterminate 4 part time indeterminate

CANADA POST—LETTER CARRIERS EMPLOYED IN FREDERICTON

Question No. 4,796—**Mr. Howie:**

On (a) December 1, 1981 (b) December 1, 1982 (c) the first day of the month in which this question is answered, how many (i) permanent (ii) casual letter carriers were employed by the Canada Post Corporation in Fredericton, New Brunswick?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): The Canada Post Corporation informs me as follows:

Part (a) December 1, 1981:	48 full time indeterminate 2 part time indeterminate
Part (b) December 1, 1982:	48 full time indeterminate 1 part time indeterminate
Part (c) April 1, 1983:	48 full time indeterminate 1 part time indeterminate

TRAVEL EXPENSES OF CBC AGRICULTURE AND RESOURCE LIAISON OFFICER

Question No. 4,805—**Mr. Murta:**

With reference to travel expenses incurred by the CBC Agriculture and Resource Liaison Officer (a) has there been any reduction in travel expenses for this Officer (b) what amount was spent on his travel over the past five fiscal years?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

(a) and (b) It has not been customary to require the CBC to provide such details of its internal management and administration. The background to this custom is explained in detail in the reply to Question No. 2,530 answered November 6, 1975.

FIRE COMMISSIONER OF CANADA

Question No. 4,829—**Mr. MacKay:**

1. Was there recently an investigation into the alleged harassment of staff by the former Fire Commissioner of Canada, Mr. Alex Hope, and, if so, what was the outcome of the investigation?

2. Is it the intention of the Department of Public Works to use the services of Mr. Hope as an advisor on the competition being held for the job of Fire Commissioner although there are among the candidates for that competition, persons who have brought charges of harassment against the former Fire Commissioner?

Hon. Roméo LeBlanc (Minister of Public Works): 1. Yes. Charges are still under examination by the Public Service Commission of Canada.

2. Yes. Mr. Hope was utilized as a technical adviser. He is the only person with the technical competence and knowledge of fire prevention relative to the federal service at the level of the position.

CMHC—HOUSING UNITS FOR INDIANS IN NEW BRUNSWICK

Question No. 4,848—**Mr. Howie:**

Since April 1, 1980, what amount was (a) loaned (b) granted for new housing units for native Indian persons in New Brunswick?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: (a) Approximately $3.3 million. (b) Nil.

HOME INSULATION PROGRAM IN NEW BRUNSWICK

Question No. 4,853—**Mr. Howie:**

1. How many New Brunswick households applied for grants under the Canadian Home Insulation Program in (a) 1981 (b) 1982 (c) 1983?

2. How many of the grant applications are not settled to date?

3. How many families, in total, are presently waiting for the applications for CHIP grants to be settled?

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

1. (a) 8,436, (b) 15,439, (c) As of April 27; 2,972.

2. As of April 27 there were 3,297 applications in process.

3. Same as 2, above.

POULTRY PRODUCTION IN NEW BRUNSWICK

Question No. 4,856—**Mr. Howie:**

Since April 1, 1980, what amount was paid to farmers in New Brunswick to assist with poultry production?

Hon. E. F. Whelan (Minister of Agriculture): There has not been any direct financial assistance given under the Agricultural Stabilization Board Programs. New Brunswick is a member of the National Marketing Agencies for poultry products, eggs, chickens and turkeys. These supply managed programs are entirely self-supporting and do not receive any federal moneys for their operations.

ASSISTANCE TO FRUIT FARMERS IN NEW BRUNSWICK

Question No. 4,858—**Mr. Howie:**

For the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, what amount was paid to farmers in New Brunswick to assist with fruit farming?

Hon. E. F. Whelan (Minister of Agriculture): Assistance paid to farmers in New Brunswick for fruit farming is as follows:

Order Paper Questions

	(a) 1980-81	(b) 1981-82	(c) 1982-83
Crop Insurance Program	$ 14,329	$ 19,376	$ 20,441
Agricultural Development Subsidiary Agreement II	274,512	225,664	184,014
Advance Payments for Crops Program	—	—	5,939
South East New Brunswick Program	—	—	3,596
Agricultural Stabilization Board	—	70,189	16,489
	$288,841	$315,229	$230,479

ATTACHING CUSTOMER OWNED EQUIPMENT TO TELEPHONE NETWORK

Question No. 4,866—**Mr. Beatty:**

1. Is the Department of Communications considering requiring that customer-owned equipment attached to the telephone network be labeled as having been approved under Terminal Attachment Program Advisory Committee standards?

2. Is the Government considering a charge of $1 per telephone for the use of the label and, if so, for what reason?

3. What amount per year might be derived from such a program and in what way would that amount be used?

4. Could such a program result in a cost of up to four or five dollars per telephone to consumers?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. Customer-owned equipment approved under the Terminal Attachment Program Advisory Committee standards requires a DOC label under the Terminal Attachment Program of the Department. This program commenced April, 1976.

2. A fee of $1 per label for terminal equipment has been in effect since April 1976 to recover a portion of the costs of the Terminal Attachment Program. Under the CRTC Telecom Decision 82-14 of November 23, 1982 all telephone sets manufactured after June 1, 1983 will have to be DOC certified and bear a DOC label. In view of the increased volume of the telephone sets which will have to bear DOC labels, the label fee applicable to telephone sets has been reduced to 20 cents effective May 30, 1983.

3. The total revenues from the Terminal Attachment Program approximate $300,000 per year. These revenues are intended to cover costs for the services of technical assessment, testing certification and labels for manufacturers and suppliers of terminal equipment attached to the telephone networks of federally regulated carriers.

4. The cost to the manufacturers will be 20 cents per label for telephone sets.

Any additional cost to the manufacturer is the cost associated with attaching the label to the telephone which is estimated to the negligible, with efficient organization and application procedures. The final cost to the consumer is an all inclusive one which will depend on production volumes and market forces.

CLOSED-CAPTIONED PROGRAMMING

Question No. 4,868—**Mr. Beatty:**

1. How many hours of closed-captioned programming will be (a) produced (b) exhibited by the (i) French (ii) English language service of the Canadian Broadcasting Corporation?

2. Is the CBC employing Canadian or foreign technology for its closed-captioning?

3. Is the CBC employing Telidon technology for its closed-captioning and (a) if so, what equipment is being used (b) if not, for what reason?

4. How many machines for the insertion of closed-captioning in the broadcast signal does the CBC own?

5. When the CBC has programming closed-captioned, does it do the work itself or does it contract to have the work done by others and, if by others, by whom is the work done?

6. What amount will the CBC spend in the fiscal year 1983-84 on closed-captioning for (a) purchasing programs (b) captioning programs (c) other related expenses?

7. Does the CBC have any plans to close-caption (a) its news and public affairs programs (b) House of Commons broadcasts and, if so, what are such plans?

8. Does the CBC plan to take new initiatives in 1983 to provide programming for the hearing impaired and, if so, what are such initiatives?

9. Does the CBC feel it has a special responsibility to provide programs to the hearing impaired?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. (a) and (b) Approximately 250 hours of Canadian closed captioned programming in each language will be broadcast annually by the CBC. The captions for these CBC and other Canadian-produced programs will be prepared by the Canadian Captioning Development Agency (CCDA). U.S. programs scheduled for telecast on the CBC English network will also be presented with closed captions when accompanying captioning is available from the U.S. supplier.

2. The CBC has been using technology developed in the United States for inserting captions in Line 21 of the vertical blanking interval of the television signal. Encoding equipment for this purpose was installed to enable captioning of Canadian programs to become a reality in Canada in 1981, the International Year of Disabled Persons. American-made encoders were purchased since, at that time, there were no Canadian-made encoders compatible with the Sears TeleCaption Adapter, which was the only available decoder. The CBC is now acquiring Canadian encoding equipment which has since been developed. It will enable captions to be decoded in the home with the same decoding device. This Canadian equipment is designed to complement that used by the Canadian Captioning Development Agency (CCDA).

3. The CBC intends to transcode its existing Line 21 captions to Lines 15 and 16 to make captioning an integral part of its Project IRIS teletext service, which employs Telidon technology. The Canadian equipment mentioned in No. 2 above is being ordered from a leading manufacturer of Telidon products for the insertion of CCDA captions on Line 21 and it

is designed with the potential for future insertion of captions on Lines 15 and 16 also. Future funding of Project IRIS and availability of teletext decoders at reasonable cost to the hearing-impaired will determine when teletext captioning would be practicable.

4. Three.

5. Closed captioning of CBC programs is done by the Canadian Captioning Development Agency (CCDA) under contract.

6. (a) In 1983-84, it is estimated that some $15,000 will be spent on closed captioning originally done in the United States for American programming purchased by the CBC. (b) CBC expenditures in 1983-84 for closed captioning of Canadian programming will amount to approximately $1,200,000. (c) Related expenses will comprise approximately $300,000, of which some two-thirds has been allocated to cover the one-time capital cost of captioning equipment.

7. (a) The CBC plans to include closed captions with news and public affairs programs as soon as possible. Some public affairs programs have been captioned during the past year, but many of these, like news, are not available in time for captioning to be done prior to broadcast. The CBC considers the addition of closed-captioned news and public affairs to be a high priority objective. Television newsroom equipment for the insertion of news captions is currently being evaluated by the CBC. It is hoped that this evaluation will prove sufficiently promising to permit some closed captioning of news to be undertaken experimentally in 1983-84. The Canadian Captioning Development Agency (CCDA) is also interestred in live, or real-time, captioning. (b) The House of Commons Question Period is currently being presented with sign language interpretation. Captioning will be introduced when a satisfactory method of real-time captioning has been developed.

8. Yes, as outlined in the reply to 7 (a) above.

9. Yes. The CBC believes that hearing-impaired viewers should have access to the same programs that hearing viewers enjoy to the extent that technology and resources can reasonably be expected to make them accessible.

CPP DISABILITY BENEFITS

Question No. 4,890—**Mr. Blackburn:**

1. With respect to Canada Pension Plan disability applications (a) how many disability applications were made (b) how many disability requests were approved since the inception of the Plan?

2. For each year since the Plan has been in existence, from the time of the first application to the date of final approval or rejection, what was the average length of time for the applications to be processed?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): 1. (a) Approximately 366,000 applications in total have been made for Canada Pension Plan disability benefits which first became payable in 1970. The Canada Pension Plan came into effect in 1966 but no disability benefits were payable until contributors had the opportunity of making contributions for five years, hence no disability benefit was payable prior to 1970. (b) The approximate number of these applications approved for payment is 255,000.

2. The statistics to indicate the length of time required to process a Canada Pension Plan disability application, from the time of receipt of the application to the time of approval or rejection, are available from 1979 only.

Since 1979 the average processing time for Canada Pension Plan disability applications in each year is listed below:

Fiscal Year		Number of days from receipt of application to date of first payment
1979-1980	—	142 days
1980-1981	—	146 days
1981-1982	—	121 days
1982-1983	—	105 days

In addition, it should be noted that 50 per cent of the Canada Pension Plan applications put into pay in March, 1983 took less than 84 days from the time of application to the time of first payment. For benefits approved in April, 1983, 50 per cent took less than 80 days for the same process.

CRIMINAL CODE

Question No. 4,908—**Ms. McDonald:**

1. For each year since 1970, what were the number of charges, convictions and types of sentences by sex and status (i.e. prostitute or customer) both on a national basis and for major cities under Sections 171, 173, 175, 176, 179, 181, 182, 183, 193, 194 and 195 of the Criminal Code?

2. (a) What are all the details of the internal monitoring of Bill C-127 of the First Session of the 32nd Parliament by the Department of Justice (b) are there any women's groups involved in the monitoring and, if so, which ones?

Hon. Mark MacGuigan (Minister of Justice): 1. Statistics do not exist in the form requested.

2. (a) The Department of Justice is proposing to maintain a close federal and provincial co-operation with respect to the evaluation of the impact of Bill C-127. Provincial Deputy Ministers responsible for Criminal Justice will soon be contacted to seek their comments and suggestions on a proposed evaluation plan.

The proposed evaluation would seek to determine the impact of Bill C-127. More specifically, it would ask:

1. Is the new law (including its evidentiary provisions) resulting in the improvements it was designed to promote? Are more victims reporting offences, more charges made, more convictions registered? Are trials less onerous for victims? Have attitudes changed? Can the law be administered and enforced effectively?

2. Do major interest groups, the victims, the personnel of the criminal justice system institutions consider that the amendments balance the interests of the accused and the victims? Is there evidence to substantiate their views?

The details of the study will be developed in consultation with the parties involved. A tentative initial proposal includes four parts: (i) a longitudinal study of cases from report to police until disposition, including interviews with key actors;

(ii) a statistical comparison of relevant criminal justice system activity before and after passage of Bill C-127; (iii) a survey of Crown prosecutors; and (iv) a survey of sexual assault centers.

(b) The evaluation strategy provides for consultation with women's groups in general, and more specifically with groups associated with sexual assault centers in Canada. Details of this consultation have not yet been determined.

CPP ADVISORY COMMITTEE

Question No. 4,924—**Mr. Mazankowski:**

1. Is there a Canada Pension Plan Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): 1. Yes, per Section 117 of the Canada Pension Plan.

(a)	(b)(i)	(b)(ii)	(c)*
Members as of May 17, 1983	Occupational Representation	Current Appointment	Remuneration to Date During Current Appointment
Arthur, John	Retired Represents public at large	Appt'd: Mar/83 Expires: Dec/85	As of May 17, 1983, no claims submitted yet.
Baldwin, Robert (Chairman)	Labour Representative	Appt'd: Apr/82 Expires: Dec/83	$1,394.50
Broad, Anne	Retired Represents public at large	Appt'd: Jan/82 Expires: Dec/84	$3,018.05
De'Ath, Joan	Labour Representative	Appt'd: Apr/82 Expires: Dec/84	$4,272.66
Dulude, Louise	Self-Employed Lawyer	Appt'd: Mar/82 Expires: Dec/84	$1,120.35
Granger, Robert	Senior Executive Private Industry	Appt'd: Mar/83 Expires: Dec/85	As of May 17, 1983, no claims submitted yet.
Hogan, William	Self-Employed Industrial Safety	Appt'd: Mar/82 Expires: Dec/83	$2,851.55
MacDonnell, Heywood	Chartered Accountant	Appt'd: Oct/82 Expires: Dec/85	As of May 17, 1983, no claims submitted yet.
McCarthy, John	Retired Represents public at large	Appt'd: Apr/82 Expires: Dec/83	$1,144.13
Patenaude, Nicol	Self-Employed Doctor	Appt'd: Mar/82 Expires: Dec/84	$2,177.58
Thoem, Valerie	Self-Employed Management Consultant	Appt'd: Apr/82 Expires: Dec/83	$2,281.72
Unsworth, George	Chartered Accountant	Appt'd: Mar/82 Expires: Dec/84	$2,970.35

* Members are paid a per diem allowance (presently $125 and $175 for members and Chair respectively) for each day they attend Committee meetings or attend to matters related to Committee business. In addition, members are reimbursed for travel and living expenses incurred in the course of Committee business, in accordance with Treasury Board guidelines. The amounts shown in the above list include both the per diem payments and the travel and living expense reimbursements.

(d) All costs associated with the administration of Advisory Committee activities consistent with the mandate set down in Section 117 of the Canada Pension Plan are defrayed by the federal government.

2. (a) Terms of reference as per Section 117(5) and (6) of the Canada Pension Plan state:

(5) It is the duty of the Advisory Committee to review from time to time, as it deems appropriate or advisable, the operation of this Act, the state of the Canada Pension Plan Investment Fund and the adequacy of coverage and benefits under this Act, and to report to the Minister the results of such review.

(6) The Committee shall each year prepare a report to the Minister on its activities during the immediately preceding year, and a copy of such report shall be included in the annual report of the Minister under section 118.R.S., c. C-5, s. 117; 1974-75-76, c. 4, s. 53; 1976-77, c. 36, s. 25.

(b) In the fiscal year 1982-83, the Advisory Committee considered: the level of and eligibility requirements for CPP disability benefits; current and future funding provisions, investment policy and contribution rate under the CPP; the provision of benefits to homemakers under the CCP; and the role CPP retirement benefits should play in the overall retirement income system.

(c) In 1982-83 the full Committee met twice and there were five Sub-committee meetings. Section 117(3) of the Canada Pension Plan stipulates that the Advisory Committee shall meet at least once a year in the city of Ottawa, and at such other times and places as it deems necessary in order to carry out its duties.

(d) Per Section 117(5) of the Canada Pension Plan, the Advisory Committee submits its reports to the Minister of National Health and Welfare. In the fiscal year 1982-83, the Minister made public the Advisory Committee's report entitled Proposed Changes to Canada Pension Plan Disability Benefits.

VIA RAIL ACCOMMODATION

Question No. 4,930—**Mr. Benjamin:**

Did VIA Rail Canada Inc. receive notice from customers, agents or employees about passengers having to stand on trains running between Capreol and Hornepayne and, if so, what action is the company planning to provide suitable accommodation to meet the needs of passengers?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

VIA has operated one baggage/dormitory coach and one café coach (72 seats) on trains No 7 and 8 and this capacity has been sufficient to handle the demand most of the time. Since the beginning of March, 1983, one additional coach (76 seats) has been added to trains 7 and 8 on eight different

occasions. Standees were reported on a few occasions, mostly during weekends.

In order to meet additional demand during the summer one extra coach (76 seats) will be added between Capreol and Hornepayne for the period shown below:

Train No. 7: On Thursday and Saturday from June 1 to June 30, then on Thursday, Saturday and Tuesday from July 2 to September 5.

Train No. 8: On Friday and Sunday from June 2 to July 1, then on Friday, Sunday and Wednesday from July 13 to September 6.

CNR RAILWAY LINE TO CHURCHILL

Question No. 4,934—**Mr. Murphy:**

1. What amount did the government and the Canadian National Railways spend on the CNR line to Churchill during each of the past five years?

2. What expenditures are being planned for each of the next five years?

3. Have studies been done by the Canadian National Railways and the Government on the Churchill rail line over the past five years and, if so, what were such studies?

4. Are studies being planned for each of the next five years and, if so, what are such studies?

5. Have studies been done or are studies being planned with respect to the use of hopper cars on the Churchill line and, if so, what were/are such studies?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways and Transport Canada advise as follows:

1. Under the Prairie Branch Line Rehabilitation Program, expenditures by the federal Government to the end of March, 1983 on Canadian National's Herchmer Subdivision totalled approximately $29.4 million. Expenditures during the past five years were as follows:

Gov't. fiscal year	Amount $(000)
1977/78/79	2,984
1979/80	6,669
1980/81	5,312
1981/82	5,825
1982/83	8,588

A further $763,000 is planned in 1983 under the current 1983/84 work program to cover the cost of surfacing after rail relay and to install ties in Churchill Yard. Since the inception of the Prairie Branch Line Rehabilitation Program, Canadian National has restricted its expenditures on the Herchmer Subdivision to maintenance accounts and has not made capital outlays.

2. The current rehabilitation agreement between Canadian National and the federal Government expires on March 31, 1984. New funds will be necessary to cover expenditures for items such as bridge rebuilding as well as sink hole and grade stabilization on the Herchmer Subdivision. Canadian National has been instructed by Transport Canada to prepare an integrated multi-year rehabilitation work program jointly with CP Rail for submission during the summer of 1983.

3 and 4. Yes. Concurrent with Prairie Branch Line Rehabilitation work on the Herchmer Subdivision, Canadian National entered into a contract with EBA Engineering Consultants to carry out embankment stabilization research on the line. The consultant's final report, submitted to Canadian National in September, 1982, shows promise, but it has not been resolved what action may be appropriate nor whether provisions will be made in future Federal Government Rehabilitation Programs to provide for continuing or new restoration procedures.

CN is working closely with Transport Canada on this matter and is recommending that at least one more season of monitoring existing test sites be carried out. It appears that the installation of heat pipes would help to control thaw settlement problems in the short term. However, there are too many unknowns with no technical assurance of long-term effectiveness to support the risk of this type of investment at present.

Another major concern is that the unstable subgrade problem is not restricted to the Herchmer Subdivision but also extends south beyond Gillam. There is no point in undertaking stabilization of the Herchmer Subdivision while neglecting the Thicket Subdivision.

5. Yes. The continued instability of the Herchmer and Thicket Subdivisions makes it impossible to guarantee that Canadian National will be able to handle hopper cars on the line to Churchill even with 100 lb. rail.

Transport Canada recently initiated a proposal whereby CN would co-operate with National Steel Car Corporation regarding the possibility of designing a hopper car with a lower centre of gravity and weight carrying capacity suitable for use on the Churchill line and light steel branch lines.

CN is also currently examining programs to extend the existing life of the box car fleet and/or replace the existing fleet with like equipment. Included in this type of program is, for example, the possibility of retrofitting journal brasses to roller bearings.

CANADA LANDS COMPANY (MIRABEL) LIMITED

Question No. 4,936—**Mr. Fennell:**

Since its inception, by year, what amount of Government assistance, special programs and/or grants were given to the Canada Lands Company (Mirabel) Limited?

Hon. Roméo LeBlanc (Minister of Public Works): The Canada Lands Company (Mirabel) Limited was incorporated April 9, 1981. Total funds advanced are as follows:

Fiscal Year	($000's)
1981-82	11,301
1982-83	9,917
1983-84	2,214

Order Paper Questions

FINANCIAL ASSISTANCE TO SKI RESORTS IN QUEBEC

Question No. 4,958—**Mr. Herbert:**

1. In the past five years, did the Government contribute financial assistance or guarantees for any ski resorts in Quebec and, if so, what amount was given or loaned, to whom and under what conditions of repayment?

2. (a) Was a request made for government financial assistance for the ski resort on Rigaud Mountain in Quebec (b) was the request denied and, if so, for what reason?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): 1. In the past five years, the Departments of Regional Economic Expansion and Industry Trade and Commerce have not allowed Quebec ski resorts any loan guarantees. The Departments have, however, granted financial assistance for five projects in the form of non-repayable subsidies as follows:

Mont Tremblant (1980-81-82) through the Subsidiary Agreement on Tourism Development	$8,000,000
Thetford Ski Club (1982-83) Special employment-related initiative	$ 311,000
Mont Fortin Ski Club Inc. (1983-84) Special employment-related initiative	$ 300,000
Chikanki Ski Resort (1982-83) Special employment-related initiative	$ 20,500
Petite Rivière Saint-François (1982-83) For an audio-visual presentation of the region	$ 23,000

2. (a) No. (b) Not applicable.

NRC INFORMATION FOLDER

Question No. 4,965—**Mrs. Cossitt:**

Does the National Research Council of Canada publish a grey and black information folder to enclose press releases and information packages and, if so (a) what is the cost per year of publishing the folder (b) what is the purpose of enclosing these documents in a folder of this type (c) what is the name and job designation of the highest official authorizing the publication (d) what is the name of the firm that prints the folder?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows: Yes.

(a) Approximately $160 per year. (b) These folders are designed to enclose information packages to facilitate their retention in one place and are used for prospective employees. On one recent occasion they were used for a group of press releases pertaining to announcements of Special Recovery Capital Projects for the National Research Council. (c) Mr. Ray Dolan, Chief, Personnel Services Branch. (d) Buchanan Printers, Winnipeg, Manitoba.

NRC BOARD OF DIRECTORS

Question No. 4,967—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the National Research Council of Canada and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Council?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows:

1. Pursuant to the National Research Council Act (Section 5(1)) the Council consists of a President and not more than 2 other members to be appointed by the Governor in Council.

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2. Chairperson, The President is the Chairperson for the Council and does not receive compensation or benefits for this role.

Directors. Section 12 of the National Research Council states:

"12. (1) The members of the Council, other than the President, shall serve without remuneration, but each such member is entitled to be paid reasonable travelling and other expenses incurred by him while absent from his ordinary place of residence in the course of his duties under this Act.

(2) Notwithstanding subsection (1), a member of the Council other than the President may, for any period during which he performs with the approval of the Council any duties on behalf of the Council in addition to his ordinary duties as a member thereof, be paid such remuneration therefor as may be authorized by the Council. R.S., c. N-14, s. 12; 1976-77, c. 24, s. 58."

The current rate of remuneration under this clause is $200 per day.

President. Order in Council appointee in a salary range equivalent to DM-1, effective July 1, 1982; $75,360 to $88,670.

Vice-presidents. Salary range July 1, 1982; $58,724 to $74,200.

CFDC BOARD OF DIRECTORS

Question No. 4,979—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Canadian Film Development Corporation and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Corporation?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Film Development Corporation as follows:

1. CFDC Board Members

Mr. Ed Prévost President & Chief Executive Officer, La Brasserie O'Keefe, 990 Notre-Dame West, Montreal, Quebec H3C 1K2	appointed Chairman on April 1, 1983 for five years
Mr. James De B. Domville, Government Film Commissioner & Chairman of the National Film Board, P.O. Box 6100, Station "A", 3155 Côte de Liesse, Montreal, Quebec H3C 3H5	ex officio January 8, 1979 for five years
Mr. Claude Morin, Produits Petro Canada, Public Affairs, 1 Place Ville Marie, 18th Floor, Montreal, Quebec H3B 4A9	appointed member on August 1, 1980 for 5 years
Mr. Claude Bruneau, Corporation du Groupe la Laurentienne, Executive Vice-President, 507 Place d'Armes, Montreal, Quebec H2Y 2W8	appointed member on June 18, 1981 for five years
Mr. David S.R. Leighton, Chairman of the Board, Nabisco Brand Ltd., 1123 Riverdale Avenue S.W., Calgary, Alberta T2S 0Y9	appointed member on July 16, 1981 for five years
Mrs. Muriel Sherrin, Director, Toronto International Festival, 508 Queen Street West, Toronto, Ontario M5V 2B3	appointed member on December 2, 1982 for five years
One vacancy	

2. In the case of the Chairman, the Honorarium has been fixed by the Privy Council (P.C. 1982-1411) at $325 per day for activities related to CFDC Board matters.

In the case of the other Board members, with the exception of the Government Film Commissioner who does not receive any fee, honorariums are fixed by By-Law no 1 of the Corporation, approved by the Minister of Communications on March 27, 1982. This fee is $225 per day for activities related to CFDC Board matters. The Council members are reimbursed for any reasonable travel expenses.

The CFDC has an Executive Director who is responsible for the Corporation's operations, rather than an operational president or vice-presidents. The Executive Director receives a salary at the "GIC 7" level, set by the Privy Council (P.C. 1982-4056).

CANADA COUNCIL BOARD OF DIRECTORS

Question No. 4,983—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Canada Council and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Council?

Hon. Francis Fox (Minister of Communications): I am advised by the Canada Council as follows:

1. See list below. (It is assumed that this question refers to the Chairman and members of the Canada Council, since there is in law and usage no "Board of Directors" and no "President" or "Vice-presidents").

2. (a) Compensation: (i) Chairman, and Vice-Chairman acting for the Chairman: an honorarium of $325 per day while on Council business; (ii) Members of Council, including the Vice-Chairman in his ordinary capacity: an honorarium of $225 per day while in attendance at meetings of the Council; The Chairman, Vice-Chairman and Members are also reimbursed for actual and reasonable travel expenses. (b) Benefits paid: None.

Members of the Board of the Canada Council

Chairman

Mavor Moore Toronto	University Professor, Actor, Playwright

Vice-Chairman	
Jean-Jacques Fortier Montreal	Businessman
Members	
Gordon Dowsley Willowdale	Financial Planning Officer
Peter R. Duffield Montreal	Business Consultant
Celia Franca Ottawa	Consultant in Dance Administration
Gerald Fraser Saskatoon	Businessman
Marc Gagné Ste-Foy	University Professor
Nicholas Goldschmidt Toronto	Artistic Director—Music Festivals
Julien Hébert Montreal	Professor of Design & Sculpture
Marilyn Huband Winnipeg	Community Services
William Kilbourn Toronto	Writer and University Professor
Sandra Lynne LeBlanc Calgary	Community Services
Elizabeth McGowan Charlottetown	Community Services
Patrick O'Flaherty St. John's	University Professor
Penny Petrone Thunder Bay	University Professor
Ruth Schiller Osoyoos, (B.C.)	Community Services
Marcel Sormany Edmunston	Retired University Administrator
H. Arnold Steinberg Montreal	Businessman
Norman Young Vancouver	University Professor

TEACHING OF FRENCH IN LOUISIANA

Question No. 4,986—**Mr. McKenzie:**

1. Did the Government on its own or in co-operation with the Government of any Province make any arrangement with the State of Louisiana to provide the State with French language teachers and, if so, were the teachers sent upon (a) the request of the State of Louisiana (b) the decision of (i) the Government (ii) the Government in co-operation with the Government of any Province?

2. Was there any type of agreement or contract made between (a) the Government and the State of Louisiana (b) the Government, any provincial Government and the State of Louisiana to employ the teachers to teach French in Louisiana and, if so, what were the terms of the contract or agreement?

3. What was (a) the length of time the teachers were contracted to teach the French language in Louisiana (b) the amount of financial compensation or support paid to the teachers during the calendar year (i) 1981 (ii) 1982 (iii) 1983 for teaching the French language in Louisiana, including all travel expenses to and from their starting point in Canada and their destination in Louisiana, the actual wage received for teaching, and any funding for accommodation while teaching in Louisiana?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. No. The Government, however, through our Consulate General in New Orleans subsidizes programs of a cultural nature managed by CODOFIL (Council for the Development of French in Louisiana). CODOFIL is an independent organization established by the Louisiana Legislature and subsidized in part by that elective body. CODOFIL is also granted subsidies by Canadian provincial Governments.

2. No. French language teachers are hired directly by CODOFIL.

3. See above.

[*Translation*]

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

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

Some Hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF SOUTH KOREAN AIRCRAFT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I ask leave, seconded by the Hon. Member for New Westminster-Coquitlam (Miss Jewett), to move the adjournment of the House under Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the immoral shooting down of a South Korean civilian aircraft by the Soviet Union resulting in a loss of 269 lives including those of ten Canadians. Such a grave event demands immediate government action to ensure the protection of Canadians and citizens of other countries who travel on civilian aircraft on international routes.

Some Hon. Members: Hear, hear!

Madam Speaker: The Hon. Member is asking leave to debate a very grave and important question. Again, I must refer to Beauchesne which states that the specific and important matter requiring urgent consideration for discussion for which the adjournment of the House is sought under Standing Order 30:

—must be so pressing that the public interest will suffer if it is not given immediate attention.

I have come to the conclusion that within the terms of Standing Order 30(4) the subject matter of the proposed motion is indeed a proper subject for discussion within the terms of this rule.

May I favour the House with a brief explanation of the procedure. In the circumstances the House may either give its consent that the matter be considered, in which case it will be considered this evening at eight o'clock; alternatively if the House does not give its consent I will ask those in favour of having it considered to rise, and if 20 or more Members rise it will be in order to consider the motion at eight o'clock this evening.

Does the House agree to the urgent debate on this particular matter?

Some Hon. Members: Agreed.

Madam Speaker: The debate will take place at eight o'clock this evening.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, 1983

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Trudeau that Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I had just undertaken to commence my remarks when the lunch recess occurred. As Members are aware, this Bill that we are debating has now been split as a result of our Party's stand.

The present Bill will deal with the reorganization of DREE, or DRIE, as it is now known. I have mentioned this before, and will say it again, that the Department of Regional Economic Expansion was a particular Department of great interest to the rural parts of Canada and, of course, to the disadvantaged parts of Canada. This new Department called DRIE—and I hope it does not mean that money will dry up—is just a subsidiary of Industry, Trade and Commerce. I know that right across the country grave concern has been expressed about how important this Department is going to be and whether it will get the high priority it should. Unlike earlier regional development incentives, these grants, loans and guarantees are now available across Canada. That might be a two-edged sword. Whereas DREE areas were specifically allocated to the have-not areas, the new set-up actually provides grants across the entire country, even for the most buoyant economies. To those of us from the smaller areas and out in the country the idea of Metropolitan Toronto and some other big centres being eligible for grants will probably raise some concern. At least we know they are in tier one, meaning that large centres will not get the high percentages available. But industry, which has in the past looked favourably on some of the remote rural areas and has set up in those areas because of the incentives, grants, tax advantages and labour situation which was satisfactory, may say, "With a smaller percentage of grant, we will remain in the industrial heartland where there is a greater pool of labour and where there may be slightly higher taxes." By and large they weigh it in the balance and decide to stay where they are or, in the case of new industry, it locates in those areas. It was for those reasons back in 1969 that DREE was formed and came out strongly in favour of disadvantaged areas. Many of us in rural areas, many of whom represent DREE designated areas, will be looking at this matter with some concern as to whether it will be an advantage in the long run.

● (1550)

The maximum level of support in each of the 260 census districts is determined by a development index calculated on the base of the employment rate which is weighted 50 per cent, 40 per cent on per capita disposable income and provincial fiscal capacity. As I mentioned, there are four different tiers of grants. Of course the first tier is for the entire country. The tier in which a census district is located will determine the maximum sharing ratio, the maximum amount repayable and the minimum approved capital costs. Clearly there are problems with this index.

As I mentioned earlier, one area in my riding, the Parry Sound district, was eligible and will remain eligible under the third tier, whereas the regional municipality of Muskoka, another part of my riding, was not eligible and now becomes eligible on a lower grant basis under the second tier.

There are major problems. The first is that many labour force regions are extremely large, as is the case in my particular riding. It is possible that the high unemployment rate of one census district will be offset by a lower unemployment rate of another. The second problem is that unemployment rates tell only part of the story. It is uncommon, for example, in my riding for the number of unemployment insurance beneficiaries to exceed the official number of unemployed. People do not look for jobs when there are none available. Hence they are not counted among the unemployed. Whereas the unemployment figures show that there are 1.5 million unemployed, when we take into consideration the great number of people who have exhausted their benefits, who have been unable to find work in recent years and who are either eking out an existence with their savings or have had to resort to welfare assistance, we realize that indeed the situation is very tragic.

I am aware that the new Minister of Employment and Immigration (Mr. Roberts) mentioned that a very large sum of money has been designated—I believe it is $1.2 billion—over a period of time to provide jobs. Hopefully this will get under way. Also I assume that some of this money will be channelled through the Department of Regional Industrial Expansion to provide jobs.

We are aware of how many young people are unemployed. The figures are quite staggering. Earlier I heard a figure of

around 20 per cent. Also an announcement was made concerning a special youth department which will zero in on employment and jobs for youth. Let us hope that these jobs will be meaningful and permanent ones, not 16-week or 20-week jobs to qualify young persons for future unemployment payments. I know that young people are very dismayed. Some have almost given up the hope at their young age of obtaining anything in the forseeable future.

The breakdown of the tiers is certainly worth mentioning. Of course, the fourth tier is where the economy is at its lowest, where 5 per cent of the population has the greatest need. I believe the third tier is 5 per cent to 20 per cent and the second tier is 20 per cent to 35 per cent of the population. Of course, the balance of the country comes into the first tier.

This Department must consider the importance of small business. The small business sector, as I understand it and as has been mentioned time and again, provides over 50 per cent of the jobs in Canada. In recent months it has provided the most stimulus for new jobs. I hope the new Department will place particular emphasis upon the small business sector and ensure that funds are available for it. It was mentioned previously that industry by and large prefers tax incentives to grants. I appreciate that, but I want to emphasize that in disadvantaged areas which are endeavouring to attract new industry tax incentives will certainly not be any great carrot for it to locate there. These grants must be available.

Also I hope there will be a greater speed-up in the investigation of applications. As a rural Member I have had many applicants ask me to look into their applications to see what is the holdup. Of course, I have approached the regional offices and I can say that the officers in charge are certainly most helpful. Time and again they have said, "It takes time". Many prospective industries coming into an area cannot wait an interminable length of time. I hope the new Department and its officials will see to it that the applications are processed much quicker.

Another point worthy of mention is the fact that many grants hinge on both provincial and federal co-operation. For example, infrastructure payments are paid percentagewise by both levels of Government. In some cases the municipal Government participates. In the past, as a federal Member of Parliament I have approached officials in the regional office of DREE. They have stated, "Mr. Darling, you do not have to worry at all. We have done everything. It is ready to go. The only problem is that the Province is holding it up." Then I immediately contacted the provincial counterpart and got the same story. They would say, "Everything is fine. We have done everything but the federal Government has not given its royal assent as yet." I guess it is the old story of blaming someone else, but I know the process could be speeded up a great deal if both levels of bureaucracy got their acts together, and if there was any hitch in one or the other they could iron it out themselves. In two or three different cases I have had possible industrialists finally throwing up their hands because of the red tape and the delay. They were told that it would be several months down the road, so they just gave up. I know of several small industries in one area which are still on hold or waiting for something to come up. This is not going to help job creation.

● (1600)

As I said before, I am aware that the federal Government knows how serious the situation is. It knows the state of the economy. Even though we in the Opposition are just guessing, I would assume that in the very near future the federal Government will have to make an announcement of a great amount of money available for job creation.

Apparently the economy is on the upswing, although it was mentioned today that the graph seems to be going down. Let us hope that is a temporary situation. Whether we like it or not, we are in for a pretty tough winter as far as jobs are concerned. The unemployment situation will be very serious for many, if not all, constituencies in Canada.

This morning the Hon. Member for Willowdale (Mr. Peterson) quoted figures with regard to the sizeable amount of money going to various regions under the new DRIE Program. I believe he stated that for the Province of Quebec, the amount will go from $98 million to $124 million. The Atlantic Provinces will get a considerable boost, from $109 million to $230 million. My Province, Ontario, has the most unemployment in the country. I concede that is logical because it has the greatest population. The amount will be increased from $33 million to $40 million, not a very large sum.

I mentioned earlier that for a number of years I served on the DREE committee. Until a year or a year and a half ago, I assumed that DREE grants were for the same amounts across the board. Eligible districts or regions of Ontario received DREE grants of 25 per cent, give or take, based on the capital cost of equipment, machinery and equipment. In some cases the grants were made having regard to the number of new jobs generated.

When the DREE committee visited the Maritimes, my eyes were opened. Along with other Members of the committee, I visited the great Province of Newfoundland. When I heard that the grants there were not in the order of 25 per cent, as I thought but in some cases as high as 90 per cent, I scratched my head. On visiting New Brunswick, I was again told of very substantial DREE grants. I am aware there is high unemployment in that area, but in parts of the Province of Ontario there are also great pockets of unemployment. The melon was not being divided as fairly as possible. I see you are beginning to rise, Mr. Speaker, so I will conclude my remarks.

Mr. Deputy Speaker: Are Hon. Member rising to ask questions of the Hon. Member who has just spoken? The rules provide for a ten-minute period of questions and answers.

Mr. Waddell: Mr. Speaker, I have a question for the Hon. Member. I would ask the Member who just spoke to state briefly the Conservative Party position, if there were in government, as to whether they would keep the Department of Regional Economic Expansion. Would they keep the Department of Regional Economic Expansion, as a few members said

they would, or would they do away with it, consolidating it into a larger department, as other members have suggested?

Mr. Darling: Mr. Speaker, if the Hon. Member had been here this morning, he would know that that question was posed by one of his illustrious colleagues and was answered.

Mr. Waddell: It was not answered.

Mr. Darling: It was answered. I will give the same answer. We certainly have supported the Department of Regional Economic Expansion. A great many are now concerned that it is a subdepartment of Industry, Trade and Commerce. I can assure the Hon. Member that I say that definitely we should have a specific Department of Regional Industrial Expansion. It is a very important Department. I could name several other ministries or Departments which do not add nearly as much to the economy as the Department that provides grants and jobs for the entire country, including the Hon. Member's own area.

Mr. Waddell: Mr. Speaker, I thank the Hon. Member for his answer. To quote him, he said he was one—

Mr. Darling: Of many.

Mr. Waddell: One of many Members who support keeping the Department. Does that mean, as I think it does, that there are others who would not keep the Department? Again I ask him the question so that I can get a straight answer. I do not ask for his own individual position or the position of some or even all Members of his Party. What is his Party's position as to whether they are going to re-create the Department of Regional Economic Expansion?

Mr. Darling: Mr. Speaker, all I can do is to repeat what I have already said. The Hon. Member should have been here this morning. I repeat that I am confident that our Party will see that there is a Department of Regional Industrial Expansion.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak to the matter before the House. It is of considerable importance to a significant area of my constituency, particularly the census division of Brandon. I lament the passing of DREE, the Department of Regional Economic Expansion. That Department did succeed, at least to some degree, in redressing some of the regional disparities which have so often hampered the growth of industrialization in Canada.

One advantage of the Department of Regional Economic Expansion was to provide incentives for the less industrialized areas, particularly in the Province of Manitoba. It did that in such a manner that a number of jobs have been created since 1969. According to my statistics, 20,000 jobs were created in the Province of Manitoba since 1969. That was the result of some 850 grants totalling $225 million, leading to a total investment of over $1 billion in terms of 1982 dollars.

What concerns me is that the new criteria before the House as part of the DRIE Program as distinct from the DREE Program will mean that large segments of western Canada, particularly my own area of Brandon, and areas such as Selkirk in the Province of Manitoba, will not be eligible under this program as they were under the last program for this type of financial assistance.

I am told that 77 per cent of the projects which occurred since 1969 as a result of DREE would not have occurred under DRIE. That is a very staggering percentage. I am also told that 34 per cent of the expansion that occurred in Manitoba as a result of DREE would not have occurred under DRIE. This means there would be $470 million fewer dollars invested in the Province of Manitoba and a loss of 10,000 jobs; 10,000 jobs during a time of high unemployment. That is something which the Province of Manitoba cannot accept.

Those who established DREE were well aware of some of the peculiar difficulties which exist in western Canada, difficulties which have retarded the even economic development of this country. There are too few large urban centres to serve as markets for manufacturers in our region. We have a tremendous distance to cover before we can produce goods and get them to the large eastern markets. As a result of that distance, we are in a situation where we have to face very high freight costs which will work very much to the disadvantage of local manufacturers in all of western Canada, particularly in the area of Manitoba from which I come, in communities such as Brandon.

• (1610)

In addition, Mr. Speaker, as I am sure all of the Members of the House are aware, Government policies in the past have led to the structuring of freight rates in such a way that we have been encouraged to export our primary goods and we have been discouraged from producing manufactured goods. Unfortunately, there is nothing in this legislation which takes that particular disadvantage into consideration.

As you may be aware, Mr. Speaker, one of the historical by-products of our natural disadvantages has been the growth of a considerable amount of alienation within western Canada. This alienation has resulted in the past in such developments as the secessionist movement in the 1880s which was led by a group called the Manitoba Northwest Farmers' Union. There was also the growth of the Progressive movement in the 1920s, which was a rejection of the traditional Party politics as we know them. In 1935, there was the emergence of the Social Credit movement, which was extremely anti-eastern in terms of its orientation. Even more recently and more disturbingly, in the 1970s and 1980s we have had the growth of a western separation movement. To give credit to the Government that sits across from me in the House, the DREE Program helped to lessen that alienation to some degree. Unfortunately, what it has now proposed will not do that, and in fact, it may lead to an intensification of that alienation.

In my opinion, the spirit which motivates this particular Bill is admirable. That is, there is a desire to streamline the legislation. But unfortunately, the criterion which has been employed is disastrous in its impact upon small communities.

As you may or may not be aware, Mr. Speaker, that the community of Brandon, a city of some 40,000 people, has been placed in the same category or tier, tier one, as the cities of Edmonton, Calgary and Toronto. That means that those people who are interested in investing in our community and people such as elected municipal officials and those responsible for the development of industry within our community are now at a tremendous disadvantage. In the past, they had the opportunity to encourage industries to come to smaller western communities because they could apply for DREE grants and, hopefully, receive them. Any industry coming into our community now is no more eligible to receive assistance than those that exist in larger urban communities. As a result, because of the natural disadvantages which exist, we are not likely to receive the new kind of industry which we are seeking.

It is ludicrous to think, Mr. Speaker, that a community such as Brandon situated in western Canada, a community of only 40,000 people, has the same opportunity to attract new industries as cities with a million people or more.

What is wrong with this program, Mr. Speaker? What is basically wrong with it is that the criterion which has been employed for the establishment of tier one, tier two, tier three and tier four has been too narrowly defined. As you are aware, Mr. Speaker, the principal criterion that is applied is unemployment statistics. I come from a community which is essentially a small urban market centre serving a fairly large rural area. One of the developments which occurs in such a centre is that out of necessity, and tragically so, we lose many of our young people to larger urban communities. In fact, it has been said that we have had to export our unemployed. The statistics, therefore, are grossly misleading. While we do have unemployment statistics showing less than the national average, what those statistics do not indicate is the number of people who have left to go to eastern Canada, to Provinces such as Alberta and British Columbia.

In addition, another criterion employed in the establishment of tier one, tier two, tier three and tier four is the level of income. I therefore find it very difficult to understand how our community, which Statistics Canada recently indicated was ninety-ninth on a list of 100 in terms of per capita income, could possibly find itself placed therefore in the tier one category.

We need a reclassification if this Bill is to achieve the objective which it purports to achieve. We need a reclassification that takes natural, regional and geographic disadvantages into consideration. Some consideration must be given to the distance factor and to the freight costs which our manufacturers must take into consideration. Some consideration must also be given to the amount of local capital which is available. Unfortunately, under the provisions of tier one, new industries coming to Brandon my community are not eligible to receive financial assistance. Even in the case of expansion, the project must be worth a quarter of a million dollars in order to qualify.

During the course of the campaign for the recent by-election, I visited many small businessmen. I was impressed by their enthusiasm and I was impressed by their spirit of innovation. What distresses me, Mr. Speaker, is that this legislation does nothing to encourage the small businessman. It does nothing to encourage anyone who wishes to expand but has a project that is valued at less than a quarter of a million dollars. Unfortunately, it does absolutely nothing to encourage any investor or any businessman to establish a new venture in the Brandon census district. It therefore seems to me that those who have drafted this legislation have failed to take the natural disadvantages which exist into consideration, and furthermore, they have failed to take the size of communities into consideration size and they have failed to bear in mind that unemployment statistics can be very misleading. Therefore it is important that this Bill be redrafted and, if not, it is important that this Bill be defeated.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to rise to speak for a short time about this particular Bill concerning regional development and the consolidation of various Government Departments that deal with regional development. A few minutes ago, Mr. Speaker, you heard me direct a question to a Conservative Member as to what the Conservative policy was. I asked him about his Party's policy in this area, not about his own particular opinion. Trying to get an answer on policy from the Conservative Party in Canada is like trying to nail down jelly. As my friends wake up, I say to them that at some point they will have to tell the Canadian people what they stand for.

Miss MacDonald: We did in Mission-Port Moody.

Mr. Waddell: They certainly did not in Central Nova where the Party leader was unable to set down exactly what the Conservative Party policy was when dealing with the Department of Regional Economic Expansion.

I know that things look rosy for Conservative Members today, but at some point—

Mr. Epp: Were you in Mission-Port Moody?

Mr. Waddell: I was in Mission-Port Moody. The people wanted to get rid of the Liberal Government. But at some point the people are going to ask what we are going to put in its place; another dilettante, perhaps, or a Party with no particular policy? We will wait and see—

Miss MacDonald: What about Vancouver-Kingsway?

Mr. Waddell: We will wait and see what Conservative Members have to offer. So far, they have been unable to enunciate policy. So far, they have been favouring some policies that I think are detrimental to Canadian people, specifically the so-called cruel and harsh restraint policies of Premier Bill Bennett in British Columbia which they have supported under the table. Those things will be debated in the future, but let me say something about this particular Bill. Let me speak about the problem with this particular Bill as I see it. My real concern is with the second part of this Bill, the consolidation of the Department of Industry, Trade and Commerce and the DREE Department or the Regional Economic Expansion

Department. What I think it means, Mr. Speaker, is that what the Bill will do, in fact, is make Industry, Trade and Commerce a major Government Department responsible for all of the internal business dealings in Canada, to put it broadly, whether large or small business, and the Department of External Affairs will deal with foreign trade as well as foreign matters of state that do not concern trade. I will point out later some of the problems that this will create, but in terms of regional development, what does this Bill mean?

We all want regional development in Canada. At least those of us from the West do. The Hon. Member who last spoke put it very well when he spoke about the need for having development in the smaller towns of Canada and the need to move away from central Canada and get some industrial development in other parts of Canada. In a long and narrow country like Canada, that need has been a consistent problem.

As I understand it, the way this Bill works is that DREE as a Department will be gone and Industry, Trade and Commerce will have project directors in each Province who will assess the regions and the projects and will report to a group in Ottawa called MSERD. It sounds a bit absurd, but it means the Minstry of State for Economic and Regional Development, or MSERD, as only those in Ottawa can say. The idea is that this will plug the regions into a high level of Cabinet and the employment Minister, I think, will then go directly to the central inner Cabinet with these regional concerns. Now that sounds good on paper. That sounds like the way regional development should be created, but there are some concerns. I found out about these concerns specifically last weekend when the NDP caucus held its retreat in Nova Scotia. The concerns were that if the Department of Regional Economic Expansion were abolished—a department created specifically to meet regional needs—and regional Development was put into the larger Department of Industry, Trade and Commerce, perhaps some of the principles of regional concern will be forgotten. Perhaps they will not receive as high a priority as if there were a separate Department. That is what Alexa McDonough, the Leader of the NDP in Nova Scotia and other people there, told us. I have heard Members of the House say that in pretty well the same language, today.

• (1620)

The Department of Industry, Trade and Commerce is going to favour the big guy. It will favour the big corporations that it is dealing with and will forget about the little guy who more often than not is involved in regional development and the creation of jobs in the region.

That is why we are concerned and very suspicious about this reorganization, Mr. Speaker. We are suspicious also that the Liberal Party may try to channel more money into, and put more emphasis on, one specific part of Ontario, namely southern Ontario, in order to pick up votes for the election that is coming. It seems that the election, the Government, turns on which Party wins those particular seats.

In sum, the Committee will have to look at whether this kind of scheme, which looks all right on paper, will really work to serve the regional interests.

There is a problem when foreign trade is combined with the Department of External Affairs. If I may paraphrase Lord Durham, we have two great Departments, one looking after affairs of state and the other looking after foreign trade, now in the bosom of one, the Department of External Affairs. It seems to me that this gives rise to conflict very much in the way that the Department of Indian Affairs and Northern Development gives rise to conflict. As an example, take the Korean airliner which has been shot down and the problem that that creates with the Soviet Union; one part of the Department must deal with this problem while the other part of the Department must deal with the grain trade and trade in manufactured goods with the Soviet Union. In this way a conflict is built in. When the Bill goes to Committee it will have to look into that aspect.

[*Translation*]

Mr. Speaker, there are problems connected with Bill C-152, and we will have to discuss them in Committee. I also think we need an industrial stragegy for all the different sectors in this vast country of ours.

[*English*]

It seems to me that industrial strategy goes far beyond a Bill like this. It involves an assessment of our strengths in every region, getting development money into the regions, and making a plan. We must make the plan or the private companies, the big multinationals, will plan it for us in the interests of their shareholders. We must make a regional plan on behalf of the whole country. We cannot write off the Government, as the Conservative Party suggests with its new Reaganomics. That is not in the Canadian tradition nor is it in the Conservative tradition if they look at that, but as far as I can see that is what they propose to do.

What we have to do is to take the combination of private and public interests with the small business in the regions. The Government must take over one of the Canadian banks in order to direct capital to job creation and to small businesses in the regions. At the present time bank loans are going to the Domes and to the Nelson Skalbanias of this world. Money is not going to small business in the regions. That is the kind of new policy that the NDP would look for. This is the way to create jobs in Canada.

This Bill is just a tinkering with the existing system which is not working and is not creating jobs for Canadians.

Mr. Deputy Speaker: Questions and answers are not permitted after the eight hour period of debate. Members are limited now to ten minutes. I recognize the Hon. Member for Ontario (Mr. Fennell).

Mr. Scott Fennell (Ontario): Mr. Speaker, I should like to thank the Hon. Member for Vancouver-Kingsway (Mr. Waddell) for showing up in the riding of Mission-Port Moody. He obviously assisted us greatly in winning that seat.

I should like to explain to the Hon. Member that this Party does have a position. One of our positions is to create jobs. That is the policy of the Progressive Conservative Government that will come into force after the next election. The Hon. Member feels that we do not have any policy, but we do, Mr. Speaker; we are developing it. Give us time and we will come in and create jobs. Many auto workers will be behind this Party 100 per cent.

I think this Bill will create more confusion in the business community of the country. We will have a Minister of State for Economic and Regional Development and we will have a Minister of Regional Industrial Expansion. Trade has been moved from its traditional place over to External Relations.

Perhaps some large lobby group could understand what the Government is trying to do, but the medium and small business people do not have a clue nor do they have the money or resources to try to survive in Canada. The failing of the Government is that it is not assisting industries to get started or new businesses to get started and thus create employment in Canada.

The Minister of State for Economic and Regional Development, MSERD, will have offices in every city in Canada and so will the Minister for Regional and Industrial Expansion. A businessman will have to try to figure out which office he should contact.

This whole situation means a proliferation of the bureaucracy. It also allows the Government to circumvent its six and five formula which it claims has been such a bonanza for Canada. It has done nothing for the country, Mr. Speaker, but protect the civil servant.

I believe that one area will benefit greatly from the IRDP grants that come under the Minister of Regional Industrial Expansion. I believe that Cornwall should really benefit under the program. As $300 million has been designated for this, it is about all it can do to carry on a few new industries for a couple of years. What will happen to those industries afterwards is the big question.

Let me go back to some of the responsibilities of the Minister of Regional Industrial Expansion. Trade outside of Canada has been removed but Trade and Commerce within Canada has been added. When a company is trying to design a manufacturing facility and to distinguish between what goes out of the country and what stays in the country, it finds out how much it has for export and how much for domestic consumption. It does not assist industry to have to deal with one Department on one subject and with another Department on another. Furthermore, I do not believe the Government should be selling the product. I believe the private sector should be given the incentive to sell its own products. There are no salesmen in Government but there are salesmen in private industry who can sell these products.

The major criticism that we have is that we are going back to grants. Grants have not been successful. Even though we support DREE 100 per cent, it has not been successful in accomplishing the development of further expansion in those parts of the country that require assistance because of a tremendous loss of employment. It has also thrown into this new ministry small business and, Mr. Speaker, small businesses do not have the expertise, the personnel nor the lobby groups. The Canadian Federation of Business and the Canadian Independent Association of Small Business have both condemned this Bill as not giving any assistance to the small business community. And when you realize, Mr. Speaker, that about 85 per cent of the businesses in this country are small businesses, you can see that this is very important to the mass of people out in the country. Therefore, I do not know why the Government has put this change through because it is accomplishing nothing. What it should be addressing is the creation of jobs and putting the emphasis back into the Department of Industry, Trade and Commerce to create new jobs in Canada. The intent of the Department of Industry, Trade and Commerce was to look after international industries, attract foreign industries to this country and attract Canadians to invest in businesses which could create employment. This is not being done by this new Department. Furthermore, two Departments are being put together which were at odds with each other. Industry, Trade and Commerce was looking after the survival of successful business and DREE was put in place to assist marginal industries to become successful and to create labour in those parts of Canada which do not have their fair share of industrial employment. These two Departments are now thrown together, and who is going to get the emphasis from this Government? I believe, Mr. Speaker, that the Liberal Government is intent on reducing the number of businesses because the more businesses there are, the larger will be the consistuency they have to deal with which is unhappy with their policy. I would say very simply that we on this side are very much in opposition to this change. We are very much in opposition to this Bill. It only restructures something for the bureaucracy. It does nothing for the citizens of Canada.

• (1630)

Part of the purpose of this new organization, this new ministry, is to decide to whom and where the money should go. The people who should decide that, Mr. Speaker, are in the marketplace. A bureaucrat who has never been in the private business world, a bureaucrat who has very seldom been outside Ottawa, has no concept of what can be successful and what cannot. There is, through this new organization, absolutely, no co-operation with the provincial Governments, which could help the bureaucrats in indicating what industry can survive in the Maritimes or in northern Ontario and what industry will survive in southern Ontario.

An analysis is needed. Fill-in is needed from the business sector. This responsibility should be left up to the people in the marketplace. What they have done, I believe, is to destroy the benefits we had under DREE and the benefits we had under Industry, Trade and Commerce, which have been thrown together as if in a Mixmaster, hoping that something better will come out. Usually when you use a Mixmaster and mix things up, they come out sweeter. I believe, Mr. Speaker, this is going to come out sour and everyone will be unhappy. The

only people it will benefit are those people who are great friends of the Liberal Party.

This is not a sound way, Mr. Speaker, to generate jobs in Canada. Today we have the highest unemployment in this country's history. We are going through a serious recession. We are not out of it yet. We need to remove the money from the bureaucracy and put it back into the people's hands. Grants do not do this. I maintain that tax incentives to individuals who may invest in the small, medium and large business are a direct way to get this country going. It will never survive through the grants system, Mr. Speaker, which is based on political patronage.

I have just one question, Mr. Speaker, and I will sit down. I would like the Minister, at his convenience, to reply to the Auditor General as to what has happened to the $2.7 billion up to March 31, 1982, for which there is little or no accounting. This is something the Government did not finish before it started a new Department.

I see, Mr. Speaker, you are sitting on the edge of your chair, which indicates to me that I should sit down. Thank you very much for the opportunity to speak on this Bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in discussing Bill C-152 we have seen quite a bit of painting, or the use of a large calcimine brush, a whitewashing brush, if you will, on a very large brick wall.

This Bill looks innocent until you start to read it, and then you realize the implications of what is being done. The Hon. Member for Vancouver-Kingsway (Mr. Waddell) participated in this debate and indicated that this is what the people in British Columbia consider his Party should contribute to the improvement of economic conditions and government in this country, both at the provincial and the national levels. Therefore, his rather intemperate remarks with regard to laying out your policy like a supermarket ad indicates the bankrupt policy of the New Democratic Party because it is still saddled with the Regina Manifesto of 1933. That is how they think.

In any event, what are the positions which have greater implications? I suggest to Hon. Members of the House, those who are here, that the amendments to the Financial Administration Act have a great deal more implications than ten times the business with regard to DREE. That legitimizes the present set-up for CDIC, that game of beans under the nutshell, "Now you see it, now you don't", depending on which shell one has moved.

Let us start with this Bill from the beginning. This is a re-organization of the Department of External Affairs. This puts the cap on what has to be the biggest bureaucratic empire which has been put together in the history of the Canadian Government. There is all of External Affairs, all of what had been Trade and Commerce, international commerce, and then on top of that you have what is known as External Relations. The ministerial part of this is a troika headed by a man whose impact on this country during the last three years has been the most disastrous we have ever known.

The former Minister of Finance was responsible for the fiascos of 1980, 1981 and 1982. This country was set back a generation by those budgets. But that is the man who is now being put back in charge of this troika. Then, for some reason or other, it has been decided that after 20 years Industry should disappear. I recall the time under the Hon. Mike Pearson when, with a great deal of fanfare, the Department of Industry, Trade and Commerce was established. The development of industry in Canada was added to the old portfolio of Trade and Commerce. The Hon. Bud Drury was made the first Minister. It made sense at that time and it seemed to work rather well. Then DREE was established in 1969. Well, I have known of a number of pork barrels to be created. I know, for instance, that the archbishops' palace in Quebec City was restored under economic expansion grants when the Speaker of the Senate was the Minister in charge of DREE. It was in his constituency. The Hon. Member can say what he wants; I can see him mumbling in his beard down there. But I saw the big signs.

● (1640)

[*Translation*]

Restoration of the Archbishop's Palace in Quebec City. Hon. Jean Marchand, Minister of Regional Economic Expansion.

[*English*]

How many soft drink plants were established in various Provinces? How many plants to manufacture mobile homes? One was opened in British Columbia and one was closed in Alberta. There were no discussions with the provincial authorities, nothing.

[*Translation*]

Mr. Pelletier: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Sherbrooke (Mr. Pelletier) on a point of order.

Mr. Pelletier: Mr. Speaker, I am sure the Hon. Member would not wish to mislead the House by saying that the Archbishop's Palace in Quebec City was restored by the Department of Regional Economic Expansion. In fact, the present Archdiocese is not at all at the location mentioned by the Hon. Member. I am sure he was mistaken when he said that the present Archdiocese of Quebec City was built by the Department of Regional Economic Expansion. The buildings concerned were historical buildings.

Mr. Lambert: Mr. Speaker, I am quite prepared to accept the correction or comment made by the Hon. Member for Sherbrooke (Mr. Pelletier). However, it makes no difference whether what we have here is the remains or the former site of the Archbishop's Palace. The question is, what connection is there with the Department of Regional Economic Expansion which is concerned with industrial development? Is this supposed to help tourism in the area? Mr. Speaker, I think this is stretching things a bit too far. Let us not get carried away! In other cases, hundreds of millions of dollars have been literally

wasted, right across this country. Some provinces received more than others. Certain things were done. In my own province, you know what they did for a big industrial park, to get around the maximum of $5 million per facility? They simply put up a fence down the middle of the site, and so they were able to get $5 million for each half.

You know, people are getting cynical. Now, what is being proposed in this Bill is to get rid of the Department of Industry altogether. International trade goes to External Affairs, and becomes External Relations. Now, trade is a specialized subject, and the Minister responsible for this Department may be the best diplomat there is but he is not a businessman. I am not very keen on this marriage of two philosophies, which is just not going to work out. As one of my colleagues said earlier, a nice Cabinet shuffle, a lot of window dressing and bureaucrats who are going to reap the benefits of all this.

Mr. Speaker, before I finish my comments, I would like to say that I hope we will be able to obtain many more explanations in Committee, especially on the third section of the Bill, which intrigues me because I have heard the President of the CDIC testify before the Committee on Finance, Trade and Economic Affairs, and it just does not fit. They are creating another pork barrel, without accountability.

[*English*]

That portion, Mr. Speaker, setting up changes to the Crown corporations, will have to be examined in committee with the closest of attention because I have already seen some of the results of the operations without the legal framework. As a matter of fact, CDIC has been, frankly, illegal—maybe not illegal; illicit is a better word—for nigh on two years. We want to see not only legitimacy, we want to see how there will be accountability for moneys and an assurance that they will not be lumping together Canadair, de Havilland, Massey-Ferguson and the other one which I do not know the name of that they have in the portfolio, as well as some others that they may acquire or set up so that everything can be well hidden from the long-suffering Canadian public which has paid and paid and paid billions and billions of dollars through the incompetence of the present administration.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, it is a pleasure to speak on Bill C-152 regarding Government reorganization. I think everyone will agree, especially the Canadian public, that we cannot think of a group which needs reorganization more than the present Government. As a matter of fact—well, they moan and groan over there but if they spent some time in their ridings, Mr. Speaker, as I am sure you will agree, they will have heard the same things we did, and the groans are in support of what I am saying and not in objection. What is actually needed more than reorganization is rejuvenation of the Government of Canada. We are prepared to do that and will be doing so in the very near future, as soon as the Prime Minister (Mr. Trudeau) screws up enough courage to call an election.

● (1650)

I would like briefly to discuss reorganization and my concerns regarding the Ministry of Trade entering into External Affairs. As a spokesman for our Party on immigration, I lived through the problem of overseas immigration officers coming under External Affairs rather than the Ministry of Employment and Immigration. In essence, they were answering to two bosses. My sympathies went to the then Minister of Employment and Immigration (Mr. Axworthy) for the problems he experienced since he was involved with his departmental staff in Canada while the immigration officers, who were making the decisions on the front line in the various embassies and consulates throughout the world, were answering to the Department of External Affairs. Naturally, confusion arose and there was great duplication in attempting to get information about what had happened to an application. Of course, Immigration had to refer to External Affairs in order to go to the immigration officers. As we all know, it was bureaucracy at its finest.

We now see that the Department of Trade will also come under External Affairs. I have had some experience with foreign trade. At one time I worked for the Hon. Claude Bennett in the provincial Government of Ontario when he was the Minister of Industry and Tourism. We were involved in trade matters to a considerable extent. One fact that we discovered about trade was that it was the small businessmen who needed the help with respect to exporting and becoming involved in foreign trade. By and large, if large companies have an introduction from a Government, they have no problems with follow-ups and carrying on foreign trade. They have the wherewithal to hire the expertise and deal with the myriad of details one must go through in foreign trade. The small businessman does not have this capability.

We now find that the small businessman comes under the Department of Industry and Commerce while the trade aspect is within another ministry. Suddenly the responsibilities have been split again, resulting in more confusion within the business community. I feel sorry for the businessmen in this country who already have enough problems filling out all the forms and reports that they must make. They are harried to death by the Government and this simply gives them another Department with which to deal.

Anyone who has recently talked to the staff in that Department will know that they are at their wit's end. They do not know what is happening in their Department, which I believe is probably symptomatic of the present administration. They cannot proceed with programs because of the great deal of uncertainty. They do not know how the program will be administered or by whom. This is a serious situation and I believe that the bureaucrats would much rather stay with the original system than see the Department of Trade go to External Affairs. For that reason, I am very concerned about this change.

Let me talk for a moment about DREE, DRIE and the other famous initials one must get used to when one comes to Ottawa. I am also concerned about the arrangements pertain-

ing to new business. I believe we have all had experience with companies, especially larger companies, moving into areas as a result of incentives. Once the special treatment has been completed they tend to fold their tents and return from whence they came, or disappear.

I hope the new Department referred to as DRIE will spend much more time with small businesses in some of these communities. These are small businesses that have a growth potential and Canada's entrepreneurs, those with good ideas, who can be assisted.

My experience with the Department of Industry and Tourism in Ontario showed that it was the small business sector that needed the help far more than the large industries. Large industries are able to operate on a tax basis whereas the small businesses, while it is fine to give them a tax break, face difficulties if they have no profits. Tax breaks do not mean a thing to them without profits. I am very concerned about small businesses in Canada. Special emphasis should be put on small business and entrepreneurs who need capital to start out and to grow. I suggest that the two major failings of business in Canada today, apart from some of the Government policies, are the lack of capital and poor management. It is incumbent upon us to help especially small business people get started, far more than large businesses which tend to take care of themselves, by providing the growth potential they need.

I can state that small businesses make a far greater contribution to a community, especially smaller communities outside major urban areas where the growth potential is gradual. For example, there is an aluminum industry in Hawkesbury which started out very small. It has grown and hired many employees. This company makes the aluminum tubing for all the Cuban cigars that are smoked today. It is an example of a company that started small and, with the help from the Ontario Government and the federal Government as well, was able to make contacts and to expand. That is an example of a small business in a small community which was provided help and provided employment in that area. As well, it has a certain loyalty to that community which an established large company may not provide once its incentives had expired.

One provision which I appreciate in the new set-up is the classification of all of Canada. Sometimes there are very genuine needs in a community such as I represent which is an industrial community as well as one where people commute to the city of Toronto. There is a genuine need to establish industry in that area as well. There may be the legitimate establishment of an industry because a certain nearby market makes it economical to establish there. They may need help getting started. We must have entrepreneurs in Brampton-Georgetown as well as in Metro Toronto, Parry Sound-Muskoka and all across Canada.

I close by saying that I am greatly concerned about some of the reorganization that is occurring. I am worried that duplications are taking place and that it is causing extra work for the private sector by creating the necessity to become involved with these two different ministries. I am concerned about the confusion and uncertainty that at present exist in the Ministry. Anyone who has had any dealings with it will see that. I hope the reorganization does not go too far before we form the next Government so we can take a more positive look and we can rejuvenate the present structures that we have today.

• (1700)

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, the Hon. Member for Brampton-Georgetown (Mr. McDermid) hit the nail right on the head in more ways than one. He described, for instance, this new Department called DRIE. I want to say that for Atlantic Canada it is from DREE to DRIE and there will be no bucks left for our part of Canada. In what a mess we in Atlantic Canada are being placed!

I have sat in this House for a few years. I remember when we had the Atlantic Development Board. It later became the Department of Regional Economic Expansion. The Atlantic Development Board was for Atlantic Canada. But all of a sudden we had a new Department that is for Atlantic Canada, for Quebec, it is for here, there and for somewhere else. The resources that were being committed to us were being depleted even then.

I remember also when we had a Department of Trade and Commerce. Suddenly we had another Department imposed upon the Department of Trade and Commerce called the Department of Industry. What a great way to produce additional civil servants in this country. When the Government created that new Department of Industry it gave itself the privilege of hiring people that were the Government's friends. This was done almost without civil service competition. The Government just brought in its friends. After the Department was established, what did the Government do? The Government amalgamated the Department of Industry with the Department of Trade and Commerce. Now we are being told that the only half decent people we have around the world working to assist our businessmen, large and small, are those in the Department of Industry, Trade and Commerce who will now be mixed up with External Affairs. Rather than opening doors for businessmen around the world they will be going to tea parties and receptions in the hope they can cover all the bases. Where is poor old Atlantic Canada going to end up? On the short end of the stick. Everybody will be involved in either foreign affairs or business affairs but never thinking about the part of the country that needs the dollars. This is especially true of the small businessman whom we see and we hear about and who is facing such desperate straits.

We are looking at the fishing industry which is coming apart at the seams. We have bankruptcies all over the place. Jobs are being lost all over the place. Now the Government is taking the only instrument we had that might have been of some value to the small businessmen. I am not talking about National Sea and other big companies; I am talking about the little companies in my constituency and in the constituency of the Minister of Public Works (Mr. LeBlanc). These companies have been looking after themselves pretty well but they do

need help. I am afraid for those fishermen. I am afraid, with this new amalgamation, that there will be less attention given to those healthy fishery operations that do exist. It is not only the small guy who is in trouble in Atlantic Canada, but it is the big guy that is getting all the attention. The small guy is not getting enough. That is the same with all forms of industry. In my constituency there have been too many bankruptcies. Some of those bankruptcies might not have occurred if the small businessman could have had more attention than he was receiving.

This Bill will not help anyone in Atlantic Canada. It is another step backwards. When my leader was campaigning in Central Nova I was pleased he indicated that DREE should be sacrosanct, that it should remain, that it should be for Atlantic Canada, that it should produce the kinds of benefits that give us the chance to be first class citizens rather than the second class citizens we are and have been for some time with this Government in office. The simplest and easiest way to make people in Atlantic Canada first class citizens is to have this Government out that is here now and to have this alternative Government in to give this country some of the stimulation it needs by having sensible tax incentives. These are especially needed for small businessmen, who are the backbone of this country, who are being let down day after day and are being betrayed by this Government that does not care about any form of business. Big business, by and large, can look after itself.

We have to be concerned about the small-businessman who is getting it and has been getting it in the neck for quite a number of years from this Government that does not care about anything or anybody except itself and its friends. It is hard for me to imagine that a Government would involve itself in a company that could lose $1.4 billion in one year. That is almost inconceivable. But that is what happens when this Government involves itself in big business. I hope to God this Government does not get involved in small business, otherwise we will have nobody left to pay taxes.

The other day I had a great revelation. I am always looking to see where defeated Grits go. I was watching a program about the aerospace industry. Who appeared on TV but Barney Danson, the President of de Havilland. Can you believe it, Barney Danson, the President of de Havilland?

Mr. Turner: He was talking about the Arrow.

Mr. Coates: And that is about all Barney would know how to talk about. That is the sad fact of the matter. He was Minister of Defence. He was an army man. He certainly could not have been a very good Minister of Defence because he was defeated. But there he was on the television screen. He was pretty good compared to the Canadair people because he only lost about $425 million. But there it is, another defeated Grit getting his payday at the expense of the Canadian taxpayer in multimillion dollar numbers. There are too many defeated Grits lounging around in big paying Government appointed offices. I hope they enjoy themselves, Mr. Speaker, because they have about one year left. If I know this Government, it will try to run out its term, especially if the guy who is not a quitter stays. Each day, each month, each year, the Gallup poll will show the Liberals going down and down. We may even see the socialists ahead of them before the next election.

Mr. Turner: We have been down before and come up.

Mr. Coates: We have to put some common sense into Government operations. This cannot be done by proliferating the number of bureaucrats imposing themselves on the poor little guy who is trying to make a buck and who is having a hell of a hard time. We have to use some common sense. That is not done by amalgamating Government departments proliferating certain civil servants jobs, nor is it common-sense always to leave out the Atlantic Provinces.

I oppose this Bill. I hope it never gets passed, but if it does, it will most certainly be very detrimental to Atlantic Canada.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to speak briefly on this topic. It is of great concern in my constituency. We are one of the few areas in Ontario in which DREE is active. There were three areas: northern Ontario, the Cornwall region and the Renfrew-Pembroke area which were covered by DREE in its true form. The introduction of this Bill is similar to a shuffling of the chairs on the *Titanic*. Government Members want to show some activity. They do not know where they are going, so they move everybody and everything around. The people who will make the most money will be moving companies in Ottawa as they move, desk by desk, Departments from one building to another.

• (1710)

Many people in the underdeveloped regions of the country felt that DREE would take a special look at their circumstances. In the Renfrew-Pembroke designated area, for example, unemployment runs from 16 per cent to 22 per cent. This is only a matter of 50 miles from Ottawa, the capital of Canada. We do not have to look at the Maritimes and parts of Quebec which have been underprivileged in the sense of economic development for a long time; right here in Ontario, which everyone thinks has the wealth of the country, there are depressed regions.

The people of my area knew the system of obtaining money and attracting industries. Of course, there have not been many industries in Canada to attract in the last few years because they have not been expanding but rather contracting under the present Government and laying off people. We knew the system and we had some success. Now we find that we are lumped in with the majority of the rest of Canada under the second tier. We did not make it to the third or fourth tier where the larger dollars will be.

My constituency is in the second tier, except for two particular parts which fall under the first tier. I am not looking for assistance in the areas designated under the first tier because Kanata and West Carleton are close to Ottawa, have high technology and have done quite well, no thanks to the Government. They have done it on their own. The industries in those

two areas have pointed out that the best way to get ahead is by not applying for Government grants because they cost more in accounting and legal fees than the grants are probably worth. By the time they end up obtaining it, there are many strings attached. In depressed areas in Renfrew, Arnprior, Calabogie and Pembroke there has been some success in attracting major facilities, which will definitely increase the number of employed people once they are running at full steam. We were more pleased with the smaller designations under DREE rather than the designations under DRIE which cover the entire country under four tiers.

Another aspect of the Bill about which I am not very pleased is the moving of the Department of Trade out of the Department of Industry, Trade and Commerce and into the Department of External Affairs. I have not played a great role in the Department of External Affairs, but my understanding is that it now has something like 156 undersecretaries and deputy undersecretaries. They are really deputy ministers and assistant deputy ministers, but External Affairs likes to have a somewhat different jargon because it is involved with protocol, foreign dignitaries and so on. It is so wrapped up in its protocol, in foreign dignitaries, in the nicety of things and having cocktail parties for each other that it forgets to get down to doing business. One of the beauties of the Department of Trade was that it was all about business. Now that it will be under the Department of External Affairs I am afraid that protocol, cocktail parties and the niceties of intergovernmental exchanges which do not amount to an awful lot of action will be more important than hard-nosed business talk, economic deals or trade between two countries or two industries.

Many years ago the Department of Trade was under the Department of External Affairs. Back in the mid-fifties it was made a Department of its own. Subsequently it was folded into Industry, Trade and Commerce. But trade has developed a great importance in the country. Canada thrives and survives on its trade. At present we participate in trade with Iran. I know we are not supposed to talk about it because we do not have any diplomatic or external affairs relations with Iran; we are not allowed to. They have broken off and we have broken off, but we do participate in trade. Now the Department of Trade will be subjected to the Department of External Affairs. I have heard a great amount of displeasure expressed by public servants in the portion of the Ottawa area I represent. The people in Trade were accustomed to a lot of driving force and trying to get a job done. They were not accustomed to playing around with the rules of etiquette, niceties, getting dressed up and attending cocktail parties. Although External Affairs is very important—it is a necessity—I do not think a quiet, academic type of Department such as the Department of External Affairs should become involved with an energetic, outward going and aggressive Department like the Department of Trade. Certainly Trade should not be subjugated under External Affairs. I am very concerned about this. Also I am very concerned about the triple-headed monster which has been created in the Department of External Affairs and about the 156 deputy ministers and assistant deputy ministers, who of course are called undersecretaries and assistant undersecretaries over there. It is just bureaucracy gone wild.

I also have a concern for Canadian businessmen. Canada is encouraging businessmen to get out and expand foreign trade. We need it; it is important to our survival. The biggest impediment to business people expanding, making new contacts and expanding trade or even their operations at home is a lack of stability. Business people want to know what are the rules. They want to know the tax rules and the trading rules. They want to know what people to contact, whether they should go to the trade commission or to the embassy. Over the last number of years every businessman has been completely confused by the income tax rules. They do not know what to do and cannot plan. There are people who do not put money into businesses or who want to expand their ventures because they do not know where they are going. Now another roadblock is being placed before them. The traditional routes for trade or export assistance are being destabilized. It is another impediment to the business community.

It is really an embarrassment for the Government to have to bring in this Bill. Hon. Members on the non-Cabinet benches of the Liberal Party are embarrassed because the Government has deemed that it cannot find people over there of sufficient quality to be Parliamentary Secretaries. It is making an amendment to the Parliamentary Secretaries Act so that it can go fishing for appointed Liberals in the Senate. When it cannot find people in its own ranks, it indicates that the Government or the Prime Minister (Mr. Trudeau) does not have faith in those who have been elected and support him in the House. I think they are very embarrassed about it and that at the very least the Bill should be withdrawn.

• (1720)

I am not happy about the Bill going ahead. What is unfortunate is that the Government, once again without authority of Parliament, has gone ahead, made half the changes, and spent all the money. It got the movers in and moved the furniture. It will create a larger bureaucracy. It is a case of shuffling the chairs on the deck of the *Titanic*. I do not think it will improve for Canadians either our Department of External Affairs or, more important, our Department of Trade, which should be lean, aggressive and hard fighting.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I welcome the opportunity to participate in this debate even though some compare it to closing the barn door a year and a half after the horse has escaped and thoroughly fouled the barnyard. It is true that most of the damage of the old arrangements which are addressed by Bill C-152 has already been done. However, we have other horses to worry about and there is no indication that this Government has learned any lesson from the mistakes which are addressed in this Bill.

As Hon. Members know, this Bill embraces a New Department of External Affairs Act and makes a number of changes affecting parliamentary secretaries, as was just stated by my colleague for Lanark-Renfrew-Carleton (Mr. Dick). Both of these amendments have their disturbing aspects, but I would

like to confine my remarks to a discussion of matters tied to the former Department of Regional Economic Expansion because of its special concern to me.

DREE is, of course, dead. It was knocked off in January of last year and the Government has been stomping on the grave ever since without, as has been pointed out, the benefit of any legal authority. Any attempt now to exhume the corpse of DREE would be as messy as the execution.

Members on this side would like an assurance that a serious commitment to regional development will continue to exist. Unfortunately, the evidence does not provide much hope in this regard despite the lip service paid to the subject by the Government benches.

We have been told by the Prime Minister (Mr. Trudeau), the Minister of State for Economic Development (Mr. Johnston) and other Cabinet Ministers that the disappearance of DREE marks a change in federal Government priorities and that it will mean a greater emphasis on development in the have-not regions of Canada.

The Prime Minister for example, told a press conference in January, 1982 that the Government reorganization "will provide a Government-wide focus on regional economic development". He went on to say, "It was no longer acceptable that a single Department be responsible for regional development", adding that all Departments would have to concern themselves with regional development in the new Government-wide approach.

That sounded very desirable. In other words, the Prime Minister was saying that regional development had become just too important to have its own Department, kind of a bizarre statement, I would suggest.

It became so important that it did not need a Department to oversee and co-ordinate the regional incentives of the Government. Although this point of view was later discredited by the Senate report on Government Policy and Regional Development, Cabinet Ministers, to the embarrassment of this Government, continue to mouth the Prime Minister's nonsensical words, that somehow you can improve the delivery of an important service by dismantling the co-ordinating function. The most recent example of this was the Government House Leader who said in the House of Commons on May 27, and I quote:

> Regional economic development had reached a level of maturity which made it necessary to integrate its objectives in the activities of all Departments with an economic input.

That is strange thinking indeed. The word "integrate" means to draw together, to co-ordinate, and yet we see that disbanding of the co-ordinating agency. It makes no sense at all. One can only assume that the Department of Finance, the Department of National Revenue, the Department of Transport and others have not yet reached this so-called level of maturity or they would have been integrated along with other Departments in the regional development scheme. Obviously this line of reasoning is little more than claptrap.

Certainly there is a need to co-ordinate the work of DREE with other Government bodies, but it is testimony to this Government's inability to co-ordinate the activities of its various Departments that when it recognizes such a need, its solution is to take the co-ordinating agency away, to be absorbed by other Departments. That is reverse logic. What we have here is the same old wolf in sheep's clothing. In the process or reorganization, it is the people of Canada who are going to be fleeced.

This was the case with External Affairs and Trade, Regional Development and Industry, and recently the same merger solution was applied to Science and Technology and the new Department of Regional Industrial Expansion. Whenever this Government confronts a problem, rather than streamline and inject efficiency and common sense into the solution-finding mechanism, it creates more problems by creating more agencies and dismantles rather than improves the agencies presently available.

I mentioned earlier that we have other horses to worry about getting away from us. It appears that the Science and Technology horse slipped out of the stable this summer while Members were absent from this place. The Minister of State for Science and Technology (Mr. Johnston) announced in July that he was increasing the importance of his Ministry by reducing its staff by one-third, from 170 to 120, and shipping his former employees off to another Department. That is convoluted logic. The importance of the role of the Minister and his Department are increased by cutting the size of the staff and in the same process not providing improved guidelines and criteria by which the important service is to be delivered. It seems totally illogical.

I read this morning that the new science adviser to the Minister of State for Science and Technology is having a terrible time bringing in people from the private sector to assist him in evolving, managing and administering a comprehensive policy for Canada. That is small wonder when that Minister had to lay off 50 of his employees, shrinking his Department by one-third. What competent and able senior scientific administrators in this country would come to work for a Minister whose Department was faced with that type of scenario? I suppose if the Minister really wants to make science and technology important by this logic, he will reduce his departmental staff by zero. That is exactly how the DREE Program was treated.

Forgive me if I become concerned when the Party that campaigned on low energy prices for Canadians in 1980 now promises to put a higher priority on regional development, and science and technology for that matter, by killing the Department concerned. They lack credibility. What happened in 1980 and what happened with wage and price controls in 1975 will happen again here. We will be promised one thing and get the opposite. It is something like the story the Prime Minister told many years ago. You may not see who was in the wheelhouse and the horizon may be shifting to the extent that you thought you were heading for a new and brighter era, but you would

probably not recognize the island where you got off when you finally arrived.

This illogical approach is really at the heart of the mess we have in our country today. It is the reason why, following the two by-elections just completed and in Gallup polls throughout this country, as well as with the excitement surrounding the entry into Canadian political life of a new and exciting leader, Canadians are demanding an election. They are tired of these old folks opposite who implement such illogical solutions to the pressing and important problems of the day. Obviously regional development, like science and development, needs a strong advocate in Parliament. These concerns that we have heard about will only be given proper attention if they are articulated by a Minister who does not treat them as part-time jobs.

• (1730)

The Prime Minister, in announcing the reorganization outlined by Bill C-152, bemoaned the fact that the existence of DREE allowed other Ministers to disregard regional concerns. This may have been the case, but it would have been easier to fix the problem had the succession of Liberal Ministers handled their jobs properly over the years rather than seriously neglecting their obligations.

Over the last decade, DREE spending was allowed to decline in real terms by 27 per cent. It went from 2 per cent of total Government expenditures to less than half of that over the past decade or so. These funding problems were magnified by an expansion of DREE's geographical mandate which went from only the least developed regions to almost all parts of the country. For obvious political reasons, the Government now finds it desirable to have more flexibility in the areas it can choose for DREE spending, as has become the case with DREE in recent years.

It is little wonder that the Prime Minister became dissatisfied with the progress his Government had made in regional development, especially since this watering down of the funding was combined with administrative sloppiness.

The question we must ask, Mr. Speaker, is what is the purpose of DREE or DRIE or any program of extending regional incentives to create new employment opportunities in order to overcome the problems and serious hardships that are faced by Canadians from one end of the country to the other. Is the Government concerned with genuine solutions to these problems or is it more concerned with the short-term political future? Are we merely seeing legislation designed to give ministerial discretion and discretion to Members on the Government side so that they can hand out these millions upon millions, indeed billions of dollars in order to favour their friends and perhaps stroke the palms of certain voters in certain electorates in order to save their parliamentary seats, or do they really and truly care about the genuine needs of the people across the country who are hurting?

As I said earlier and as I say now to conclude, Mr. Speaker, the polls indicate that the tactic is not working. The Canadian people have seen through it. As we move this Bill to committee, I think that it is only fair to conclude by serving notice that amendments will be necessary and that as the Bill presently stands, Members on this side have a very difficult time supporting the Bill.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I would like to take a few minutes to point out some of the inadequacies of this Bill because it is an abominable piece of legislation. Although the House of Commons has not approved this piece of legislation, the Government has gone ahead and acted upon it, not caring of course whether or not the Members of the House of Commons will support the Bill because it is confident, I suppose, that its majority will put the Bill through.

I would like to speak first for a moment on the part of this Bill that creates a new External Affairs Department and integrates the trade functions that were formerly with Industry, Trade and Commerce with External Affairs. It helps create a Minister of State for External Relations. That a country can have a Secretary of State for External Affairs and then have another Minister of State for External Affairs boggles the imagination. Surely the Minister who has the responsibility for foreign affairs should have the responsibility for external relations as well.

In addition, there is a Minister of State for International Trade. A three-headed monster has now been created in the Department of External Affairs. It has worked miserably. The administration of the Department is in a shambles. The morale of the diplomatic service which was already bad has been worsened. I would just like to point out that all of this has been done in the face of a Royal Commission report on conditions of foreign service that not for one minute recommended that such action be taken. It pointed out that there was a lamentable situation in the Department of External Affairs, it pointed out the difficulties in morale and discipline that had occurred in administration, and it revealed a very, very unsatisfactory situation in the Department of External Affairs.

The Prime Minister (Mr. Trudeau) appointed the Royal Commissioner, Mrs. Pamela McDougall, a very distinguished Canadian woman, to study the foreign service and bring in a report. She brought the report in. The Prime Minister did not even have the courtesy to see her to discuss the report that he had commissioned through his Government. When she was questioned by the External Affairs Department several months later, she had not even until then seen the Secretary of State for External Affairs (Mr. MacEachen) to discuss her report with him. I do not think that she has seen a Minister since. She saw some associate deputy ministers. There is a pack of associate deputy ministers and assistant deputy ministers and so on in this Department that numbers in the hundreds. That is how this Royal Commissioner who revealed a very serious situation in the Department was treated.

As I understand it and according to an article in *The Globe and Mail* of this July, it takes 14 charts for the Department of External Affairs to explain what their new administrative structure is. These 14 charts had to be devised by Marcel Massé who inherited this mess when he became the undersecretary of state of the Department a few months ago. The

trade side and the political side are fighting over everything, even as to where the coolers should go, who is closest to the cooler and who is farthest away from the cooler. That is the struggle that is going on in External Affairs now under this new arrangement that creates three Ministers where one Minister existed before.

I am against that, Mr. Speaker. I am opposed to these changes in the Department of External Affairs. I wish I were the critic for that Department. I would attack the move with vim and vigour, I can assure you, and my successor, old slasher, will, I am sure, carry on the vigorous strain of criticism.

An Hon. Member: He wrote a letter and he has reformed. He is not the slasher any more.

Mr. Crosbie: Well, if the slasher is reforming, then verily there is no hope for Canada.

Let me move on, Mr. Speaker, to an even more serious aspect of this legislation which has just been touched upon by the Hon. Member for Richmond-South Delta (Mr. Siddon), a very distinguished Member who is moving up in the shadow Cabinet. He is rushing up through the ranks of the shadow Cabinet. His presence is looming longer in the shadows. What I refer to now, Mr. Speaker, is that this Bill of course takes the old DREE Department, the Department of Regional Economic Expansion and establishes a new Department, DRIE, the Department of Regional Industrial Expansion. The only thing the Government has done in three and a half years is to change an "e" to an "i". The Department of DREE becomes the Department of DRIE.

When it comes to spending money and helping the less advantaged regions of Canada, the Government has done less than nothing. I am glad to see that the Hon. Member for Humber-Port-au-Port-St. Barbe (Mr. Tobin) and the Hon. Member for Gander-Twillingate (Mr. Baker) are listening to me. Both of them are now in competition for the elevation to the post of representative in the Cabinet from Newfoundland. These two fine young gentlemen are in a battle now to see which one of them will be elevated. Of course, there is now a third contender, and he has had considerable experience in matters that the ten-day wonder has had experience in, so perhaps he will beat them out and get there ahead of them. We are all watching with bated breath.

There is today one of the Canadian Provinces that has no representative in the Government of Canada. Perhaps it is better for us to have no representative than to have what we have had because for the last three and a half years we have had a representative of the Government of Canada unable to protect our Province.

Here is what has happened to the Province of Newfoundland because the Prime Minister does not like Provinces that are independent or that have views that differ from his own. Under DREE in 1979-80, the Government spent $76 million, all of it badly needed, by the way. The next year, 1980-81, it dropped the spending in Newfoundland to $46.5 million despite the inflation that had raged since, the Liberal inflation that cut the value of money by a quarter in that period. Then in 1981-82, it cut the spending in Newfoundland and Labrador under DREE to $36.8 million. I heard the absurd Minister of MSERD (Mr. Johnston) say today what great things they were doing with their special program for special projects, a Liberal slush fund for Liberal districts that they still have. This is the spending that they have been cutting, and they have cut it down to $34.9 million in 1982-83, and less than $34 million is to be spent in Newfoundland in 1983-84 under the programs carried on by DREE. That is the progress, Mr. Speaker. The people of Newfoundland are not interested in legislation that establishes DRIE when the spending under those programs in Newfoundland has been cut in half in the last four years. Has Newfoundland become less regionally deprived or disadvantaged in the last four years? Not at all, Mr. Speaker. There are 43,000 unemployed there, as I told the Prime Minister in Question Period today. He would not know that, nor would he care. He does not know what happens in Prince Edward Island or in Newfoundland. He is more familiar with the Greek islands, with Lesbos and Crete, than he is with the island of Newfoundland or the island of Prince Edward Island or Anticosti or Vancouver Island. These are not the islands he is interested in. He does not know that we have 43,000 unemployed.

● (1740)

We do not have a Minister in the Government any longer. Perhaps the Prime Minister is going to shove a Senator into the vacuum that now exists. It will be the first time that a vacuum ever filled a vacuum if he takes one of the Newfoundland Senators and shoves him or her into the Cabinet to represent Newfoundland.

These are the realities, Mr. Speaker—spending cutbacks—in 1979-80 $76 million was spent in Newfoundland, but this year it will be less than $34 million. The Government and the Ministers will go down there and make the announcements unilaterally.

The Minister in this new Department, the Minister for Cornwall—I am not allowed to use his name in the House—is a fine chap. I do not understand why he will proceed in the same direction as his predecessors.

There used to be a General Development Agreement under which the Province and the federal Government, together, undertook certain programs which were usually financed 90-10 or sometimes 75-25. One of those programs was to assist rural development associations of which there are 51 in the Province of Newfoundland. Each received $16,500 per year under the joint agreement while the rural development council received about $70,000. The funding was 90 per cent federal and 10 per cent provincial. That agreement expired at the end of last March and it has not been renewed. It was extended to September 30, but now there has been an announcement that the federal Government is going to move unilaterally. It is going to provide 100 per cent of some funding for the rural development associations themselves under certain programs

of the Department of Industry, Trade and Commerce which do not suit rural development at all.

These are national programs for industrial and commercial development. There is no emphasis on the social aspect as there is in rural development. Each rural development association has to make application, on its own, for funding. This is much less satisfactory. There is no reason in the world why the federal Government should go ahead unilaterally to try to deal with rural development associations in Newfoundland when the whole thing has run satisfactorily for five years under a federal-provincial program. It is being done because the Government no longer wants to work co-operatively with the Provinces. It wants to act unilaterally and to show its muscle.

My time is just about over, Mr. Speaker, but I want to end by referring to the report of the Senate Finance Committee under the Chairmanship of Senator Everett. He has said that this system will not work without some form of intergovernmental co-operation. The Committee recommended against what the Government proposes in the Bill and asks the Government to reconsider the decision to abandon the General Development Agreements. Many of these were Liberal Senators. They said that there are disturbing signs that the Government reorganization, while paying lip service to regional disparities, will be focused on the main chance, so-called megaprojects.

This is a wrong move, Mr. Speaker. It is going in the wrong direction. It is retrograde and I will vote against it. I am entirely opposed to both aspects of the Bill, external affairs and internal affairs. We are being asked to vote on the consequence of despicable actions.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to on division, Bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Forrestall: Mr. Speaker, given the event that will take place later this evening, I wonder if we might not now call it six o'clock?

[*Translation*]

Mr. Pinard: Mr. Speaker, we agree to your calling it six o'clock, and we shall return to the House at 8 p.m.

[*English*]

The Acting Speaker (Mr. Blaker): I understand it is the wish of the House that we call it six o'clock and that debate on the special motion will begin at eight o'clock this evening. Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At 5.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF SOUTH KOREAN AIRCRAFT

The Acting Speaker (Mr. Corbin): Order. Leave has been granted for the Hon. Member for Oshawa (Mr. Broadbent) to move the adjournment of the House pursuant to Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the shooting down of a South Korean civilian aircraft by the Soviet Union and the protection of air travellers.

Hon. Edward Broadbent (Oshawa) moved:

That this House do now adjourn.

He said: Mr. Speaker, on September 1 a South Korean civilian aircraft with almost 300 people on board was flying over Soviet territory. At the time it was approached by Soviet interceptors and then it was shot down and some 269 lives were snuffed out.

At the outset of this important debate, Mr. Speaker, I am sure I speak for the sentiments not only of all Hon. Members of the House of Commons but of the people across this country and, indeed, the vast majority of people around the world, when I say that no matter of national security, no concern about the possibility of espionage, no alleged serious commitment to the defence of one's national borders, can ever justify the wanton murder of 269 innocent human beings.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The snuffing out, as I said, Mr. Speaker, of the lives of men, women and children who had bought airline tickets in one part of the world in order to fly in peace and security to another part of the world is a moral abomination, and the message that it is a moral abomination must get through to the government of the Soviet Union, not only from the Government of Canada, but also from all parties in the House of Commons and from the people of Canada.

To compound this deplorable act the Soviet Union, Mr. Speaker, far from acknowledging its guilt, far from stating that a grotesque inhumane error in judgment—if indeed it was an error—took place, has had the moral offensiveness to suggest that if such a flight should take place again in the future it will take the same action again.

I say, Mr. Speaker, that while it is true that nothing now can be done to adequately repay the families of those affected—surely in the community of nations, if the principles for which the United Nations was created mean anything, there is a serious moral obligation on the Soviet Union to acknowledge its own moral culpability, and we, I say to the Secretary of State for External Affairs (Mr. MacEachen), must continue to pursue that.

It is very easy in politics to become totally cynical. It is particularly easy, I suppose, in international politics, where the complexity of human life is all too abundant, to become even more cynical. However, I say, because I believe it profoundly, that at times—and it should happen more often—morality has a role to play in international politics, in the international relations of human beings as they are gathered collectively in states, and this is one of those times. The Soviet Union must not be allowed to simply cynically hope that this issue will disappear. I repeat, the Secretary of State for External Affairs on behalf of the people of Canada must be persistent in his demand that the Soviet Union acknowledge moral wrongdoing. That is the least that can be done for those ten Canadians and the hundreds of others who have lost their lives.

Mr. Speaker, the Government of Canada must continue to pursue the claim which has already been made by the Canadian Government for financial compensation to the families of those affected. Once again, we must not simply sit back and allow the cynicism of the Soviet Government to prevail here in the expectation that soon the world will go back to sleep and forget all about this atrocity.

● (2010)

In addition to these follow-up actions on the part of the Government of Canada that I am suggesting on behalf of my colleagues tonight, Mr. Speaker, the Government, both for the United Nations and for the Civil Aviation Conference which is taking place by chance this week in Montreal, should work on some important additional proposals whose purpose should be to ensure the international safety not only of Canadians but of all people who wish to fly from one part of the world to another.

For example, Mr. Speaker, proposals are needed for an international open skies agreement, the purpose of which would be to provide international monitoring services for flights to help ensure that they stay on course, and for binding agreements among the participating nations concerning the safety of passengers should departure from course actually take place. As well, an international agreement ought to be pursued, the purpose of which would be to ensure that any nation wishing to join the family of international aviation must first provide the commitment to not attack civilian aircraft under any pretence whatsoever.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, in my comments so far I have not, except by passing reference, spoken about what the Government has done so far. I have suggested that there is follow-up which would be appropriate in the case of moral condemnation and the demanding of financial compensation. In addition I have made two suggestions I think are important, indeed relevant, to be pursued at the international level, and pursued quickly.

I want to emphasize the morality of what is at stake here. I am aware of the complexity of getting agreement on matters that relate to international bodies, whether it be the aviation authorities or the United Nations to which I said my proposals should be referred, and certainly that is difficult to pursue, but I want to stress that in the final analysis it will not matter much. No international agreement really counts with regard to national behaviour unless the nation in question wants to make it count. That is so fundamental. All kinds of agreements have been designed with varying degrees of effectiveness, and that is why they should not be dismissed, intended to head off regional conflicts or promote co-operation in a whole variety of fields, and to ensure that irrational and inhumane conflict between nation states does not take place. But if a nation state chooses at any point to go to war, it tears up unilaterally an international agreement and nothing can be done about it. A nation state can take any of the wonderful agreements entered into very solemnly at the United Nations and at a given point, if it so decides that it is in its national interest to disregard such agreement, it can do so because there is no authority which can stop it.

Therefore, in making what I think are practical proposals, relative courses of action for the Secretary of State for External Affairs to pursue, I want to conclude by coming virtually full circle to the moral point I made at the outset. That is, the fundamental immorality of the Soviet action. Nothing can excuse the kind of action taken by that pilot. I ask Members of the House to put themselves in the position of flying an aircraft, not just contacting a civilian plane on radar, because those with flying experience well know that the pilot was close enough to visually identify that civilian aircraft. He acted on authority; there is no doubt he had the command, and whatever one thinks of his individual morality, and I sure do not think much of it at all, the morality beyond him is what counts in the Soviet state today. We have to get world opinion mobilized to make very clear that those who run modern societies have to be concerned about human life; that you just do not snuff it out because of a violation of your air space and you think that some spying device might have be present on a plane.

We have to tell the Soviet Union that it is unacceptable to so act, and I would suggest that this is precisely the role for morality in international politics. At times even a great power like the Soviet Union, which in this case has acted quite

independent of normal morality, will respond in terms of its own power interests if it sees that the rest of mankind finds its action to be a moral outrage. Even in terms of power politics and the rather cynical calculation of self-interest, what the Soviet Union has done, at whatever level of authority the decision was reached, is unacceptable, and if the rest of the world responds as it ought to morally, and we all say to the Soviet Union that this is unacceptable and we are not going to forget, in the future the Soviet Union might at least think twice before so acting.

Beyond that, in this cynical world in which we are living, if nations come together as a result of this deplorable incident to develop the kind of international instruments I have talked about, maybe not only the Soviet Union but any other state—God protect us all—which might contemplate such action, would also think twice. Ultimately, Mr. Speaker, if we continue with an expression of our moral concern about man's obligation not only to his fellow men and women in his own state, but to all of mankind, we might at some period in the future get a genuine international community established which is totally committed to international peace.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Government of Canada has been prompt and vigorous in its reaction to this brutal violation of all the norms of international behaviour. I am pleased that the comments of the Leader of the New Democratic Party (Mr. Broadbent) have exactly reflected the moral outrage that all Canadians have felt as the result of this incident and has also reflected the deep sorrow we all share with the bereaved families.

We have acted not only to reflect the outrage of the Canadian people, which has a world wide reaction, but also to bear in mind at all times the human dimensions of this tragedy, the loss of innocent lives and the bereaved persons who have been also the victims of this terrible act.

● (2020)

On September 1, within hours of this event, my colleague, the Minister of State for External Affairs (Mr. Pepin), summoned the Soviet Chargé to account for this action, describing it as totally incomprehensible and unacceptable. On September 2, I expressed the uncertainty and apprehension which this wanton and seemingly uncontrolled resort to the use of force must cause in the minds of all those who had hoped for an improved level of trust in East-West relations. I also said that the world expects the Soviet leadership, which itself is no stranger to the tragic and senseless loss of life, expects the Soviet leadership to abandon its current stonewalling and come clean about this terrible hit and run tragedy.

That evening, at a special emergency session of the U.N. Security Council, which Canada along with other nations requested, our ambassador who was recalled from leave on this occasion said as follows:

> The deliberate in-flight destruction of this civilian, unarmed, easily identifiable passenger aircraft by sophisticated fighter aircraft of the Soviet Union, no matter where it occurred, is nothing short of murder. It is a flagrant attack on the safety of international civil aviation which should never have occurred and must not be allowed to occur again.

On September 3, I sent personal messages of condolence to all the Canadian families who had suffered a loss and I stated that the grief of those Canadians is made more difficult to bear by the callous and incredible Soviet reaction. To the grave injury they have caused, the Soviet authorities are now adding the insult of a blatant cover-up.

On September 5, in announcing Canadian measures against Soviet aviation interests in Canada, I urged that our action prompt a review by the Soviet authorities on the merits of continuing to evade their responsibility for the deaths of Canadians and so many other innocent passengers.

On September 7, speaking at the concluding session of the Conference on Security and Co-Operation in Europe, my colleague, the Minister of State for External Relations, reiterated in the presence of Soviet Foreign Minister Gromyko, Canada's now firm demand for an urgent investigation under U.N. and ICAO auspices for the improvement of aviation regulations to prevent a recurrence of such a tragedy; for immediate compensation and for the Soviet Union to meet international obligations of the most fundamental and humanitarian kind.

Our bilateral representations directly to the Soviet Union encompassed first, the stiff diplomatic note presented by the Minister of State for External Affairs on September 1 demanding an explanation; a parallel action in Moscow by our ambassador in that capital and my own direct personal message to Foreign Minister Gromyko requesting his urgent and personal attention to our national demands which I now hope will be backed up by the voices of Members of Parliament speaking in this House of Commons.

Our assessment of the Soviet response is that it still falls far short of what we all expect and have a right to demand. Whether to Canada bilaterally or to the world at large, the Soviet reaction is a form of confession by instalment. Their statements have at least begun to express regret at the loss of human life, although not to us directly, and have begun to replace the initial cover-up with a process of selective disclosure.

I regard the facts of the Soviet case as disputed, the logic distorted and the evasion of responsibility as despicable. Nevertheless, the force of international pressure continues to produce new detail and we as Canadians play an important part in that international process.

Canada has held the Soviet Government to account for the lives lost in this tragedy. We have underlined our demands by action and in every instance we have shown the way by taking the lead as a clearly aggrieved nation. Canada was the first country to suspend Aeroflot's landing rights and no one else has decided on as lengthy a suspension as Canada. Canada was the first country to suspend arrangements to expand facilities for Aeroflot at no small cost to our own Canadian interests. We were the first country to call for generous and immediate compensation for the families of the victims. We

also followed that up with a formal notice of a compensation claim to the Soviet Government.

I would like to note the action of other levels of government, unions and private citizens who decided to send a clear message to Moscow. What is very important in this particular case is that individuals and groups are acting independently of national governments to demonstrate their sense of outrage and to call upon the Soviet Government to come clean and take their responsibilities to the world and to provide the required compensation. I would like to mention a few among the private actions taken. For example, the Alberta Minister of Economic Development cancelled an imminent business promotion visit to Moscow; Vancouver Deputy Mayor Bill Yee cancelled the visit of a cultural delegation he was taking to Odessa; Canadian airline pilots and longshoremen have spoken out and taken action to emphasize their solidarity and concern. Canadians from every walk of life in many cities gave vent to their outrage by demanding that facilities for the Moscow Circus be withdrawn.

It is clear that Canada led the way on this issue and that this is recognized by a range of countries who have taken parallel action or who are supporting our efforts in multilateral fora. The United States administration has taken steps to wipe clean the slate of any vestige of Aeroflot activity in the United States. The United Kingdom has announced a 14-day ban on flights to and from the Soviet Union. Japan has announced boycott measures and is expected to take further action. Of course, the Republic of Korea has taken a very strong position in multilateral fora and in bilateral consultations with many states in the interest of concerted international action. The pilots association in Scandinavia and Switzerland have decided on 60-day partial boycotts on flights to the U.S.S.R.

At the United Nations, from the beginning of this tragic episode, the Government has clearly recognized the vital importance of concerted action through the Security Council of the United Nations. When the first details of this shocking act began to emerge on Thursday, September 1, Canada in co-operation with the Governments of Japan, the United States and Korea immediately approached the President of the Security Council to call an emergency session to consider the problem. Of the 13 speakers who spoke on September 2, only Canada put forward a comprehensive plan of action which included first, a full and impartial inquiry to be undertaken immediately by the Secretary General.

● (2030)

Second, a request that the International Civil Aviation Organization carry out a thorough investigation with the aim of improving international civil aviation regulations and practices to preclude any repetition of this horrible act and to demand that the Soviet Union offer immediate compensation to the families of the victims.

Canada, as a co-sponsor of the resolution, has worked diligently with like-minded states to devise a resolution incorporating these points. We have made representations to interested parties both in Ottawa and in capitals in other countries. We have worked unceasingly in New York to ensure the broadest possible support for the resolution. A vote was taken on the resolution at the Security Council not many minutes ago. I am sorry to report to the House that despite our efforts I have just learned that the Soviet Union coldly and deliberately vetoed the resolution. The vote was nine to two, with four abstentions. Only the U.S.S.R. and Poland voted against the resolution. This unsurprising but neverthless inhuman action was taken for one reason only, to save face in spite of the undeniably legitimate demands of the majority. Their decision to veto this resolution calling for an international inquiry under the leadership of the Secretary General now rests with the court of world opinion. But the Soviet veto in New York will not stop nations like Canada in pressing forward their legitimate claims and in taking further action.

At the International Civil Aviation Organization based in Montreal, Canada as an aggrieved party has, with the Republic of Korea, been instrumental in calling a special session which begins later this week on September 15. Our aim at this meeting will be twofold. First, to assign responsibility for the tragedy because the Soviet Union has not accepted responsibility at all up to the present time for what has happened. Second, to develop practical and useful procedures to avoid any chance of a repetition of this terrible action.

We will speak out as strongly as required and we hope constructively. We have drafted a strong resolution for consideration by the special session. We will work energetically and tirelessly to improve the mechanisms of civil aviation to ensure that no passenger, wherever he or she flies in this world, will not have to live with the fear that heat seeking missiles could be aimed at the destruction of passenger aircraft. That is the human objective of all our efforts, not only to feel the sorrow for those who have lost their lives and to share this sorrow with their bereaved families but also to ensure that this terrible event will not occur in the future.

There have been some suggestions that we take broad economic sanctions against the Soviet Union. We have not so far adopted this course. It is important to distinguish between things which are satisfying to say and those which are effective to do. First, we think it is important to keep the Soviet Union enmeshed in the international system, not driven further into siege mentality. Second, the lessons of economic sanctions are that their effectiveness is impaired by damage to ourselves by the actions of others which tend to undercut the sanction, and in the case of the Soviet Union by the continental almost autarkic nature of the Soviet economy. I want to remind you that Afghanistan and Poland have demonstrated to us the difficulties of co-ordinating a sanctions policy among differing countries with different interests and policies. Thus the measures we are pursuing are selective, restricted to the civil aviation sector and managed within a time frame permitting review, extension or withdrawal depending upon events and the behaviour of the Soviet Union.

We have served notice to the Soviets that a claim for compensation is imminent. We have personal contact with the families of the victims, seeking the information we need in the

preparation of the claim. We have also been in telephone contact with them and have told them we will assist them in any way possible. Once our consultations are complete, we will decide on a quantum figure for this claim on behalf of the families and submit it to the Soviet Government. I assure you, as I do the families, that should Soviet recalcitrance to discuss the issue continue the issue will move to a prominent place in our entire bilateral relationship.

Some Hon. Members: Hear, hear!

Mr. MacEachen: Whatever sanctions are implemented people are inevitably affected. In this case, the suspension of Aeroflot service has unfortunately caught a number of Canadians in the U.S.S.R. with no direct flight home. We recognized this potential problem from the start but could not let it stand in the way of what the Government considered an effective and appropriate response. To ensure hardship is kept to an absolute minimum, I have asked our embassy in Moscow to provide every assistance to stranded passengers, including financial help to those who need it to get home. I am pleased to report, Mr. Speaker, that so far the problem has been managed. Canadians are booking on other flights and where financial loss has resulted, the embassy has come to their assistance. We will continue to do all we can to keep any discomfort to Canadians to a minimum.

The House is aware that the Moscow Circus was to begin a tour of Canada at the time of the tragedy. It had arrived in Halifax and was preparing for its first show. Public opinion resulted in the decision of Provinces, cities and arena owners to cancel the performances. We respect those decisions.

The Soviet authorities have now decided to take the circus home. We have to let them take the circus home. Therefore, I have decided to permit Aeroflot flights to come into Halifax in order to take the property and the animals back to Moscow and in order to take the performers back to their country. I believe that is an appropriate action at the present time.

I want to conclude by saying the Government is taking a series of measures and initiatives in our bilateral relations as I have described; in western councils, at Madrid, at Brussels and in New York. We will continue to do that. We will press forward at the International Civil Aviation Organization to demonstrate to the Soviet Union that our limits of tolerance went down with that Korean airliner. We want to maintain our demands for compensation for the victims, and we want to ensure by implementing every suitable procedure and regulation that this event will not be repeated.

The world is outraged. The world is in a state of disbelief that an event of this proportion should occur ending the lives, so abruptly and without any warning, of innocent people. The world is in a state of disbelief that the Soviet Union has not come forward and admitted its responsibilities and has not come forward with a clear cut policy to the world and with a free and generous offer of compensation. The world tonight waits upon the Soviet leadership.

Some Hon. Members: Hear, hear!

● (2040)

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate tonight on a topic which I think is appropriately being brought before the House, I would like to emphasize at the beginning how the tragedy, which has already been referred to so effectively by the mover of the motion and by the Secretary of State for External Affairs (Mr. MacEachen), could not have occurred at a worse time. At a time when there are international negotiations continuing with the hope that there will be a meaningful agreement with respect to the control and, hopefully, the reduction of arms in the world, we are caught up in this tragic slaughtering of 269 innocent civilians who chose to take KAL flight 007. I say that because, while we are perfectly correct tonight in condemning, as the Hon. Member for Oshawa (Mr. Broadbent) has condemned, and as the Secretary of State for External Affairs has condemned, the action of the Soviet nation in shooting down this aircraft, we must always weigh the facts—and I implore the House to weigh them always—to ensure that a proper balance be maintained, and that we do not inadvertently cause something to be said or do something that would jeopardize ongoing discussions with respect to disarmament, in particular the discussions which are taking place in Geneva.

In that connection I note that in the New York *Times* of only yesterday the following was indicated:

> U.S. negotiators at the Geneva talks on medium-range nuclear missiles have been empowered to make new concessions, according to Administration officials.

Referring to President Reagan it continued:

> —one key official said:
>
> "The President has not taken away Nitze's authority to act, but the timing of any new moves on our part has obviously been affected and the whole atmosphere for the talks has been poisoned by what the Soviets did."

I read that into the record both to indicate the hopeful sign that the U.S. administration does have some grounds to be willing to negotiate and that it is willing to offer those suggestions. I also want to emphasize how this incident, according to that Washington official, has soured the tone of those discussions and negotiations.

If I may I would like to stress this evening that we must in this debate do only what we feel we must do in the condemning of the Soviet action. Let us not in the name of mankind do anything which might jeopardize ongoing discussions that may lead to meaningful disarmament in the world.

Some Hon. Members: Hear, hear!

Mr. Stevens: I say that because I too would like to add my words of condemnation of the Soviet action to those which have already been offered in the debate. I listened closely to what the Secretary of State for External Affairs indicated as being the appropriate actions taken by the Government with respect to the tragic shooting down of the Korean aircraft. But I feel we must ask ourselves, while the debate continues, what are the circumstances. Have we done enough to indicate in the most effective possible way our condemnation of the Soviet

action? For example, have we taken in meaningful terms such actions related to air travel that might be considered necessary to show the world's revulsion at the Soviet action?

This afternoon I raised a question on the Canadian-Soviet Protocol on Consultations which was signed by the then and present Prime Minister (Mr. Trudeau) on May 19, 1971 in Moscow. We note that various things were enshrined in that agreement which I can only feel that the Government today could call upon the Soviet Union to live up to and to perform. For example, in that agreement surely it is worth noting tonight that the Prime Minister of Canada and the Soviet leaders agreed to consultations embracing international questions including situations causing tension in various parts of the world. The protocol went on to indicate in clause 2:

In the event of a situation arising which, in the opinion of the two Governments, endangers the maintenance of peace or involves a breach of the peace, the two Governments will make contact without delay in order to exchange views on what might be done to improve the situation.

Those are direct quotations from the protocol which was signed by our Prime Minister and the Chairman of the Council of Ministers of the Union of Soviet Socialist Republics in 1971.

Surely we must consider what has been the Government's reaction to the Soviet envoy's response when we asked him to accept a note in Ottawa concerning the possible compensation for the survivors of the victims who were Canadians. Let me read into the record the news account of what was the Soviet response as reported in *The Toronto Star:*

The top Soviet diplomat in Canada touched off a diplomatic incident here yesterday when he furiously refused to accept a formal note from the Canadian government demanding compensation for the ten Canadian victims of the Korean airliner massacre.

It went on to indicate:

But he angrily refused to accept it in person from External Affairs' top legal adviser, Leonard Legault, and told him to mail it to the Soviet embassy.

Then he added: "I think you've got the wrong address on it anyway. You should send it to the U.S. government."

Then the veteran diplomat who is heading the Soviet mission in Canada until the new ambassador is appointed to succeed the former ambassador stormed off back to the fortress-like embassy. Is that not a startling contrast to the tone of the protocol signed in 1971 calling for immediate consultations between the Soviet Union and Canada if an event such as we are discussing tonight should ever occur? At that time let us remember what the then and present Prime Minister said concerning what he had done in Moscow.

● (2050)

At a press conference in Moscow at the time of the signing of that agreement, the Prime Minister, in talking of the need for Canada to diversify its relations because of the overpowering presence of the United States, stated:

—that is reflected in a growing consciousness amongst Canadians of the danger to our national identity from a cultural, economic and perhaps even military point of view.

Later in that press conference, the then and present Prime Minister said:

—if they can take time to discuss with us the various aspects of policy and various events in the world which might lead to threatening peace, we are very glad for that . . . What I do see is that if areas of tension arise that both parties will consult and both parties will take whatever means they can to reduce these tensions.

He concluded by saying:

I think the first thing that we tried to establish was an atmosphere of confidence, of trust.

In view of what has transpired, earlier today I asked the Prime Minister what he felt had occurred under that protocol. Has there been a violation in fact of the provisions of the agreement? I was rather taken back, and I invite all Members tomorrow to read *Hansard,* to hear what the Prime Minister said. He said there had been gestures on the part of the Government. To use his words, he said the Hon. Member will know that the then Acting Prime Minister, the Minister of State for External Relations, in the very first gesture of response by this Government asked the Charge d'Affaires precisely to embark upon consultations and to explain the circumstances of the tragic happening. The other gestures taken by the Secretary of State for External Affairs in dealing with Soviet authorities both here and in Moscow have precisely been doing that, asking for consultations, asking for explanations, asking for reparation, and taking some measures of our own.

I believe that the people of Canada demand more than gestures. They demand more than rhetoric. To date I would suggest that perhaps the Prime Minister only inadvertently, but so aptly used the word "gesture" in replying to questions in this House today.

Let me touch on perhaps the most vital part of this debate, that is our compassion, our sympathy for those who have lost, in the case of Canadians, ten of their family. It is only fitting that as the debate continues, instead of talking about numbers with vague references to people who have been victims that we read into the record the names of these ten who were shot down in cold blood as they proceeded on their trip. I refer of course to Marilou Covey, Toronto; Brother Jean-Paul Grégoire, Laval, Quebec; Mary Jane Hendrie, Sault Ste. Marie, Ontario; François Robert de Massy, Hampstead, Quebec; Georgis Panagopoulos, Toronto, Ontario; François Robert, Longueuil, Quebec; Larry Patrick Sayers, Stoney Creek, Ontario; Mrs. Chun Lan Yeh, Toronto, Ontario; Mao San Lim, Toronto, Ontario and Mrs. Chi Man Leung, Hamilton, Ontario.

In paying tribute to those people, perhaps it would be only fitting to read into the record one small quotation from Mary Jane Hendrie, one of the victims, written to a friend a brief time before her tragic "Flight into Darkness", as *Maclean's* has referred to it. At the time she wrote:

Count your blessings and overcome your hardships. That is what life is all about. The tragic sense of life is that people allow hardship to overwhelm them . . . But I think it is actually an effort to resist that darkness, when it is overwhelming, that is the beauty of human life—

Those were the words of one of the victims of this tragic shooting. As the debate continues I ask Hon. Members to

remember not only the names of the ten victims but the words of Mary Jane to which I just referred.

In concluding, I would like to suggest that while the motion of the Hon. Member for Oshawa is most appropriate, as I said tonight, I would like to see a new element of definitiveness in the motion. You will note, Mr. Speaker, that while the motion prompts the debate that we are now engaged in, it does not specifically condemn the Soviets for their action. As a result, I would propose that the motion be amended as follows:

That the period after the word "routes" be deleted and the following words added immediately thereafter: "therefore this House directs the Speaker to convey to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet the unanimous condemnation by this House of the conduct of the Soviet government in the destruction of this defenceless, civilian airliner and the 269 souls aboard."

In proposing that amendment, I would like to recall what already has been said by the Hon. Member for Oshawa and the Secretary of State for External Affairs, that they want to send a message to Moscow. If we want to send an effective message to Moscow concerning the matter before us this evening it cannot be fully done by a debate that may run into the wee hours of the morning. It can be done most effectively by every Member of this House standing up and voting as I have suggested in my amendment to show our unanimous condemnation of what has transpired and what we are all condemning tonight.

I notice that the Hon. Member for Oshawa, prompted by some of his colleagues, said there is no vote tonight. If my amendment, is accepted I would ask for the unanimous consent of this House that the motion as amended, which will then be before the House, be in fact voted upon before we adjourn later this evening.

The Acting Speaker (Mr. Corbin): Before recognizing the next speaker in the debate, the Chair should bring to the attention of Hon. Members that the motion being proposed by the Hon. Member for York-Peel (Mr. Stevens) is a substantive motion, and in the normal course of events, and in view of the nature of the question now before the House, could only be accepted with due notice being given to the House. However, as the Chair understand it, the Hon. Member for York-Peel seeks unanimous consent to have the motion which he has read accepted by the House at this time. I may have misunderstood the Hon. Member for York-Peel, but I think the Hon. Member for Yukon (Mr. Nielsen) is seeking the floor. I will listen to him for a moment.

● (2100)

Mr. Nielsen: Yes, Mr. Speaker, I might be of some assistance to the Chair. What is before you is an amendment to the motion; it is not a motion standing by itself. I would hope that before making a decision as to whether or not that amendment is acceptable, you would want to hear submissions on it. At the moment, the submission I make is that what you have before you is an amendment, not a motion, therefore not requiring notice.

I do not believe, and I so submit, that it is necessary to seek unanimous consent to put that amendment, but it certainly is necessary to seek the unanimous consent of the House as to whether or not we vote on the amendment.

I would think, judging by the remarks made by the Leaders of all Parties in their various roles tonight in the opening of this debate, that Members of the House would certainly want to see this amendment put to a vote so that our feelings, obviously the unanimous feelings of the House, would be conveyed to the Soviet Union through the Chair in no uncertain terms.

Mr. Broadbent: Mr. Speaker, on the same point of order, it is certainly evident from the comments I made when moving the motion that if this amendment is deemed to be accepted procedurally, it would have the wholehearted support of Members of the New Democratic Party.

[*Translation*]

Mr. Pinard: Mr. Speaker, we are debating a very important subject under the provisions of our Standing Orders and, more specifically, under the provisions of Standing Order 30, which clearly indicate that we have here a motion to adjourn the House, which is supposed to be approved as soon as Members have ceased to speak to the motion. I submit, with due respect, that there are other ways of moving a substantive motion on this subject, allowing Members to make their positions known by voting separately on the question. In any case, the approach taken by the Conservative Member who is moving an amendment to the adjournment motion is not, in my view, in accordance with the Standing Orders of the House, and I think it creates a dangerous precedent. I can assure the Hon. Member that we will certainly find other ways, in the course of another debate or through another motion or procedure, to give Hon. Members an opportunity to express their views on this issue within the reasonably near future, but the fact remains that the amendment he wishes to move is entirely at odds with the letter and the intent of Standing Order 30, which we want to see applied in its entirety, and consequently, we have no alternative but to deny the unanimous consent he is requesting for an amendment to an adjournment motion.

[*English*]

Mr. Nielsen: Mr. Speaker, it may well be that the Government House Leader is correct in his interpretation of the rule, although I cannot bring myself to agree with him. But even in the absence of that and given the subject matter of the debate, and given what the already expressed feelings of the Secretary of State for External Affairs (Mr. MacEachen) are, the feelings of the Hon. Member for York-Peel (Mr. Stevens) who has expressed the views of this Party, and those of the Leader of the New Democratic Party (Mr. Broadbent) who moved the motion, and given that those feelings will obviously continue throughout the rest of the debate, I would suggest, and I so ask, that unanimous consent be given—and the House can do anything by unanimous consent—to put the amendment as well as to put the question.

S.O. 30

[*Translation*]

The Acting Speaker (Mr. Corbin): The Hon. President of the Privy Council, on the same point of order.

Mr. Pinard: The Hon. Member for Yukon does not seem to have understood what I was saying and I am not going to repeat what I said. I have explained why we could not ignore the letter and the intent of standing order 30. However, since he is saying that with unanimous consent, just about anything can be done, I would like to suggest a more intelligent solution. I suggest that the House approve unanimously the words spoken by the Secretary of State for External Affairs (Mr. MacEachen) this evening in which he condemned, in no uncertain terms, the attitude taken by the Soviet Union regarding the occurrence we are discussing tonight.

Therefore, if the House is willing to state its unanimous support for the statement made by the Secretary of State for External Affairs (Mr. MacEachen), I think that would be the intelligent thing to do. It is nonsense, however, to ask the unanimous consent of the House for supporting an amendment to an adjournment motion. It does not make sense. I think it would make more sense for the House to say simply, in a unanimous vote, that it fully supports the comments made by the Secretary of State for External Affairs in his speech this evening regarding the incident a few days ago in which an aircraft was shot down by the Soviets.

[*English*]

Mr. Nielsen: Mr. Speaker, on the same point of order, I would suggest that there are two tasks before you. I have specifically asked that the Chair request unanimous consent to put that amendment. There is obviously support on this side to grant that consent so that our feelings are unmistakably conveyed to the Chairman of the Presidium of the U.S.S.R., the Supreme Soviets, but if that is not the wish of Government Members and they do not want to convey that sentiment in that way, then the Chair is faced with task number two, the need to make a decision as to whether or not the amendment is procedurally acceptable. I would hope that before coming to that conclusion, which the Chair can come to as we move along in the debate if unanimous consent is not forthcoming, that the Chair would want to hear submissions as to the acceptability of the amendment before making a ruling.

The Acting Speaker (Mr. Corbin): Order. In the first instance the Hon. Member for Yukon was quite right in reminding the Chair that the Hon. Member for York-Peel had not presented a motion but an amendment to the main motion. That was my unfortunate choice of words.

The Chair has heard arguments from both sides of the House and I think it would be wise at this point in time to take the matter under advisement and the Chair will render a decision on the amendment before the House at the earliest possible opportunity. In the meantime I would suggest that we resume debate.

Mr. Nielsen: Mr. Speaker, that is most acceptable to us, of course, but I have asked the Chair to seek unanimous consent notwithstanding the procederal acceptability of the amendment. I have asked the Chair to seek unanimous consent now to put the amendment and to vote on it, and so I would ask the Chair to request that unanimous consent now with the knowledge that it will likely be refused by Government Members.

[*Translation*]

Mr. Pinard: Mr. Speaker, I realize you already rendered a decision stating that you wanted to take the acceptability of the amendment under advisement, and that you would subsequently indicate what you intended to do. Perhaps meanwhile, my colleague, if he is in good faith, will agree to hold consultations with the representative of the New Democratic Party and myself, so that we can try to reach agreement on a mutually acceptable text, since it is clear that in this House, we all have the same views on the subject now being considered. I would prefer to avoid spending much more time debating procedural matters. Mr. Speaker, you have just rendered a decision in which you stated that you wanted to take the acceptability of an amendment under advisement, but we can still hold consultations during the next few minutes to find out whether we could not agree on a text that would have the unanimous consent of all three parties.

[*English*]

Mr. Nielsen: Mr. Speaker, I am encouraged by the remarks of the Government House Leader that he wants to have discussions with respect to the phraseology of the amendment, and we accept that sincerely and immediately. However, that does not dispose of the right of Members to ask the Chair to request unanimous consent under these circumstances. That is quite apart from the procedural acceptability of the motion. But I accept in good faith the Government House Leader's suggestion. I would assume that the New Democratic Party would do likewise in order to see if we cannot arrive at a mutually acceptable phraseology for an amendment that could be put unanimously; but I reserve my privilege and my right to request the Chair to put the unanimous consent necessary. Any Member can request unanimous consent to put such an amendment.

• (2110)

[*Translation*]

Mr. Pinard: Mr. Speaker, there are two points at issue here: first, the Hon. Member's right to ask for the unanimous consent of the House to put an amendment, whose acceptability you said you wished to take under advisement. I submit it is impossible to give unanimous consent to an amendment that is not on the table and that has not been judged acceptable by the Chair. We therefore respect that Chair's decision to take this matter under advisement and to see whether the amendment is acceptable or not. That being said, the second point is that we are willing to meet right away with the House leaders, to discuss a procedure that would be acceptable to all three

parties in this House, that is, either an amendment, a motion or a text. I am willing to meet right away with the House leaders in order to find a way to give expression, unanimously, if possible, to our feelings about a subject on which there seems to be quite substantial unanimity.

[*English*]

Mr. Nielsen: Mr. Speaker, the intervention of the Government House Leader begs the question. The unanimous consent that we reserve the right to speak is to get the motion on the floor of the House. That is the amendment that the Chair is being asked to rule upon subsequently. The right of a Member to seek that unanimous consent is undoubted.

I think it is begging the question at this moment. We will engage in those discussions suggested by the Government House Leader in good faith and immediately, to see if we can arrive at suitable phraseology.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as has been stated in this debate, I think we all recognize that every so often there is a moment in world events when everybody stops: something happens that provides a common thread of response and emotion. Certainly that was the case a short while ago when, truly, there was a shot that was heard around the world and everyone within listening or watching distance stood back with a sense of horror and revulsion at the events that transpired in an area of South East Asia involving a Korean airliner.

In the debate tonight I think it is the responsibility of the representatives of the Canadian people to try, as much as they can, not only to reflect that sense of immediate reaction but also to ask some very important questions about where we go from here. It would be wrong for us simply to express horror, revulsion and indignation without also asking questions about whether incidents like this would be allowed to happen again. Of course, it is easy to condemn, and to say that this is something about which we all have a sense of strained sadness and tragedy; but the key question which was not addressed by that resolution is what we can do to provide protection and security against future incidents.

The issue really is how we say to the hundreds and thousands of travellers who every day, with a sense of security and with confidence, board an airliner to engage in international travel, that all of a sudden, in the darkness of the night, they will not be snuffed out without any reason or rationality. That is part of the issue that this House of Commons must face this evening. It is not simply a matter of reacting to the event; it also means building some further protection and security so that we will have a better sense that those kinds of events will not take place in future.

Any initiative taken by this Government, by this country, must therefore always be considered in the context of the delicate balance of the international system. How do you give full vent to your emotion while recognizing that the world goes on and therefore you must take account of the realities of the world? We must ask how we can nudge and push and persuade the international community to provide a better sense of security than existed before.

We must recognize that there is almost a convergence of events that the tragedy of the Sakhalin Islands brings home in a very vivid and dramatic way. That is, that this tremendous magic carpet that has been made available to us through civil aviation, through international flights taking people around the world by the hundreds of thousands, the tremendous opening of the world so that we can taste and experience the wide variety of life on the globe, is also touched with an element of insecurity and danger. Within each of those areas that we pass through are a lot of concepts, traditions of sovereignty, protection of territory, of military defences that ensure that "What is mine is ringed around with a wall or some kind of curtain of iron or electronic surveillance".

It is interesting to note that we have debated both sides of that issue in the House. There are Members who have said that we must increase our defence, provide for better protection and further reference to our sovereignty, while at the same time we preach the gospel of international interdependence, international communication, commerce and community. This event brings home to us that in many cases those principles have to be brought into harmony; you cannot ignore one at the expense of the other.

This was a civilian airliner carrying passengers on vacation or on business, who had confidence that the system would protect them. Unknown to them, however, they were on a flight of total jeopardy. When they boarded the plane in New York they were confident that the rules established over the years would give them the security they desired or needed. That is the case with all of us when we board an airplane or whatever; we have an implicit sense that all is right with the world. We do not worry until we recognize that there is also a jungle out there where the rules do not apply. There are individuals, and sometimes countries, who say: "I do not believe in those rules of interdependency; I do not believe in those rules of recognition of mutual self-interest and will defend my sovereignty, my territory and my military security to the utmost."

It seems to me that one of the important and necessary lessons of this event is how we can try to provide for an improvement, or progress, so that the tragedy of those lives that were lost may not be repeated. This was the approach taken by the Secretary of State for External Affairs (Mr. MacEachen). In his original statement he expressed the great feelings of sorrow for the families affected and the indignation of Canadians at the wilful, arbitrary and hostile act that was perpetrated. We also recognized that, while feeling revulsion and even indignation, we could not ignore the critical necessity of maintaining the sense of international responsibility and obligation that is inherent in international aviation. Perhaps we can build upon this to provide some further protection for travellers of the future.

My regret about this particular resolution is that it does not encompass that particular spirit. It does not incorporate that sense of trying to forge new international alliances and organi-

zations, rule of law and rule of reason. We must try to use this event and build upon it to bring about even an enhanced and more important sense of it.

● (2120)

I am surprised in part by the Hon. Members of the New Democratic Party who have often expressed those kinds of feelings, whether it be on Central America or on arms control, who have stood for those kinds of principles. They seem to have forgotten that in the words and tone of the resolution which they have presented to us. They have forgotten the critical element, that if we are going to prevent that almost instantaneous spark of conflict which has occurred between the civil, peaceful world and the military world of war, we must provide some protection, some buffer and some rules to make sure that it does not happen again.

I regret very much that the resolution does not contain that spirit, that sense of feeling which we must build upon. We must use our position as a respected member of the international community to do something further.

An Hon. Member: What?

Mr. Axworthy: I will come to that because I believe there are a number of initiatives which should and will be taken in order to say that this lesson will not be ignored but will be built upon.

Of course, one of the first opportunities is to address the issue of how effective and valuable are the international rules which now prevail in the area of civil aviation, or, indeed, has the level of danger, the threshold of jeopardy, been raised so high between the increase in armament and the increase in military security to a point where the commerce and traverse of international aviation is now constantly running abut to that particular jeopardy?

As we know, in 1944 the Chicago Convention signed the International Civil Aviation Agreement which required of all nations to establish certain rules of behaviour about themselves and their neighbours, about how planes would fly, one to the other. Most Canadians may not recognize that Canada was one of the pioneers in establishing that rule of law in international flight, that many other countries refused to recognize many of the fundamental freedoms which were established under that convention. Perhaps the most important freedom of the air which was established in 1944 was the freedom of overflight, the right of a plane of one nation to have access over the air rights of another nation in order to go to another destination, a convention which we had signed as a full signatory and which the Soviet Union refused to sign. It was one of the few nations that did not put its pen to the paper to say that it was prepared to recognize that freedom of overflight, that freedom of access.

There is an opportunity, Mr. Speaker, to begin to redress some of those neglects of the past perhaps, because on Tuesday of next week, beginning in Montreal, by coincidence, there is the meeting of the International Civil Aviation Organization. At that meeting we will have the opportunity as a country, which we intend to do through the initiative of the Secretary of State for External Affairs and myself, to bring to that assembly a number of representations as to how we must carefully re-examine the rules and procedures as they relate to civil aviation and determine whether they are sufficient to deal with that new threshold of danger which was so vividly brought home to us just a few weeks ago.

There are a number of technical questions which must be asked. One of the questions which bothers me most, in the way I hope it would bother other Hon. Members, is that voice in the mind which says: "How could it be that a commercial airline straying off course would conduct itself for a period of two hours over hostile territory, followed by fighter aircraft of the Soviet Union, and somehow there was not a recognition and realization on both parts that a horrible mistake was about to be committed and that something had to be done to pull back from that brink of tragedy?"

If you look at some of the reasons, Mr. Speaker, if you go back into the questions of verification and identification, why is it that one pilot cannot radio to another? I mean, how do you wiggle your wings at 3 a.m. in the morning when it is pitch black outside? How do you establish a sense of identification and communication? Where are the rules which establish the proper procedures to ensure that that fighter aircraft pilot and the commercial airline pilot are in some sense of communication? Where does the responsibility lie? Is it on the ground with the controllers? Is it in the air with the two pilots? Surely that question must be asked and must be faced by all members of the international community to ensure that this will not happen again. I believe that is one of the opportunities which must be faced by this country and by all Canadians, because I believe we have a responsibility to represent that particular point of view.

Therefore, while we properly and without question should be expressing the deep concern of the people most fundamentally affected, the families of the victims of that tragedy, and expressing indignation at the transgression of some basic precepts of international civility and sanity, we must also ask some questions about how we can best construct an improved system in the area of civil aviation so that that enormous world which has been opened to us does not begin to shrivel and shrink under the fear and sense of tyranny of the unknown.

In terms of the initiatives which this Government has taken, Mr. Speaker, the suspension of Aeroflot flights into Mirabel, it was quite deliberately chosen because it was carefully within the boundaries of the jurisdiction of civil aviation itself, which clearly brings home the argument that the whole question of reciprocity, of one country being able to exchange its passengers and travellers with another, has to be held in abeyance until that issue is resolved, and the rules established for that particular sense of communication and travel.

The statement made by the Secretary of State for External Affairs clearly articulated the requirement that until answers are forthcoming, explanations given and responsibility acknowledged, we will not lift that suspension but will in fact continue it. I believe we have provided a sense of leadership

and a sense of direction for many other countries which have now followed in our wake by saying: "If you are going to break fundamental rules, then we had better pull those rules back for re-examination."

It is that particular sense of principle that we tried to establish last Labour Day, and which I hope will provide the foundation which we require to take further initiatives in the international community in order to provide for better protection. We will be at the meetings on September 15, the special emergency meetings of the International Civil Aviation Organization, representing a resolution requiring a full inquiry and investigation into the incident of the Korean airliner and the Soviet Union explosion.

Stepping beyond that requirement for investigation, Mr. Speaker, at the assembly itself, the tri-annual assembly, we will also be making the case that the international community, all partners within it, look at the basic fundamental freedoms of international travel, the rules which apply to it and the technical requirements to improve upon it. It would be my hope in the ensuing debate of this House on this particular resolution that Hon. Members of the Commons would express not only their feelings but their sense of commitment to the need for further strengthening and enhancement of the international rule of law, the international sense that you must put into place institutions, procedures, rules and obligations upon all nations if we are to have any kind of interdependence, any kind of acceptable mutual requirement for living together on this particular globe. Whether it is in the field of international civil aviation, refugee problems or arms control, if we do not come to grips with those kinds of issues and come up with answers, then we as people responsible for trying to pull some meaning and sense out of this tragedy in the Sakhalin Islands will have failed in our responsibilities.

• (2130)

So it is my hope, Mr. Speaker, that as the debate on this resolution ensues, the steps taken by this Government do not only express the feelings of the Canadian people but try to go one step further, and that initiatives to build and develop guidelines to provide for protection, security and a greater sense of international responsibility will be supported by Members of this House. Because with the House's support we feel we will have the strength to continue and retrieve something better out of this tragedy that we all so deeply regret.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I know there are a great number of Members of this House who want to participate in this debate and I will not be long. Let me first join with those who have spoken tonight and others who have spoken before this night in offering my condolences to the families of those who have lost their lives on Korean Airlines Flight 007. Let me also identify myself with the remarks of the Hon. Member for Oshawa (Mr. Broadbent), the Leader of the NDP who introduced this motion and this debate. Let me also identify myself with the remarks of the Secretary of State for External Affairs (Mr. MacEachen), as well as those of the spokesman on External Affairs in my Party, the Hon. Member for York-Peel (Mr. Stevens).

I was a little bit surprised, Mr. Speaker, at the remarks of the Minister of Transport (Mr. Axworthy). I hesitate to bring in a partisan note to this debate, but as I sat here listening, I got the impression that somehow it was the system that failed us and resulted in the shooting down of KAL Flight 007. If only we had a better system. Well, Mr. Speaker, humanity, the fundamental human character, provides a standard which says it is simply inhuman to shoot down a civilian passenger airliner. You cannot get over that fact. We have a system. We have international agreements. Supposedly we have a planet made up of human beings not too dissimilar from each other and who find that kind of action repulsive. He says he wants us to join together in working out some new agreement, some new system of recognition, so that this will not happen again. Mr. Speaker, what kind of agreement or treaty can we write which would somehow stop those who have lied about this tragedy, those who gave the order to shoot down a 747 loaded with civilians?

The Minister talks about the goal of a more tolerant, interdependent world. That is recognized as a goal we all seek, but I do not think he is contributing, quite frankly, to better understanding by failing to acknowledge just what happened to Flight 007. The act of murder committed by the Soviet Union in shooting down KAL Flight 007 cannot be condemned in words too harsh. When innocent civilians are killed or injured in a war between armies, by terrorists or revolutionaries in pursuit of political goals, or even by a lunatic or criminal acting alone, we can and do mourn the pain caused by the inhumanity of the perpetrators. But when the act is caused by a deliberate decision of the government of one of the world's superpowers, we mourn the loss of life but we also shudder at the implications for the world.

Accidents happen, Mr. Speaker. Errors in judgment occur. While we may get angry at any loss of life, we can understand the need to forgive when culpability is admitted and regret expressed. But, Mr. Speaker, the shooting down of KAL Flight 007 with the loss of 269 lives was not, according to the U.S.S.R., an accident for which they express regret but a deliberate act which they insist was justified and which they say they would repeat in similar circumstances. That, Mr. Speaker, is frightening because of what it says about the people running this vast superpower.

The Soviet Government, in defending this outrageous proposition, states that Soviet territory is sacred. But this same Government has so far this year alone intruded into North American air space 77 times with military aircraft. Submarines from the U.S.S.R. have intruded into militarily sensitive areas in Sweden and Norway at least three times this year. Now, if the Soviet Union is to be believed or if we look at what they do in practice, of all the earth only Soviet territory is sacred; everything else is available for intervention by Soviet military aircraft and ships.

Imagine the reverse situation, Mr. Speaker. Let us imagine for a moment that a Canadian or American military craft shot

down a Soviet civilian aircraft. Imagine what would have occurred? To begin with, within days if not hours we would all know who gave the order. We would know whether it was the pilot, some local commander or the executive. If it was the executive, the Government would fall and be changed immediately. If it was a local commander or the pilot, he would be dismissed instantaneously. We do not know, Mr. Speaker, who ordered the Soviet strike. We do not know if it was the Kremlin, but if the order came from Moscow, what does this say about the people in charge and the system which allows such people to be in charge and to stay there? If the order came from some local military command which the Kremlin is now covering up, what does that say about Soviet military command structures and the ability of the western world to negotiate a believable arms reduction treaty, an enforceable treaty with such a group?

Deplorable as this act of murder is, Mr. Speaker, it does not bring us closer to the Apocalypse. But it does demonstrate that the road back from the abyss will be longer and slower than any of us want or many of us thought.

As the Hon. Member for York-Peel indicated, we must talk. We must not allow this incident to prevent us from talking. We must not allow it to prevent us from pursuing aggressively the road to peace, to disarmament. For that is the only hope for the salvation of mankind. But what we have obviously learned, if we choose to learn it, is that we are dealing with a system, a regime, whose standards, whose morals, whose character is quite different from anything we could comprehend. It means, unfortunately, Mr. Speaker, that the road to disarmament and perpetual peace is not going to be easy; it is not going to be short. It means, unfortunately, Mr. Speaker, that in the meantime we will have to maintain, and in fact in Canada's case enhance, our military capabilities. It means that far from taking a step away from involving ourselves in NATO in support of our democratic countries, we as a country must reinforce that commitment in recognition that a democratic country could never perpetrate such a heinous act, and that as long as there are dictatorships of the sort that are now in control of the Soviet Union, we who value democracy, freedom and human rights and who can never justify the wanton taking of innocent civilian lives under any circumstance have no choice but to maintain a position of vigilance and strength.

● (2140)

I believe the history of KAL Flight 007 is known to us. Perhaps more complete detail which we do not know is forthcoming.

The behaviour of the Soviet Union in first denying that there was an airplane, then denying that there was in fact any shots fired at it, finally being forced to admit that it did in fact shoot it down but claiming it had every right to do so, and more horrendously saying that they will do so again, is just and reasonable cause for the House to condemn a government that would allow this to happen and to pass a motion expressing that condemnation to be delivered to our counterparts, the members of the Supreme Soviet in the Soviet Union.

This is not the occasion for a partisan debate about Canada's defence policies or defence position, but I humbly suggest that this event will at least serve some small benefit to Canadians and the free world if we recognize it for what it is, learn the lessons from what has happened and act accordingly in the future. Perhaps we can save innocent lives in the future and save our democratic system. While it will take a long time, perhaps we will reach, through patient negotiation and waiting for the changes which must occur behind the Iron Curtain, that hopeful day in the future when peace is assured for all of us.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I am pleased to be taking part in this emergency debate this evening, and to have an opportunity to express my disgust with the crime perpetrated by the Soviet Union some days ago. I feel that whatever our political allegiance, age or nationality, we were all dumbstruck when we heard the sad news and realized that respect for civilian lives had not prevailed among members of the Soviet army in the course of their monitoring of Russian air space. Mr. Speaker, not only did the Soviets commit this crime, they even had the nerve to deny the fact and subsequently to put the entire blame on the United States, and this while they had 269 deaths on their conscience, including 10 Canadians.

Mr. Speaker, after producing lies and denials and inventing a number of scenarios that were positively obscene, the Soviet authorities went so far as to say that in similar circumstances, they would take the same ruthless action.

I think Hon. Members could usefully reflect this evening on the seriousness of these events and on the ruthlessness of the authorities who committed a positively heinous crime against innocent victims, who want to use this incident to play political games, at the expense of the families of the victims, and who are shameless in their reprisal to confess before the international community to a crime that is among the worst in history that I am aware of, and one that has aroused the indignation of the free world at the intransigent attitude of the Communists.

Mr. Speaker, it is with great satisfaction that I listened earlier this evening to the comments made by the Secretary of State for External Affairs (Mr. MacEachen), who mentioned the measures he has taken on behalf of the Canadian Government, to lead the way in condemning this despicable deed.

Mr. Speaker, our colleagues on the other side of the House are urging us to continue our pressure tactics. I can assure them we shall persist in our endeavours until a full settlement has been reached. However, we also hope to lead the way among members of the international community in keeping the pressure on the Soviet authorities. At the present time, the Soviets are under pressure because of the events in Afghanistan and Poland, but unfortunately, as soon as such events are

no longer in the news, observers, politicians and the general public often tend to take the situation for granted, although at this very moment, Soviet soldiers are shooting at Afghan citizens and in fact, the Soviet authorities are muzzling Poland, while now, the record also includes bodies floating on the waves and mourning relatives.

Mr. Speaker, the Canadian authorities will continue their efforts. I would like to draw a parallel—perhaps not as serious as the death of ten Canadian citizens—but in January 1978, when Cosmos 954 disintegrated in the skies above our country, the Soviets took exactly the same position. They refused to acknowledge their responsibility just as they are doing in the present case. They did not even want to admit that the satellite was theirs. However, Canada did not despair, did not get discouraged and decided to maintain its position. Pessimists thought we would never get compensation for damages. However, by dint of determination and constant pressure, with a lot of patience and tight negotiating, Canada obtained a satisfactory settlement of $3 million. I can assure the House that in the case we are concerned with this evening, the Government is a hundred times more determined to obtain fair compensation for the victims' families. Actually, I hate to use the words fair compensation for ten innocent victims, and no amount of money can replace a father, a mother, a sister or a brother.

But at least I hope that the Soviets will have the kindness and generosity of trying to alleviate the hardships of those who were stranded on the ground.

Mr. Speaker, I am drawing a parallel with 1978 to show that we have no intention of giving up, to show that this unbreakable wall of the Soviet Union may be cracked, and to say that with Canada's leadership and many other countries' support they will not be able to resist much longer, they will not be able to lie outright to the world and forever expect no reaction. I should think that many speakers this evening will want to extend their condolences to the families and urge the Government to maintain its pressure until certain conditions are met. First, the Soviets should at least have the decency to acknowledge their responsibilities, indeed to confess before the international community, Mr. Speaker. We saw what happened at the Security Council: those hypocrites used their veto to prevent an inquiry into these incidents.

Mr. Speaker, I think that in light of the motion of the Hon. Member for Oshawa (Mr. Broadbent) it is imperative to develop practical and useful procedures to avoid a repetition of such barbaric behaviour. Finally, no one will be satisfied in Canada and in the free world until fair compensation has been given to the victims, because the human aspect remains the most significant in the events of the past few days. For a few months now a Soviet propaganda campaign was trying to make us forget Afghanistan and Poland, but in fact their resorting to military force has proved once again that we cannot really take any chances. And that incident has also taught us the frailty of the word freedom.

Deep in my heart, Mr. Speaker, I am convinced that all Canadian citizens realized after hearing this tragic news just how frail it was and to what extent the political system and indeed the aggressiveness of certain nations could imperil the existence of many people. I hope that this incident, this accident or this murder, if you will, will give food for thoughts to the community of nations and to all political leaders throughout the world who have weapons, particularly deadly weapons. I think that we should all examine our conscience and that as long as the Soviets themselves do not examine theirs they will always stand guilty in our eyes and nothing will change our verdict of guilt.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is with great pleasure that I rise in this most serious debate on a subject of concern to all Canadians. And at the beginning of my remarks, I would like to commend all the Members from both sides of the House who have been in attendance until now. There is in my view a minimum of partisanship and a maximum of good will, a sense of national unity if you like, and above all a determination not to exasperate cold-war tensions, and also a concern for the victims of such a hideous crime as was said earlier.

• (2150)

[*English*]

The timing of this tragedy has been referred to by my colleague from York-Peel (Mr. Stevens) as well as others. I would simply repeat that in my view this is possibly the worst moment imaginable for something like this to have taken place. As all Hon. Members know, negotiations are now under way in Geneva with respect to medium-range nuclear missile weapons in Europe. My colleague the Hon. Member for York-Peel read from an article in yesterday's *New York Times*. I would refer to another passage in the same article which indicated that on this issue, namely the question of medium-range missiles, the United States might be prepared to drop its previous demand for over-all global equality in the deployment of medium-range missiles in favour of equality only in Europe. The article also adds that the Soviets might be prepared to consider dropping their demand to include French and British missiles in the medium-range category.

The talks are obviously at a crucial stage because the deployment of American Pershing missiles in West Germany will start in December if some settlement is not reached. All of us here who want a lasting peace in the world are thus saddened, and I think the best word is vexed, that this tragedy may in one way or another not prevent the deployment of nine out of 108 Pershing II missiles on December 15, 1983 in West Germany.

Other speakers have talked about the human side of this incident. I am sure there is no one here tonight who is not—

[*Translation*]

—read the many articles on that tragedy. Everyone wonders why such a tragedy has happened a few days ago. Maybe the

pilot wanted to save fuel and decided on a shorter route? Maybe there was a hijacking? One may bet on anything, Mr. Speaker. But like anyone else, I ask myself this question: How is it possible to murder as was said in so many words, 269 innocent passengers in such circumstances?

[*English*]

Robbie Burns, I think it was, used the expression "Man's inhumanity to man." It is absolutely impossible for any Canadian to imagine something like this happening in the way it did.

My colleague from York-Peel read out the names of the Canadian victims. Let me also put them on the record. Marilou Covey, Brother Jean-Paul Gregoire, Mary Jane Hendrie, Francois Robert de Massy, Georgis Panagopoulos, Francois Robert, Larry Patrick Sayers, Mrs. Chun Lan Yeh, Mao San Lim, and Mrs. Chi Man Leung. Let me read what Miss Hendrie's father said:

[*Translation*]

He said in French, and I quote:

This is murder. For my wife and myself, the most precious person in the world has been murdered.

[*English*]

Georgis Panagopoulos is remembered by his fiancée, Maryze Jimenez.

[*Translation*]

—Maryze Jimenez, 19, from Toronto, and I quote:

I do not know what to think.

And I add, and this is not a quote, Miss Jimenez, reservation manager at the Hotel in Toronto, was to join her fiancé soon after his arrival in Korea. They planned on getting married.

● (2200)

[*English*]

It is my understanding that the brothers and family of Larry Patrick Sayers are desperately anxious that his identification and other materials be returned. Hopefully his body will also be returned to them for proper burial in Canada. I have also been informed personally that his family is anxious that everything possible be done to ensure that such a tragedy never occurs again.

I would like to single out one victim, Mary Jane Hendrie—and I am sure that this could be done for any of the victims—and add a bit to what has already been said about her. I think she was an absolutely extraordinary person. It may give us all a better sense of what happened to refer to one person. She was the eldest of five children. Her two grandmothers have both come to Canada from Dundee, Scotland, to be with the family. She obtained her B.A. Honours degree with distinction from the University of Toronto. She spent a year in Tokyo University in foreign studies. She spoke the Japanese language fluently. She looked hard for a job and found one with an international investment firm. She was on her way to that job when this incident happened. She had won many honours. She received a Sir James Dunn high school scholarship. She had been on a Rotary exchange. She was an expert in synchronized swimming. She ran the fastest mile at the city track meet. The human dimensions of this have hit all of us very strongly.

I would like to quote Marcel Adam of *La Presse* who put it as well as anyone could in a recent article headed:

[*Translation*]

The USSR reveals the true nature of its regime

After having brazenly lied about the circumstances surrounding the incident, the USSR, confronted with the overwhelming evidence brought before the United Nations, have finally admitted to having committed that infamous act with which they were charged, but without the least remorse, without the least intention to compensate in any way for the consequences of this mindless crime against humanity.

[*English*]

Another French editorial appeared in *La Presse* which I think expressed the feelings of many of us very well. I refer to the article of September 2. It reads:

[*Translation*]

Governments and nations that still enjoy the freedom to be indignant already condemn and will go on condemning such a vicious attack against a Korean commercial aircraft by a Soviet fighter North of Japan. But in the face of such a brutal and senseless act that has sent to their deaths 269 powerless and unarmed persons, indignation is not enough. What is still needed, as was firmly pointed out yesterday by Ottawa and Washington, is that Moscow provide the world with the necessary explanations.

[*English*]

The Hon. Member for York-Peel (Mr. Stevens) made the point very well that we are living in a shrinking world and that we know, each one of us, that the dialogue between the free world and the Soviet Union should be increasing, not decreasing. There are many issues which are vital to the maintenance of a fragile world peace. I do not think anyone in this nation would want to jeopardize that fragile peace. On the other hand, we all abhor and condemn the shooting down of Korean Airlines flight 007. All of us feel that the tragedy was compounded by the continuing refusal of the Soviet Government to accept any fault by its indication that it would do the same thing again in similar circumstances.

Would a peace seeking government characterize this act other than as having been a grave error? Would a peace seeking government not have apologized and offered to provide compensation to the victims' families? This brings me to my final point. What do we do now? What further firm but prudent step should Canada take now? I submit that a reasonable step in the circumstances, assuming the Soviet Union does not accept any fault in this matter, is to close down for an unstated period of time all Soviet flights coming to or going from Gander airport.

I obtained some data from the Department of Transport today which might be of interest to Hon. Members. In fairness I must point out that the Hon. Secretary of State for External Affairs (Mr. MacEachen) was in error when he said on September 7 in a press release:

What remains using Gander is a flight that may occur once a month, probably less than that.

I would like to draw the Minister's attention to the figures provided by the Department of Transport today. In July, eight Aeroflot flights landed at Gander; in June, there were five; in May, there was one; in April, there were two; in March, there were two; and, in February, there were two.

An Hon. Member: Where were they going?

Mr. Kilgour: I hear someone asking where they were going. My information is that they were going from Moscow to Gander to Havana, South America, or vice versa. It would be a reasonable further indication of our disapproval of the tragedy and what has happened since. My Party and I salute the Government and give it full credit for the step it took at Mirabel. Hopefully we will take this additional step at Gander with the hope that these flights will be restored quickly. Recognizing that there will be a loss of revenue to people in Gander I hope they will be compensated.

Every Canadian listening to the debate would primarily see it as a moment of national unity. It seems to me that we as Canadians are saying that this is not the way we want the world to be run. We are a young country. We have people from every corner of the world in this land. We want our leaders and our country to behave with restraint, human kindness and compassion and to lead us toward peace. Obviously this act of the Soviets was not an act toward peace. We are as desperately anxious for peace in the world as I know you are, Mr. Speaker. We want a peaceful world, a world that respects opportunity for everyone. That is the message which each and every Member of the House of Commons has received from his constituents. They want us to act wisely but firmly. As I mentioned before, it would be a firm but prudent addition to what has been done if the flights into Gander were stopped.

Some Hon. Members: Hear, hear!

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am not happy but I feel it is important for as many Hon. Members as possible to rise and participate in the debate this evening which has been so properly raised by the New Democratic Party. Indeed it is frustrating for me—and I know it must be frustrating for every Member of the House—to rise to speak about an event, a government and a system which resulted in the deaths of innocent people, ten innocent Canadians and 259 others. It is frustrating because one gains the impression that the words we utter in this Chamber, judging by the reaction from the Soviet Union in recent days, are falling on uncaring, insensitive and perhaps even deaf ears. Frustrating as it may seem, we in the House of Commons as representatives of the Canadian people must stand and be heard in condemning a brutal and cold act of murder.

● (2210)

I appreciate the importance of giving a balanced and measured response to what has occurred. I realize as well that there can be no possibility on our part of sending out any other signal to those in our country and elsewhere in the world that we in this Chamber unanimously condemn this act and label it precisely what it was, that is, murder.

When my colleagues and I condemn the system of government and the mentality that could allow this kind of savage event to occur, we do not condemn a nation, its history or its people. We do condemn the geopolitical reality of today, a reality that began to evolve immediately after World War II when a country grabbed up territory. At that time other old world empires such as the so-called British Empire were disintegrating. At that time France was re-evaluating its role in North Africa. Other free nations were re-evaluating the colonial attitude. We condemn today a political system which at that same time, out of crisis, deemed it necessary to grab up territory and expand its borders.

The kind of paranoia and lack of understanding of the realities in an ever-shrinking world, as my colleague said, which existed in 1945 still exists today. It has allowed innocent people on a commercial airline to be brutally murdered. This was because of the feeling on the part of the leadership of the Russian nation. Somehow even a commercial airliner and innocent lives must fall before the knife of self-interest and the interest of a sovereign state.

The reaction of the Government of Canada has been appropriate. As the Hon. Member for York-Peel (Mr. Stevens) has asked, there has been a measured response, but it has been a firm response. We were the first nation in the free world to respond in a tangible way and take concrete action.

Some Members have expressed the concern that we not take action that would financially affect the interests of our nation, such as the banning of Soviet Aeroflot flights. I can assure Hon. Members that whether it be in Gander or in Montreal, Canadians do not put a price tag on the integrity of human life. Nor do they put a price tag on the values that we hold dear, values that we have built up in Canada.

I repeat that I find it frustrating to speak. I somehow feel that I am not being listened to. However, we in the free world, especially those in this House of Commons, must avoid any possibility of sending out a divided message. I appreciate and associate myself with the amendment proposed by the Hon. Member opposite. However, because of the desire to express ourselves clearly in condemning the Soviet Union, I would not want, because of procedural questions, to send out any message. I do not believe the Member opposite would want to send out any signal to the Soviet Union that this House is in any way divided. I hope arrangements can be reached to ensure that this House is unanimous in this condemnation.

We must speak. To those who say we must act in even more dramatic ways, I say that we have to accept the real world. I was not around at the time, but as a student of history I can imagine some of the tensions that existed previous to World

War II and perhaps to the Korean War. Nations were behaving in a belligerent manner. The tendency was to shoot first and ask questions later. The difference with this event, and I think it is a fair comparison, is that the free world has responded in a unanimous way.

The Soviet leadership must be convinced that the people of this country and every other country in this world, including the people of the Soviet Union, must feel safe when flying on commercial aircraft. All countries must understand that every citizen in this world, whatever political philosophy motivates his government, must not be perceived by his respective government as a pawn to be moved on the geopolitical chessboard in the world today.

As still a relatively new Member of this House, I am pleased that despite the policital differences of the Parties of this House and despite some of the heated exchanges and differences of view that we have had among Members, we can express to a leadership and political force that was formed out of crisis after World War II that we shall continue to say that we will not respond to rhetoric with rhetoric, but to say with common sense and a sense of brotherhood among men of all nations of the world that this kind of bloodshed will always firmly and immediately be condemned by free men everywhere.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, as the Leader of the New Democratic Party said in introducing this motion for an emergency debate today, nothing, no national security interest, no fear of espionage, no defence of borders can excuse such an act as that committed by the Soviet Union on Korean Airlines flight 007.

Since first learning of the attack, we have been appalled by Soviet actions and reactions; not the actions and reactions that one would expect of what we had thought to be a leading power in the world. At the very beginning there was a screen of silence, total silence on the Korean air carrier having been shot down. Indeed, on September 2, in my first response to the Soviet silence I condemned it and condemned them, as did the Secretary of State for External Relations (Mr. Pepin). I said there should immediately be an emergency meeting of the United Nations Security Council, that Canada should play a major role in pressing the issue forward, that the Council should authorized the United Nations Secretary-General to conduct a full inquiry of the matter and, failing that, a general meeting of the General Assembly should be called. That was a statement I made on behalf of my Party on September 2.

● (2220)

When the Soviet Union continued to be silent and made no effort whatsoever to take any responsibility for this immoral act, as the Leader of my Party described it both on September 6 in his press release and again today, all of us in this House, I think, continue to be shocked by such an aggressive and violent act and by the attitude of the Soviet Union, not just toward the United States or toward any single nation, because this is not a matter between the United States and the Soviet Union, but by its total silence with regard to the rest of the world. This issue is one between the Soviet Union and the rest of the world and, indeed, all humanity.

Almost the final straw, as mentioned by the Hon. Member for York-Peel (Mr. Stevens) as well, came when listening to the television address of the Soviet Chief of Staff, Nikolai Ogarkov, about two evenings ago. I will just read into the record two of the questions and answers that we heard on that evening. The question to the Soviet Chief of Staff was:

> Would it have made a difference if there were more than 2,000 instead of more than 200 people aboard, or would that have been justified in defence of the borders of the Soviet Union?

Marshal Ogarkov replied:

> I suggest that this is just a hypothetical question having no relevance—

Then a little later on, the question was asked:

> If the Soviet Union bears no guilt in this affair as you have said today, why have you not yet told your own people that 269 people died?
>
> OGARKOV: How would we know how many people were on board on the plane? So to report to the Soviet people the number of persons aboard is simply illogical.

By that very statement, Mr. Speaker, the Soviet Chief of Staff did concede what the Soviet Union has up until now, and even today, refused to concede, and that is, that it knew that there were civilians on board.

It is not good enough to say, "Well, they may have been provoked." There may indeed have been some provocation, but one does not shoot down an unarmed civilian aircraft. As I say, there is, I think, no disagreement in the House and no disagreement in the Houses of Assembly of most countries of the world to the absolute basic fact that one does not shoot down an unarmed civilian airliner whether one thinks there was some provocation or whether one thinks there was espionage or whatever.

I recall very vividly that when Israel brought down an airliner, the Soviet Union was very critical, very critical indeed, as we all were. So it has become almost unbelievable that we should have to come here tonight and bring this message to a country, which is a great power in the world and which surely must realize by now that there is absolutely no justification for its act.

Now the final straw is that we have heard that the request to the Security Council of the United Nations that the Secretary General be authorized to conduct a full investigation has been vetoed by the Soviet Union and probably, I understand, by Poland as well. Some people might have said, "Oh, well, there may be other countries, maybe the United States, maybe other countries, that would not want a full investigation because something might come up that they would not want known." I have heard some people say that. Well, that is now out the window. Of those who might have said that, the Soviet Union is the only major power, the nation involved in this tragedy, and it vetoes a request to have the Secretary General conduct an investigation.

I hope, Mr. Speaker, that it may be possible for us now to go forward to the General Assembly, and indeed I hope it would be possible to have a special session of the General Assembly

called. Even if the House unanimously endorses our motion or another motion further elaborating on it, we still, I think, must insist, and all nations like us in the world, and there are many, that we would want to see a full investigation conducted and the General Assembly called into special session to see if this could be made possible.

So from hearing absolute silence, to denial, to admitting that there were civilians aboard, to saying basically that they would do it again, to now vetoing a request to have the Secretary General of the United Nations conduct an investigation, we are, as many other speakers have said, really left to wonder whether the Soviet Union intends to conduct its further international affairs in a similar vein. Many have remarked that we do not want this terrible tragedy, this unwarranted attack, to colour the relations that nations must continue having together, particularly in the crucial area of arms control and disarmament. It seems to me that one of the good signs indicating that the United States will not allow this to interfere with arms control discussions is that it has not called off the negotiations. Indeed, on the contrary, it has encouraged the negotiations in Geneva to continue. It has not engaged in the kind of rhetoric that would so inflame East-West tensions that such negotiations would become impossible. I hope it does not engage in such rhetoric and I hope that we do not because, as many speakers have said, we must continue to find a peaceful resolution to our conflicts and disputes.

The Minister of Transport (Mr. Axworthy) mentioned that there was not enough that was positive in our motion about what we are to do tomorrow. What do we do tomorrow to ensure the safety of passengers on civilian carriers on international routes including carriers that for whatever reason go off route? Actually, our motion said that we want action taken by the Government to ensure the protection of Canadians and citizens of other countries who travel on civilian aircraft on international routes.

We want Government action to be taken by this Government and other Governments, both in the United Nations and in the meetings of the International Civil Aviation Organization. That is what we are asking for. The Minister of Transport agreed that we must re-examine the rules relating to civil aviation, but all he had to offer was identification and communication. That is very important, but I could not help wondering about it since so many defence experts, particularly in the United States, have said several times over the last ten days that many airlines, Soviet, Cuban, Korean and others, do in fact allow their civilian carriers to participate in surveillance activities of military installations. That is electronic espionage, as some people call it. This comes from particularly knowledgeable people in the scientific defence community in the United States. Unless there are new regulations which will limit landing rights and over-flight permission to aircraft that are not engaging in such activities, then I do not think we can bring the kind of security we want to international air travelers. This is the message that I hope the Secretary of State for External Affairs (Mr. MacEachen) will bring to the meeting of the International Civil Aviation Organization this week.

• (2230)

All of us in the House want to bring, above all—and I think all Members who have spoken so far and I am sure it will be true of the rest—our abhorrence of the Soviet action, our distress at its rejection of any responsibility, our wish that our voices along with the many other voices raised, to the attention of the Soviet Union. We hope they will allow a full investigation by the Security Council and will help all of us, as well as themselves, to ensure that such a tragedy will never occur again.

Mr. Pinard: Mr. Speaker, we had some fruitful talks among House Leaders and I am happy to report an agreement. I would seek unanimous consent to interrupt the debate to allow the Leader of the New Democratic Party to move a motion.

Mr. Deputy Speaker: Does the House give unanimous consent to interrupting the debate?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Chair has some procedural concern about the motion before us.

Mr. Pinard: Mr. Speaker, the unanimous consent is to allow us to interrupt debate. We will have a separate motion and then we will revert to the debate. There may then be further consent to something else.

Mr. Deputy Speaker: Is there unanimous consent to recognize the Hon. Member at this point?

Mr. Nielsen: Mr. Speaker, it was my understanding, and I am sure the Government House Leader will agree, that there is unanimous consent to interrupt the debate to hear a motion put by the Leader of the New Democratic Party, seconded by the Hon. Secretary of State for External Affairs and the Hon. Member for York-Peel (Mr. Stevens), and then the question would be put. That is my understanding.

Mr. Deputy Speaker: By unanimous consent, the Hon. Member for Oshawa (Mr. Broadbent).

Mr. Broadbent: Mr. Speaker, I rise to move a motion, but before doing so I want to clarify the understanding that was reached. It is an interesting consensus that occurs from time to time in the House, for which the people of Canada, I am sure, are profoundly grateful.

In speaking in support of the motion moved by myself earlier, the House Leader for the Conservative Party, speaking on a point of order, indicated the possibility of the House achieving agreement on an additional motion. As a result, there were discussions involving all three Parties which produced a motion that I wholeheartedly move, seconded by the Secretary of State for External Affairs and the Hon. Member for York-Peel (Mr. Stevens) as follows:

That the attack on the Korean Airlines passenger plane on August 31 by Soviet military aircraft resulted directly in the loss of 269 lives including ten Canadians;

S.O. 30

That this utterly unjustifiable resort to the use of weapons of war in the interception of defenceless civil aircraft contravenes universally held standards of civilized international behaviour and international law governing civil aviation;

That the Soviet Government has provided neither a credible explanation of the circumstances nor any full acknowledgement of responsibility, appears unrepentant and unwilling to co-operate in international efforts to prevent a repetition of this tragedy;

Therefore, this House expresses its profound sympathy to the bereaved families of the victims;

Condemns the unwarranted attack on the destruction of the Korean airliner on the orders of Soviet authorities;

Demands a full and truthful explanation of this brutal act from the Soviet Government;

Demands that the Soviet Government co-operate fully in any impartial investigation under the auspices of the United Nations and of the International Civil aviation Organization to prevent any repetition of such a tragedy;

Demands that the Soviet authorities immediately offer full and generous compensation to the families of all victims including Canadians; and

Directs the Speaker to convey the text of this motion to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The debate has been interrupted in order that the Hon. Member for Oshawa could give notice of a possible motion. The Chair has the problem at this point that there is a motion to adjourn before the House. Could this be set aside? Is there unanimous consent to withdrawing that motion and then the Hon. Member for Oshawa could put the motion of which he has given notice. Is it agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deans: Mr. Speaker, I am not absolutely positive but I believe we have now dispensed with the motion that we had before us. I think that what my Leader moved, seconded by the two other Parties, eloquently says what the House of Commons and this Party hoped would be the outcome of today's debate.

Mr. Deputy Speaker: Is there unanimous agreement that the House do now adjourn?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House is now adjourned until tomorrow at 11 o'clock in the morning.

At 10.38 p.m. the House adjourned without question put, pursuant to Standing Order.

APPENDIX

THE CABINET

ORDER IN COUNCIL DESIGNATING
ACTING MINISTERS

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his office, the next senior minister who is in Ottawa and is able to perform the functions of the Office of Prime Minister, be authorized to act for the Prime Minister;

2. that in the absence from Ottawa of a Minister whose name is set out in Column II of an item of the Schedule to this Minute, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

3. that in the absence from Ottawa of the Ministers named in Columns II and III of an item of the Schedule to this Minute, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

4. that in the absence from Ottawa of the Ministers named in Columns II, III and IV of an item of the Schedule to this Minute, or in the event of all those Ministers being unable to perform the functions of their Office, the Prime Minister or, if the Prime Minister is absent from Ottawa or unable to perform the functions of his Office, the next senior minister who is in Ottawa be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

5. that where an Office set out in Column I of an item of the Schedule to this Minute is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and

6. that where an Office set out in Column I of an item of the Schedule to this Minute is vacant, in the absence from Ottawa of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item.

P.C. 1983-2782

LIST OF ACTING MINISTERS

	COLUMN I OFFICE	COLUMN II NAME	COLUMN III ACTING MINISTER	COLUMN IV SECOND ACTING MINISTER
1.	Agriculture	Mr. E. Whelan	Mr. L. Axworthy	Mr. R. LeBlanc
2.	Communications	Mr. F. Fox	Mr. S. Joyal	Mr. E. Lumley
3.	Consumer and Corporate Affairs	Mrs. J. Erola	Mr. H. Gray	Mr. D. Johnston
4a.	Economic Development	Mr. D. Johnston	Mr. J. Chrétien	Mr. E. Lumley
4b.	Science and Technology	Mr. D. Johnston	Mr. J. Chrétien	Mr. E. Lumley
5.	Employment and Immigration	Mr. J. Roberts	Mr. A. Ouellet	Mr. C. Lapointe
6.	Energy, Mines and Resources	Mr. J. Chrétien	Mrs. J. Erola	Mr. J. C. Munro
7.	Environment	Mr. C. Caccia	Mr. P. De Bané	Mr. J. C. Munro
8.	External Affairs	Mr. A. MacEachen	Mr. G. Regan	Mr. J.-L. Pepin

9.	Finance	Mr. M. Lalonde	Mr. R. MacLaren	Mr. H. Gray
10.	Fisheries and Oceans	Mr. P. De Bané	Mr. C. Caccia	Mr. D. Johnston
11.	Indian Affairs and Northern Development	Mr. J. C. Munro	Miss M. Bégin	Mr. J. Chrétien
12a.	Industry, Trade and Commerce	Mr. E. Lumley	Mr. D. P. Smith	Mr. G. Regan
12b.	Regional Economic Expansion	Mr. E. Lumley	Mr. D. P. Smith	Mr. G. Regan
13.	Justice and Attorney General	Mr. M. MacGuigan	Mr. R. Kaplan	Mr. S. Joyal
14a.	Labour	Mr. A. Ouellet	Mr. F. Fox	Mr. J. Roberts
14b.	Post Office	Mr. A. Ouellet	Mr. F. Fox	Mr. J. Roberts
15.	National Defence	Mr. J.-J. Blais	Mr. A. MacEachen	Mr. W. B. Campbell
16.	National Health and Welfare	Miss M. Bégin	Mrs. C. Hervieux-Payette	Mr. W. B. Campbell
17.	National Revenue	Mr. P. Bussières	Mr. C. Lapointe	Mr. M. Lalonde
18.	Privy Council	Mr. Y. Pinard	Mr. D. M. Collenette	Mr. D. P. Smith
19.	Public Works	Mr. R. LeBlanc	Mr. P. Bussières	Mr. P. De Bané
20.	Secretary of State	Mr. S. Joyal	Mr. D. M. Collenette	Mr. F. Fox
21.	Social Development	Mr. J. Austin	Mr. M. MacGuigan	Miss M. Bégin
22.	Solicitor General	Mr. R. Kaplan	Mr. M. MacGuigan	Mr. Y. Pinard
23.	Supply and Services	Mr. C. Lapointe	Mr. R. LeBlanc	Mr. J.-J. Blais
24.	Transport	Mr. L. Axworthy	Mr. E. Whelan	Mrs. J. Erola
25.	Treasury Board	Mr. H. Gray	Mr. M. Lalonde	Mr. A. Ouellet
26.	Veterans Affairs	Mr. W. B. Campbell	Mr. J.-J. Blais	Mr. E. Whelan

HOUSE OF COMMONS

Tuesday, September 13, 1983

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-110, an Act to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Corbin): Order, please. Before proceeding with the debate I should like to draw to the attention of Hon. Members that there are eight motions on the Order Paper at the report stage of Bill C-110, an Act to amend the Export Development Act. I have examined these motions and have concluded that Motion No. 1, standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn), should be debated and voted on separately.

Motion No. 2, standing in the name of the Minister of State for International Trade (Mr. Regan), and Motion No. 4, standing in the name of the Hon. Member for Mississauga South, give the Chair some misgivings concerning their procedural acceptability. Motion No. 2 seeks to repeal Section 9(2) of the Act and substitute a new wording, while Motion No. 4 seeks to amend Section 11(2) of the same Export Development Act. Hon. Members will note that the Bill before us does not propose to amend either section. I refer to May's Nineteenth Edition at page 521:

(1) An amendment is out of order if it is irrelevant to the subject matter . . . or beyond the scope of the clause under consideration.

I also refer to Beauchesne's Fifth Edition, citation 773(8)(B):

An amendment may not amend sections from the original Act unless they are specifically being amended in a clause of the Bill before the Committee.

I remind Hon. Members of citation 792 which indicates that the rules for admissibility of amendments in committee apply equally to report stage.

On December 15, 1977, as reported at page 1909 of *Hansard*, the Chair considered a nearly identical case in which the Chair ruled that only the subsection in the Bill was before the House and that an amendment to another subsection of the Act not in the Bill was out of order.

On June 19, 1970, Mr. Speaker Lamoureux said, as reported at page 1043 of *Journals:*

We must limit amendments to the Bill that is before the House and . . . cannot go behind the Bill in an attempt to amend the statute . . . In this way the Hon. Member is really proposing substantive legislation. He is proposing his own bill, in a way.

I am convinced that both these precedents give ample authority for my ruling that both Motion No. 2 and Motion No. 4 are unacceptable.

Motions Nos. 3 and 5 should be grouped for debate but voted on separately. Motions Nos. 6 and 8 should be grouped for debate but voted on separately. Motion No. 7 should be considered and voted on separately.

● (1110)

Mr. Don Blenkarn (Mississauga South) moved:

Motion No. 1.

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 1 by striking out lines 14 to 22 at page 1 and lines 1 and 2 at page 2 and substituting the following therefor:

"4. (1) The Chairman shall be appointed by the Governor-in-Council and should be a person not regularly employed in the public service of Canada either directly or indirectly or in the public service of any province in Canada and shall hold office during pleasure for such term not exceeding five years.

(2) Three Directors of the Corporation shall be appointed by the Governor-in-Council from among persons employed in the public service of Canada to hold office during pleasure.

(3) The balance of the Board of Directors shall be appointed by the Governor-in-Council and shall be persons not regularly employed in the public service of Canada either directly or indirectly or in the public service of any province in Canada and shall hold office during pleasure for such term not exceeding five years.

(4) Subject to (3) each director not appointed among persons employed in the public service is eligible for re-appointment on the expiration of his term of office, but any such director who has served two consecutive terms during the 12 months following the completion of his second term is not, during the 12 months following the completion of his second term, eligible to be re-appointed a director of the Corporation.

(5) The Vice-Chairman shall be elected by the Board from among its members."

He said: Mr. Speaker, the amendment before us, Motion No. 1, follows to a large extent the wording of appointments in Clause 4 of the Export Development Corporation Bill. The concept in the amendment is to increase the number of directors in the corporation to 15 and to ensure that the chairman and the vast majority of directors are not employed in the Public Service.

The problem with the existing corporation is that in the majority, the directors are persons employed in the Public Service or working for the Government. The consequence is that we have not had in this corporation the benefit of the real private input that we should have in a corporation of this nature.

The concept of this corporation is twofold. First, it is to give guarantees and insurance to those who would export Canadian products and expedite exports by giving those guarantees and selling insurance to those who export to protect their receivables in the event of non-payment in the foreign country, political disruption, currency exchange matters and so on. That is the first part of the corporation's business.

The second part of the corporation's business is to become a lender, perhaps a lender of last resort, certainly a lender of moneys to expedite the sale of Canadian capital goods in foreign markets.

• (1115)

What we really need in a corporation of this nature are people who are expert in the business world. What we do not need are people who are expert in the wonderful offices of the bureaucracy in the City of Ottawa. What we are really talking about is business and we are talking about how businessmen do business.

I can say from my own experience that this corporation is exceptionally bureaucratic. I say that because in many cases this corporation does not understand that when dealing with persons in the offices there is a necessity for speed, for coming to grips with a business problem. What this corporation needs badly is some real expertise. It needs people from the private field at its board level. It does not need people who are tied up with Government, either provincially or federally.

Perhaps it is necessary that there be people from the Public Service on that board. The amendment provides for three people from the Public Service to be on the board. It does not define who those people should be, but in my correspondence with the Minister I have suggested to him that they be someone from Industry and Trade, someone from Finance and someone from External Affairs. Beyond that, there is no need for anyone else from the Public Service.

The real guts of the problem is that this corporation needs private advice at its director level. It needs private assistance at the office levels in Vancouver, Toronto, Montreal and even Ottawa so that that private advice can put some zing back into this corporation.

The corporation has been strongly criticized. First, it has been criticized by the Economic Council of Canada as being an inefficient way of developing and supporting exports. In their study of this matter, the Economic Council is quite critical. The Economic Council feels that there are a number of things that could be done. It feels that this corporation is, in a sense, attempting to squeeze out people who might finance or insure business on a private basis in order to abrogate unto itself that the corporation will be the only insurer and the only grantor of credit in export fields.

The Economic Council points out quite rightly that other countries, such as Britain and France, rely on their own banking systems and that the export development corporations or export development organizations in those countries are essentially guarantee agencies, insurance agencies, agencies that may subsidize some lending but that is the extent of it. The field work is done privately. It is, of course, our view that that kind of thing should be done on a private basis as far as possible. We should have less government, not more government. The way to get less government, Sir, is to make sure that government organizations are strongly biased in favour of private industry. That strong bias may be created by a strong board of directors consisting of people involved in private industry.

While the recommendation and amendment before us is to increase the size of the board and to make provisions for the board, the amendment seeks to make sure that this board consists of 15 persons, all but three of whom are from the private field. Only three members of the board are to be from government.

• (1120)

The other terms of the amendment are almost identical to the present provisions with respect to how the board is to operate and with respect to the term of persons elected or appointed to it. There is no attempt to change the way the Corporation presently acts, other than to make sure that the board of the corporation is essentially a private enterprise board.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, in addressing the amendment put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), I should like to state that there have been hours of debate on the Bill in the Committee. The Members of this Party, who have consistently followed the line of the Committee and brought forward recommendations, have also drawn out the Government on some of the shortcomings that they see in the proposed Bill.

Before I go into that I should like to commend the Minister of State for International Trade (Mr. Regan) and his colleagues for their concern about our exports and their recognition of what export means to every citizen of this country. We have some concerns about the way the Bill has been drafted and those concerns were expressed by my colleague from Mississauga South in the seven amendments put forward.

The basis of Motion No. 1, as we see it, is to attempt to place in the Export Development Corporation itself those people who have their hands on daily concern for exports. They should have knowledge and an understanding of the needs and desires of their associates in the private sector as to how exports affect this country and its ability to survive.

One of the main concerns expressed in my colleague's amendment is the appointment of the directors. In this Party we think that a board of this size should have majority representation of members from the private sector rather than from the Public Service. Other amendments that we will present will show the rationale for that.

The problem with Crown agencies and their responsibilities in the past has been with their accountability to the Parliament of Canada for their expenditures which come from taxpayers' dollars. We feel that one of the most glaring errors

in the drafting of this Bill concerns the accountability of a Crown corporation to the Parliament of Canada for the taxpayers of Canada. The board of directors could be dominated by people from outside the private sector, by people from the Public Service, and this could remove the accountability of the corporation and the ability of the people of Canada, who put up the funds, to control or have knowledge of some of the actions of the Government.

At the moment I am deeply involved in another method of exporting dealt with in Bill C-155, which is taking up a considerable amount of time. On this side we recognize the value of export and the need for Canada to grow as an exporting nation. We must make up the lost ground of the last two or three years with our major trading partner, the United States. Most of us feel that 70 per cent is the amount of our trade with the U.S. As a matter of fact, about 65 per cent to 66 per cent of Canada's trade is done with our friend and neighbour to the south.

● (1125)

We will be pleased to assist the movement of this Bill. We will be pleased to assist in any amendments if, Mr. Speaker, we can be assured that the people of Canada, through the Parliament of Canada, have made the Export Development Corporation accountable for its actions, accountable for its funds, accountable for its liabilities and that there is no concern on this side that something may be running amok and we would have to find that out at a later date. If we could be assured of those things, Mr. Speaker, as my colleague, the Hon. Member for Mississauga South, has put forward in his some seven amendments, we would be only too happy to support the facilitation and movement of this Bill through the House of Commons.

I hope to take part in the debate later on, Mr. Speaker, but now I would like to compliment my colleagues on this side who have served on the Committee over the many, many hours of debate which culminated in the Bill coming to the House at report stage. I would like to thank them for their endeavours.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in speaking to this suggested amendment which I had the honour to second just a few moments ago, I am pleased that the Minister of State (International Trade) (Mr. Regan) is here in the House. What we are dealing with here is the ultimate responsibility of the Secretary of State for External Affairs (Mr. MacEachen), and I am certainly pleased that the immediate Minister of State (International Trade) is with us. I would like to stress that I believe that when we get into questions of trade, we must also think of aid to the developing world. I say that because I feel that we in Canada, have been quite negligent in accepting the reality that perhaps one of the most meaningful things that you can do for many of the countries in the developing world is not so much to give aid, but to trade with them.

Country after country of the so-called poor nations, when you visit them, will tell you: "Rather than give us handouts, it is preferable that you, in a meaningful way, trade with us. Buy our products and we, in turn, will be more than willing to buy what you would like to sell us." I say that because I believe it is very relevant to put that into the context of the activities of the Export Development Corporation. I do not feel that anyone in this House—certainly if there are, they are few in number—would disagree with the concept of export financing, if it is needed.

It is often stated that export financing is indeed needed if we want to remain competitive with our rival, competing nations, be it the United Kingdom, France, the United States or whatever. I am willing to accept that, in a rather haphazard, disorganized way, there has been a lot of undercutting in order to get trade by some of the other industrial nations. As long as I have been in this House, I have always been told by Ministers of Industry, Trade and Commerce, if that happened to be the Department handling the Export Development Corporation, that we in Canada have been urgently requesting and trying to get agreement with other nations to ensure that so-called concessional financing will not get out of control and be overdone.

Having said that, I would like to stress two points. First, I believe that if that rhetoric is true, we must never let up on trying to get better understandings with competing industrial nations to ensure whatever financing we have to route through some agency such as the Export Development Corporation will not be concessional financing. Because if we as a country get into the position where rather than selling competitive goods or services we are really selling finance to some other area of the world, I suggest it is a fool's type of game to get into and in the long run the mounting debt that will roll up in the name of Canada will be extremely difficult to handle.

● (1130)

The Acting Speaker (Mr. Corbin): Order. The Chair hesitates to interrupt the Hon. Member, but we are now debating an amendment proposed at report stage and the Chair should remind all Hon. Members that remarks must be strictly relevant to the amendment before the House. I have been following with some attention the remarks by the Hon. Member for York-Peel (Mr. Stevens) and my assessment of what he has been saying in the last three or four minutes is that he has been making remarks of a general nature about Canada's trade policies. I would invite him to relate his remarks to the amendment before the House.

Mr. Stevens: Thank you, Mr. Speaker. Being the seconder of the proposed amendment, I may have overlooked the fact that all Members in the House may not have read that amendment, which of course deals with this question of having more private-oriented directors on the board of EDC.

One of the most relevant things I think we can do in discussing that amendment is to give some background as to why we believe more private director-type personnel should be on the board of the EDC, and that is what I am trying to do. I am trying to indicate, if I may continue, Mr. Speaker, that it is in many instances trade more than aid that developing nations are looking for. Secondly, as I said earlier, all of us would

agree in principle that tied with trade you probably have to have some government-type of agency help with the financing. But it is extremely important that that financing not get somehow into the category of simply concessional financing; it is finance you are selling and not trade in the sense of competitive goods and services.

Now, what finer way to guarantee that you get an ECD oriented to competitive, sound practices than to ensure that its board be private-oriented? The average person coming from the private sector, Mr. Speaker, understands what we are talking about here. He realizes that there is always a day of reckoning. If you are paying, as the Government paid today, over 12 per cent for its money and it turns around and lends that to somebody such as the Metropolitan New York subway system at, say, 9 per cent, somebody has to make up that 3 per cent. It is as simple as that. It is a concession, a subsidy. Unfortunately, in our case, when the Government does it through EDC it is ultimately the people of Canada that must cover that 3 per cent subsidy in the example that I gave. So I am saying, Mr. Speaker, that this amendment would at least ensure that we would have more private, if you like, oriented directors on the Board of EDC if it is accepted.

Now, I have said that is only one aspect of the EDC financing that I think a private board could have influence on. The second thing I suggest a more privately oriented board would do in EDC is to ensure that in fact EDC is used only where those private board members feel it is needed. The EDC can very easily become a crutch, as I would suggest it has become for many organizations in Canada. If you are one of the privileged companies which has been getting most of the financing through EDC, it is very easy to get near that company, come up with some kind of proposal, that you would like them to finance, and as quick as a wink you have got your deal, your financing, and it is the people of Canada who pay a tremendous subsidy, all in the name of trade.

Now, I think a private sector person, much more than a bureaucrat sitting on the board of EDC, would understand what I am talking about. If you agree, then I hope that the Minister would accept our proposal and in turn would ensure that that new private orientation does not only help to ensure that EDC engage in only competitive financing, but that it accept what I started off by saying, that it is in fact trade with developing nations that we should be attempting to encourage, not just aid.

On another point, Mr. Speaker, I would like to refer Hon. Members to a very interesting article called "Development Assistance: Trade versus Aid and the Relative Performance of Industrial Countries", written by Alexander J. Yeats of UNCTAD in Geneva. In this article you will find that Canada's record as a nation that gives trade and aid is extremely poor when you compare it to virtually any other industrial nation in the world. I emphasize, in relation to trade with developing nations. We have shortchanged not only those developing nations but ourselves, and I will hopefully have more to say on this later in today's debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion put forward by the Conservative Party is really to try and make sure that the Government does not appoint the chairman of the Export Development Corporation and all 14 directors, that instead the Government would appoint three directors of the corporation, and the chairman and the other directors would be appointed from the outside.

I listened with care to many of the speeches and I heard the Member who has just taken his seat talking about the necessity of making sure that the other directors are from the private sector. I could accept the fact that some of these directors should be from the private sector, Mr. Speaker, because many private corporations are exporting their goods around the world and many are indeed using the services of the Export Development Corporation. I also think that in principle it is very good to have some people who are not Government appointees from the Public Service on the board of directors of a Crown corporation because it does open it up and make it more democratic.

I do have several concerns with the way the Conservative Party has drafted this amendment because I think they have left it wide open with regard to making it really accountable and democratic in the true sense. The Conservative Party is talking specifically about the private sector. I can accept some of those people on the board as well. However, there is no reference in the motion before us today to the Provinces, and I think the Provinces are very important when it comes to trade. Many of the Provinces have a lot of people very active in the trade field. I think of my own Province, for example, and the tremendous exports from Saskatchewan. I think of British Columbia, Ontario, Quebec and many other Provinces as well. But there is no reference here to having anyone on the board from companies which are apart from Government departments but are Crown corporations. There are many Crown corporations exporting very actively into the world market. There are many corporations, such as the Potash Corporation of Saskatchewan, Hydro-Québec and others that are also exporting. Perhaps they should have representation on the board of the Export Development Corporation.

● (1140)

The other thing missing here in terms of opening up the EDC and making it more democratic is any specific provision that the workers in the export field be represented. There is no provision here, for example, that one of the directors or two or three of the directors should be people working for the EDC or people who work for companies that export goods. In other words, they could be appointed or elected by the relevant trade unions or whatever may be the case. But I do not see anything spelled out in the Motion to make sure that the working people who produce the goods and services and who make these companies productive are going to be represented in any way whatever.

The other point is that when we leave a motion absolutely wide open and say, such as is stated in Section 3, that the balance of the Board of Directors shall be appointed by the

Governor in Council and shall be persons not regularly employed in the Public Service of Canada, either directly or indirectly, or in the public service of any Province of Canada, and so on, we are still saying to the Government that it can appoint certain directors. It does not spell out from where those directors must come. For example, the Government can appoint the Donald Macdonalds of the world. We could have more of the Donald Macdonald's economic commissions. The Government could appoint all kinds of ex-politicians, ex-Liberal politicians—for instance, the Jim Coutts of the world, the Jack Horners of the world, many other former Ministers and former MPs. This could just be another plum for ex-politicians. Once again, the Conservative Party does not spell that out. The Conservative Party leaves this tremendous loophole in this amendment through which you could drive a truck.

I agree with the principle of opening it up and making sure we do not have a chairman of the board and 14 directors who are all public servants because I believe we have to have more democracy and more economic accountability. I think all our Crown Corporations have to reflect the greater sense of reality that exists in this country, and although I agree with those principles, when you open up the appointment of directors but still give the Government a blank cheque to appoint whoever it wants, I am not sure we are solving the problem at all. In fact, we might even be making the problem worse by having a bunch of ex-politicians who cannot get interesting jobs elsewhere running the Export Development Corporation or businessmen who are friends of the Government. I am thinking of the Conrad Blacks of the world—I do not think he would accept the appointment, Mr. Speaker—sitting on the board of directors of the Export Development Corporation.

Mr. Regan: Have you got any more names?

Mr. Nystrom: It might be a way for the Minister of State for International Trade (Mr. Regan) to repay some of his political debts for contributions to the Liberal Party. Here we have the Conservative Party opening up another possibility of re-electing the Liberals by allowing them to appoint some of their friends to the board of the Export Development Corporation.

There is something else that surprises me about the Conservative Party. I know that in the Constitution debate Members of the Conservative Party talked loud and for a long time about the Provinces and the right to respect the Provinces. The Provinces are very heavily involved in trade. What the Provinces do in trade is very important in the world. I have already mentioned the importance of commodities and products and big companies, such as Hydro-Québec, that are not private. I am very surprised to see there is nothing spelled out, that not even one or two of these directors should be appointed by the Provinces. What we need in this country is more co-operative federalism, more consensus building and greater reconciliation between the Provinces, the federal Government, the private sector, the working people and farmers. But none of that is spelled out whatsoever. All we are doing is choosing between the Government appointing 15 people from the Public Service to run the EDC or the Conservatives saying that three people should come from the Public Service and then the Government can appoint 12 of their friends. I am not sure that is any improvement at all.

I know the Member for Calgary South (Mr. Thomson) would not have drafted a motion like this. I think he would have made sure it was a little more reflective of the reality out there. But the Member from Mississauga South has chosen not to do that. For reasons like that, Mr. Speaker, I have grave doubts about supporting this amendment because I think we might be jumping from the frying pan back into the fire.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I speak in favour of the amendment moved by the Hon. Member for Mississauga South (Mr. Blenkarn). Before doing so, let me speak to the remarks just made by the Hon. Member for Yorkton-Melville (Mr. Nystrom) because I think they are relevant. He feels that by giving greater stress to the appointment of people from the private sector, as called for by our amendment, we will be creating plums to give, presumably, to our supporters after the next election. I would respectfully submit that is not the intent of our amendment. We are trying to give stress to people who have online, front line experience with the private sector, hopefully with the export business. They will bring experience from the private sector rather than exclusively from the public sector.

I would remind the Hon. Member for Yorkton-Melville that he does not understand his own supporters. Recently a Gallup poll was taken. The question asked Canadians across the country whether they would like to see more stress on the private sector, the same balance as at present, or more stress on the Government sector. Astoundingly from that poll fully 40 per cent of the people who indicated they were supporters of the New Democratic Party favoured greater stress on the private sector. The figure for the Liberal Party on the same question was 30 per cent. I would therefore remind the Hon. Member for Yorkton-Melville that his Party is now on the free enterprise side of the spectrum and it is the Liberal Party that is more socialist than the NDP.

Some Hon. Members: Oh, oh!

Mr. Kilgour: As a westerner, that defies all my experience, but I gather that is the case.

Coming to the merits of the amendment, you may well say, Mr. Speaker, that the relevant section as it is worded says nothing about how many people the Government will appoint from the Public Service. I am advised that while the Government has not committed itself on this issue, the Minister of State for International Trade (Mr. Regan) has told my colleague the Hon. Member for Mississauga South in a letter that the Government will need at least six people from the Public Service. At the moment, as you know, four out of seven are from the public sector and that is a pretty good indication of what the Government intends to do in this matter.

The problem with having a majority of public servants on a board such as this, in my respectful submission, is that these

people are not able to be truly independent, as lawyers in the House will realize, as boards of directors should be or should try to be. We get things like the CDC—I use the word catastrophe in that instance—where we had the Government trying to get Maurice Strong to replace Mr. Sellers as chairman. It was only because of the courage of the other directors that we managed to get Mr. Sellers from Winnipeg, who I believe is doing an excellent job with the CDC.

The case has been well stated by the Hon. Member for Mississauga South and the Hon. Member for York-Peel (Mr. Stevens). I would urge all Members in the House to consider supporting this Motion.

In conclusion, I must point out that Arthur Donner, the economist, points out in yesterday's *Toronto Star:*

—Canada's percentage of the world export market declined as the OPEC share rose. In 1970, Canada accounted for 5.9 per cent of world exports declining to 4.3 per cent by 1982.

We have to increase Canada's exports if we are to get our young people back to work. We have to create jobs, jobs, jobs, which is our new leader's fundamental issue. I put it to you, Mr. Speaker, and I do not think this is overstating it, that by putting people on the board of the EDC from the private sector who have experienced with exports, we are more likely to get the EDC to perform better than it has performed to date than by adopting the always leviathan, larger Government role.

Mr. John Bosley (Don Valley West): Mr. Speaker, I have a few remarks with regard to the amendment moved by the Hon. Member for Mississauga South (Mr. Blenkarn). Might I start with a couple of comments to the Hon. Member for Yorkton-Melville (Mr. Nystrom) through you, Mr. Speaker. Just before the Minister leaves, the Member should be reluctant in future to be so cavalier in naming names of potential Liberal hacks for appointment because I notice the Minister was writing down all those names.

Some Hon. Members: Oh, oh!

Mr. Bosley: The other part of that statement is that I do not think Conrad Black would appreciate being accused of being a Liberal hack. I do not think he regards that as his political preference, but the appointment of Conrad Black with his business experience to the board of the Export Development Corporation would certainly serve it well.

● (1150)

The other part of what the Hon. Member for Yorkton-Melville had to say suggested that he had not read either the amendment or the main motion. The main motion suggests that the Minister shall have complete freedom to appoint whoever he wants from within or without the Public Service, and there has been a practice of appointing some from both.

The purpose of the amendment of the Hon. Member for Mississauga South is remarkably simple. It narrows and limits the number of people who may be appointed from the Public Service to the board of the Export Development Corporation. The logic of that is extremely simple. If we believe that it is wise and reasonable—and of course we should believe that it is wise and reasonable—to try to regenerate the Canadian economy through exports, then we should try to make the EDC as responsive as possible to the needs of private sector exporters. Who knows those needs better than those people in the export community?

The argument the Government will presumably advance in order to retain unfettered freedom as to whom to appoint is that it needs to appoint some substantial number of public servants to the board. Presumably the Government will make that argument or it would not be opposed to our amendment. In the case of this particular corporation, independence is perhaps more essential than in the case of any other Crown corporation. I make that statement because elsewhere in the Act there is provision which allows the Government on its own account, of its own volition, at its own expense but using the EDC as its agency, to fund a project of export which the EDC board does not believe makes strict economic sense. In that sense the EDC is in an agency role for national purposes of the Government of Canada.

If it is designed to take a position where the board believes it appropriate that a project is not properly financeable by the EDC, then it ought to follow logically that the single best way to get the EDC to render appropriate judgments as to whether or not something ought to be financed is to separate it as far as possible at the level of the board of directors from the working officials of the government department who do not work for the private sector but are ultimately responsible to the Minister.

The best way for the Minister to obtain the best advice about whether or not a project makes economic sense is for him to recognize that because he already has the authority to require or order that a project be funded where it is deemed not appropriate by the agency, or the best way for him to establish that he takes that responsibility seriously, is for him to separate as far as he can the Ministry and the Minister from any appearance—and I say this without insinuation—of the power to manipulate the board of the EDC. The Minister responsible, a former premier of a province, knows the importance of the difference between appearances and reality in developing public policy, boards and authorities.

What should recommend this amendment to the Government is that the EDC has a very large budget and is extremely important to the Canadian export community. The primary role of that corporation is to serve Canadian exports, not the wishes and the needs of the Minister. The best way to do that in symbolic, real and practical terms is to take the best minds of the export community and put them on the board. To refuse that amendment would be to suggest that the Minister is not interested in the best minds being on the board and presumably is interested in having the appearance of control of the authority by the Public Service of Canada. If that is not his view—and I presume it is not—then I respectfully suggest that he should make that clear to us and the export community by accepting this amendment.

Mr. John Thomson (Calgary South): Mr. Speaker, we have covered a good part of the ground pertaining to this amendment in the previous debates in the House and certainly in committee, but I would like to reiterate a couple of points which I attempted to make before. What is at stake here with respect to Bill C-110 and the amendment of my colleague is really the credibility of this institution. Surely the Government and the Minister know that Crown corporations have become a dirty word to the Canadian public. They reflect upon the credibility of this institution and therefore upon our credibility.

The Canadian public expects much more from the Government than the disasters of Canadair, de Havilland and Maislin and the incestuous operations of a good many Crown corporations. I do not say that Crown corporations should not exist. Perhaps some of them should not, but there is a need and a deserving mandate for many of our Crown corporations. Crown corporations must be seen—my colleague was trying to make this point in a somewhat different way—to be poorer than poor. This is in the interests of the government of the day, of the institution which we represent and certainly of the Canadian public. If one accepts this as a premise, one must accept the fact that when a predominant number of the members of the board of any Crown corporation are public servants, there is a conflict of interest because they are serving two masters. That is a given. By its very nature the board of directors is supposed to represent a point of view independent from management. This is what a board of directors is all about. If the employees of a Crown corporation sit on the board, how can they possibly act in an independent way? They cannot. They are protecting their own jobs, they are protecting their own actions.

This is the fundamental point we are trying to make in the amendment before us. We are not asking that no public servants be represented on the board of directors; all we are saying is that, in the interests of independent thought and to avoid the possibility of a conflict of interest, a majority of the board should be appointed from the private sector.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) asked what was the point of replacing someone from the Public Service with a party hack. We must recognize that there are Canadians who want to act in the public interest of the country. I really do not think that Mr. Jack Armstrong, former president and chairman of the board of Imperial Oil, is a party hack of the Liberal Party. This gentleman is retired from active life in the corporate world. He wants to make a contribution to his country. I believe he will be a very worthy member of the board of directors. I have met Mr. Daughney, the former president of Roxy Petroleum. He is very anxious to make a contribution to this country. There are many others in the corporate world who want to do the same.

● (1200)

I come back to the point that it is truly in the interests of this institution and of the Canadian public that we spare no effort to avoid any appearance to the public of the Government of the day manipulating the operations of a given Crown corporation. That is the bottom line. I say quite sincerely that one way to achieve that is to have the majority on boards of directors appointed from the private sector, people who are truly independent and have no axe to grind.

Strangely enough, in committee the Minister accepted most of what I was saying. In fact, he was quite prepared to consider a board of directors composed of nine members from the private sector and six from the Public Service. Therefore, I am rather surprised that we find ourselves here this morning debating this. I thought the Minister had come to the same conclusion that I had come to, but I guess that is not the case.

When this legislation first came before Parliament, I reviewed what had happened in terms of appointments to the board of directors of the Export Development Corporation over the last 13 years. The present legislation provides for 12 members to be on the board of directors. The chairman and six members of the board shall come from the Public Service and five shall come from the private sector.

In reviewing appointments to the board of directors over the past 13 years, one finds that almost without exception there have never been more than three members from the private sector on this board during that period. I would not want to accuse the Government of being delinquent in its duties, but if one did not know the Government better, one could draw the conclusion that it might be avoiding the appointment of a full complement of directors so that there could be decent representation on the board.

In committee the present Minister, as I remember it, said that we could be assured that as long as he was Minister there would be a full complement of private sector directors on the board. My point is that that Minister may not always be the Minister in charge of the Export Development Corporation; there might be somebody in charge who is less diligent in his duty. We need to spell this out. The Minister said he would sooner not have it spelled out in the legislation. I believe it is important that it be spelled out. I come back to the point that above all we want to ensure that Crown corporations are seen to be cleaner than clean.

There is one other point I want to make. This may come up in a later amendment. I mentioned earlier that the present legislation provides that the chairman of the corporation shall be from the Public Service. I believe that is a great mistake. At the present time, the chairman of the board of directors and the president of the corporation are one and the same. I am not disparaging or reflecting on the gentleman who happens to be president of the corporation in any way, but I believe there are two very separate responsibilities, one as president of the corporation and the other as chairman. For one man to serve in both positions creates the potential for a conflict of interest. He is both servant and master, so to speak.

There is a very different role for a chairman of the board of a corporation from the role of the president. The chairman is responsible for ensuring that the board of directors addresses the policies of that corporation. On the other hand, the president is responsible for implementing those policies. If I am the

chairman of a corporation and I happen to be the president, it could be very convenient for me to design policies.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired. He could continue with the unanimous consent of the House.

Mr. Thomson: Thank you, Mr. Speaker, but I can address this point later in the debate.

Mr. Scott Fennell (Ontario): Mr. Speaker, we spent a great deal of time in committee on this Bill. The Minister came to the committee and was very co-operative. As my colleague mentioned, he agreed with many of the points in this amendment.

I wish to raise a point that I raised in committee as a result of the committee's hearings on Canadair and de Havilland. At one point last spring the vice-chairman of Canadair came before the committee. He stated that the unfortunate circumstance which occurred in that organization was because the Deputy Minister led the board of directors and they accepted any wish that he had. He had lived through a very damaging situation in a Crown corporation. His point was that public servants should not be on the board of directors but should be at the call of the board of directors. That is one point in which we believe. When you have a board with a large number of political appointees, which I acknowledge is tradition in this country, and a Deputy Minister who is working day in and day out with the problem, that board will listen to the views of the man on the job.

Dealing with the first part of this amendment regarding the chairman, this is not disparaging to the current chairman and president of the corporation, who has done an excellent job of running the Export Development Corporation, but they are two separate jobs. The president is the chief executive or chief operating officer and the chairman is responsible for monitoring progress and what is transpiring in that corporation. The chairman should be appointed by the board of directors and the members of the board of directors are appointed by the Governor in Council. The chairman, in turn, should be a second voice who can report to the Minister so that he would not depend only on information being fed to him by a public servant.

I believe the amendment is sound. It would satisfy the fears of the Canadian public with regard to Crown corporations. At least they could see it was not a bureaucracy running the organization and judging its own performance.

• (1210)

That is the first part of our motion. I touched on the second part previously. I have a strong feeling, and the Minister is aware of this, that public servants should be at the disposal of the board of directors whenever they have a meeting, but the directors should sit in judgment of the performance of that organization. It would not be putting the organization down; it wouuld be putting in a second level. It really is staff versus line. I think this is something that the Government should do so that we do not always have to refer everything to the Auditor General because it has gone awry.

I believe, as mentioned by the Hon. Member for Calgary South (Mr. Thomson), that there are some very fine men in this country. There are a great many fine people like Jack Armstrong. I do not know, but I believe that many of those people are apolitical. I believe that many times they are with the Government in power and many times they are against it. I believe there are a great many talented Canadians who would be delighted to serve their country by acting on the board of directors of Crown corporations. It would give them a great feeling of purpose. I believe those people could sit in judgment and could offer wise advice to the Minister about anything that may not seem to be 100 per cent.

The Minister is aware that there are three parts in the Export Development Act. There are general loans and then there are what I call the marginal loans, guarantees and insurance. The granting of some of the marginal loans are political decisions. They are not really decisions to be made by the board of directors but the board of directors could have this explained to them.

The reason I am trying to make these points, Mr. Speaker, is that I feel that to be competitive in this world which has become so much smaller, we must have the best people overseeing and operating our Crown corporations, particularly the EDC. Because through the EDC, Canada can make its mark in world markets. We must all acknowledge that so many countries subsidize their manufacturers in different ways. This is one method that is acceptable throughout the world economy.

Further, we have responsibilities to Third World countries, and I will deal later with how they are accounted for.

I understand the Minister has taken note of what we discussed in the committee. Rather than cutting this down, I will endorse our Party's position. Possibly the president and two of his assistants should sit on the board of directors and 12 other members should be picked from the private sector. The number of members has been increased from 12 to 15. I do not understand the purpose of that other than perhaps for regional reasons. I can accept that because that is important in Canada.

I cannot say that I am against treating a fine retired public servant who is in the private sector the same way as Jack Armstrong. However, I really believe that we want a cross-section of talent from across the country, people who understand the implications of trade, both international and domestic, so that they can be of benefit to the Minister and the Minister can fulfil his mandate to the Canadian public in a proper and acceptable way.

The last matter I wish to discuss, Mr. Speaker, is the matter of the vice-chairman. I believe that the vice-chairman should also come from the private sector. The vice-chairman would act only in the absence of the chairman. I would also like to include a further condition. In the absence of the chairman or the vice-chairman, a member from the private sector on the board of directors would be appointed as an interim chairman.

The Minister has listened to us in committee. I hope that he will listen to us again and make some amendments to present to us with respect to Motion No. 1. I hope he will bring before us changes to his original motion so that we can tell the public that the Government is trying to co-operate with the concerns of the citizens of Canada and that the Government is trying to make the Export Development Corporation a vehicle to create jobs in Canada.

What we are talking about when discussing EDC is jobs, Mr. Speaker—creating jobs through successful Canadian organizations and corporations. This is a vehicle that is helping to solve the unemployment problem. I appreciate having been afforded the opportunity to speak on this Motion, Mr. Speaker, and I will look forward to speaking on other motions that come before the House.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I too would like to speak to Motion No. 1 amending the Bill. I would particularly like to do so before the Minister speaks because I hope the Minister will respond to some of the concerns I have vis-à-vis this Motion and the process in general. Since 1979, I as a Member of Parliament have seen several hundreds of Bills go through the House. The process is essentially defective and I wonder if the Minister would respond to it.

At second reading of the Bill, as with so many other Bills, we in the Official Opposition favoured a great deal of the Bill because it is good for the country; but perhaps because we represent different interests in the community than do Government Members, we came back from our ridings with legitimate and bona fide concerns about certain areas and clauses of the Bill. At second reading of a Bill, we point those concerns out and hope that at the committee stage the Government will consider the second reading debate and come forward ready to accept some changes.

There are seven motions to amend this Bill. At the committee stage, however, those motions were discussed and, in effect, rejected by the Cabinet even though the Minister, with respect to Motion No. 1, agreed in principle with much of what was said in terms of whether the board of directors should be predominantly public servants or from the non-public service.

The situation is that the Minister agreed in committee that the board should be composed of people from private industry who have real skills or hands-on experience, and yet now when we come back to the House the motion is rejected. I wonder if the Minister could advise us whether it is he personally who has rejected those motions. Has he rejected these motions because of civil service input, or were they rejected at the Cabinet level? If the rejection came from the Cabinet level, why does the Cabinet not accept his recommendations as Minister? I would apreciate his comments as to whether it was his personal opinion, the bureaucracy input which convinced him, or the opinion of the Cabinet. I am sure that, in private at least, the Minister would agree that there is a great deal of input from Members of the House that is wise, even though that input might come from this Party or from the New Democratic Party or his own backbenchers. Yet that input does not reflect itself in the Bills that ultimately pass through the House.

So, Mr. Speaker, we waste the incredibly valuable time of the House debating motions. There will be seven of them and we will go on for days and days. This is simply because the Government, through some process, is unable to accept reasonable amendments. Perhaps the Minister could comment as to whether or not the Government sees itself losing control if it accepts amendments from across the floor or if the process is defective. Now that we are dealing with parliamentary reform, what does the Minister think we can do to get away from what may be a defective process?

• (1220)

Speaking to Motion No. 1, the Hon. Member for Yorkton-Melville (Mr. Nystrom) stood up and very carefully and nicely attacked the Conservative Party for trying to substitute private industry officials for public officials, which, in a sense, is true. We have set forth our reasons for that. These people are out in the industry and they understand it better than public servants who have other things to do. He attacked the Conservative Party, but I notice that the NDP have put up no amendments at all. Presumably that Party is prepare to accept the Government position where all members of the board are drawn from the public sphere.

I think the Hon. Member misread the Bill. If I understood him correctly, he was saying that employees of provincial Crown corprorations who would be qualified to serve on the board would be excluded under the terms of the Bill. I do not read the Bill that way. Clearly, our amendment excludes only public servants of Canada, directly or indirectly; in the provincial Governments the only people excluded are direct public servants. Indirect public servants, that is employees of Crown corporations, could be appointed.

In the main motion there is nothing to block the appointment of workers or other people in the community; nor is there in the amendment which would weight the board of directors in favour of private industry.

There is no doubt that in the past the primary problems with respect to the EDC related to the accountability of the board of directors and the knowledge of the operating staff. Over all, the corporation has done a pretty good job, although some changes could be made to make it more effective. Such amendments are being rejected by the Government, however. I do not understand why, in Bill after Bill after Bill, there must be a fight on second reading, a big fight at committee and a big fight at report stage. I think the problem lies somewhere in the Cabinet or in the civil service and I hope the Minister will respond to that so that we will know where the trouble lies.

The problem of accountability is a bad one. There is a situation in Calgary where Petro-Canada erected an enormous building and is now renting space for $10 per square foot. The true cost should be $20 per square foot to cover the cost of construction and $25 per square foot to make a profit. Billions of dollars are being used directly—

The Acting Speaker (Mr. Corbin): The Hon. Member for Yorkton-Melville rises on a point of order.

Mr. Nystrom: Mr. Speaker, I am sorry to interrupt but the Hon. Member for Lethbridge-Foothills (Mr. Thacker) made a very important point about the appointment of provincial civil servants. I read the motion carefully and I think he is in error. I wonder if he would respond to a question on that point.

The Acting Speaker (Mr. Corbin): That is a rather unusual procedure and could only be done with the unanimous consent of the House. Is there unanimous consent to allow the Hon. Member for Yorkton-Melville to put a question?

Of course, the Hon. Member who has the floor must agree to receive a question. Is that agreeable?

Mr. Thacker: Certainly, Mr. Speaker.

Mr. Nystrom: The Hon. Member for Lethbridge-Foothills mentioned that someone who is a provincial civil servant could be appointed to the EDC board according to the amendment of the Hon. Member for Mississauga South (Mr. Blenkarn). I have read the proposed amendment very carefully. Clause 4(3) reads as follows:

The balance of the Board of Directors shall be appointed by the Governor-in-Council and and shall be persons not regularly employed in the public service of Canada either directly or indirectly or in the public service of any province in Canada—

Clause 4(2) reads:

Three Directors of the Corporations shall be appointed by the Governor-in-Council from among persons employed in the public service of Canada—

I wonder whether the Hon. Member could confirm that under the motion presented by the Hon. Member for Mississauga South there could not be an appointment made from the public service of any Province to one of the 14 directorships?

Mr. Thacker: Mr. Speaker, nowhere in my comments did I say that a member of the public service in a Province could be appointed. I agree that this could not take place. I was dealing with Crown corporations, anticipating those Crown corporations in Saskatchewan and Alberta that deal with trade. It will be noted that Clause 4(3) provides that "persons not regularly employed in the public service of Canada either directly or indirectly" are prohibited. I think Crown corporations would therefore be included because of the word "indirectly". With respect to the Provinces the prohibition is restricted only to the public service of any Province.

Mr. Nystrom: Read Subclause (3).

Mr. Thacker: Subclause (3) reads:

The balance of the Board of Directors shall be appointed by the Governor-in-Council and shall be persons not regularly employed in the public service of Canada either directly or indirectly or in the public service of any province in Canada—

I think the word "indirectly" is restricted to the Public Service of Canada and its Crown corporations. With respect to the Provinces, the other people could be brought in. That is the way I read it. Perhaps after my friend has had some time to look into the matter, he would agree. Otherwise this would have read "or in the public service of any Province either directly or indirectly".

I believe the Minister should respond to the criticisms of the Economic Council of Canada. We got the impression from parts of private industry that once the EDC got going, particularly now that it will have more and more funding, and as the bureaucracy grows, it will have the effect of squeezing out private lenders. It seems to me we should be trying to emphasize private lending and saving the resources of the EDC for more of a guarantee function.

What assurances can the Minister give us on that point? I think the board of directors and the executive officers would welcome it if the Minister could tell us what the Government policy will be.

I shall rise to speak on subsequent motions, Mr. Speaker.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, this is the second day of the resumption of Parliament after the summer recess. One thing that I discovered in my constituency during the course of the summer, and I presume other Hon. Members did as well, is that whatever the people might feel about the Government of Canada and that there ought to be a change, many fear that the people at large do not have control of things because there is a non-elected Government that has too much influence in the running of the country.

The amendment before us suggests that the number of people from the private sector who serve as directors of this Crown corporation should be increased and the number from the Public Service decreased. I submit that this is in harmony with the feelings of the people of Canada at the present time.

The people feel that a civil servant from any department is a servant of the Minister—in effect, is a member of the Minister's staff. Then why do we have Crown corporations? We have them because they will be independent from the Minister. Why would we have an agency which in its fundamental philosophy is to be independent from the Minister if its board of directors are, in essence, to be the persons who advise the Minister? You really have a contradiction of philosophy if you set something apart from the ministry while at the same time you have persons who are a part of the ministery advising that which you set apart. Therefore, in the cold logic of what we are attempting to do in setting apart an agency from a Minister in order to remove whatever governmental and political influences there might be, it is only natural and just that we also set it completely apart by giving autonomy to that Crown corporation by having its board of directors appointed purely from outside government. The amendment, then, which is one which would reduce the number of public servants who can sit as directors, also makes sense because I believe there is a question of public trust and confidence. The majority of Canadians know that the great hope for our country is going to be an expanded economy. They also know that is going to come when the best talent that we can discover is energized to do the best job for Canadians.

• (1230)

Rightly or wrongly—and I submit to a large extent wrongly—there is a belief that many public servants have not the capacity to fill the talent required. I feel that that prejudice is probably, to some extent, unjustified. However, it is important in an economic recovery of any kind, Mr. Speaker, that the confidence of the people at large be assured. One example of that is that Canadians today have the largest amount of their money sitting in saving funds. Canadians have the largest amount of savings of any other industrial nation of the world. I understand that there is just short of 20 per cent of the cash wealth of this country in savings accounts.

The main reason we do not take our money out and spend it is the question of confidence. We are more confident in having our money in savings than in investments, and I submit that that question of confidence, whether justified or not, is one that is extremely important to the enhancement of our economy. Because there is that belief held by the Canadian people generally that our exports will be better served if we have people from the private sector with exporting experience working in our best interests and enhancing those exports, then we are by that very philosophy likely to have a better export agency in choosing our directors from that perspective.

The other reason for opening up seats on the board of directors to others besides public servants is the search for talent. If we have the best talent, we have the best results for Canada. If we specify that a specific number of public servants are going to be members, we obviously, by that formula, limit the search. What we should be doing is opening up the EDC to talent of the highest quality which we can possibly discover. If we are able to do that, Mr. Speaker, then it seems to me we will have eliminated the right of the Government to influence as well as having sought out the best talent.

The other aspect which I would like to speak on for just a moment is that when there are persons appointed from the Public Service there is the opportunity for political influence. The Minister may suggest that that influence would never be exercised, that he would not do that. However, it is irrelevant whether or not he, as a person, would exercise this influence. The fact is that influence is possible.

Second, there is always suspicion that it is going on even if it does not take place. Those dangers can be avoided simply by ensuring that the majority of persons who are appointed to the board of directors come from the exporting field of the private sector and can serve the philosophies which the Minister has established for the EDC, as opposed to having persons there who are Public Service related. Whether they come from the Minister's department or not, the fact is they are servants of government. The concept is not widely understood among Canadians that civil servants are neutral to politics. The belief is that they are servants to persons and to political parties rather than servants to the country. While it is an unfortunate perspective, the truth is there have been enough incidents in the past to give credence to the Canadian belief that some civil servants do in fact lend themselves to political influence.

Therefore, there is the long-held understanding of Canadians, then, that bureaucrats, by nature, build sandcastles and empires as opposed to being leaner in structure and staffing than do those who traditionally had to work towards a bottom line—they could not have that which they could not pay for. Because in government any time you want something more you simply are able to ask the taxpayers to pay more, the confidence is in those who are operating in the private sector, the belief being that they will run a leaner enterprise.

Therefore, Mr. Speaker, I believe the Minister should see there is some wisdom in the amendments we are putting forward and should find that that amendment is acceptable. While there is not a great deal that one can add to this particular point—we have gone at it from different angles with different words to express essentially the same thing—we should not but underscore that this point is important, even though there is not a great dimension to which we can expand the concern. If it is the whole nature of a Crown corporation to be removed from government, then surely if we are to have a agency which is removed from government, its board of directors should be removed also by having persons involved other than those civil servants of government. That ought to be the bottom line for the operation of Crown corporations, not just this one but as a general principle.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is my pleasure to speak very briefly on the amendment because I do not want to become repetitive. We have before us the Export Development Act. We are discussing Motion No. 1 which deals with the appointment of the board of directors. I want to say, Mr. Speaker, that there is probably a greater consensus among Parliamentarians on all sides of this House on the issue of the Export Development Act and the EDC than on most issues. I do not think there are any Members of this House who do not support the EDC and what it is trying to do. We might have some differences of opinion about the exact directions it might take and the exact ways in which it goes about its business, but in general we all support what has been very beneficial to Canada in the past and we hope it will continue to be equally beneficial.

• (1240)

In my usual co-operative fashion I am going to address Motion No. 1 which deals with the various appointments and isolate those areas in which I and my colleagues find ourselves in agreement with the Government. First of all, we have no real objection to the proposed increase in the board of directors of the EDC from a chairman and 11 directors to a chairman and 14 directors. On occasion I have spoken in this House in opposition to increases to boards of directors of Crown corporations and other agencies, but in this particular case I will not belabour that point.

It is nice to see, Sir, that the age limit of 70 has been removed. It is only a few years ago that we put an age limit on senators, and in this particular piece of legislation we are taking the opposite tack and allowing people above the age of 70 to be appointed to the board. As a personal opinion, I think

there are very many people 70 years of age and older in Canada who could add much to boards of this nature. We support the five-year tenure for non-government members. I think it is always important in legislation of this type to specify a period of tenure. It is always useful to have a fixed date of termination, otherwise people who may have outlived their usefulness a little bit are not removed because you do not want to do anything to denigrate them. But the opportunity is not there to appoint newcomers who might be able to add more.

We agree with the the provision for the election of vice-president of the board of directors from among the board by the members of the board. The Government finds favour with that proposal which I believe was the same system adopted in the earlier Act before these amendments were proposed.

I now come to the points on which there is some difference of opinion between us on this side of the House and the gentlemen opposite. Our proposals are based on different political philosophy, Sir. In principle, we on this side of the House want to see a greater private presence in the EDC, particularly on the board of directors. However, the gentlemen opposite seem to want to retain a much greater degree of Government presence by having the chairman and a number of directors public servants in the employ of the Government of Canada. There might be some benefit in the Government's proposal in that in the present version of the Act six of the 11 directors must be public servants. This would give people in the employ of the Government of Canada a majority on the board at all times. The Government's proposal seems to eliminate that but it does not specify what number of members should come from the private sector and what number from the public sector. I believe the Government has said its intention is to go along with us and expand the non-governmental side of things, but there is still the possibility that it would appoint all the members of the board from the public sector. I do not think that is the intention but, of course, if the gentlemen from the NDP ever formed the Government I am sure that is what they would do without any hesitation at all. Therefore, I would not like to leave the legislation in a state which would allow them to do that without coming back for the approval of Parliament.

Our proposal, Mr. Speaker, is that there be three public servants on the board of directors. Let me say that I think there should be some people from government there. Hopefully, some of the others who are no longer in the public employ and who will be appointed to the board will have experience in the Public Service or in the political arena. They should have knowledge of how government works. But when it comes to full-time, permanent public employees, I think the three representatives we have proposed are sufficient. There should, of course, be public servants on the board. I have no difficulty with that because they can bring to the board their knowledge of how the Government of the day is operating. I think they would be a welcome addition to the board of directors which on the whole should come from the private sector.

Now, probably the most important change that we propose is that of the chairman. The Liberal Government proposes that the chairman of the EDC board should be a public servant subject to the control of the Minister, a person to whom the Minister can give directions, but we propose that the chairman be an independent person. No reason why he still should not have lunch with the Minister once in a while if that is his wish, but he would not be under the direct control of the Minister. I think that would give the EDC a much greater degree of flexibility and enhance its independence from government. It will then be seen by manufacturers, exporters and importers and all the other people involved in this branch of commerce not just as a branch of government but as fulfilling its proper role as a Crown corporation, independent and at arm's length from government.

In most of the Crown corporations that we deal with as Members of this House we have the same kind of set-up proposed here. That, in my opinion, gives rise to a number of difficulties. When the choice of the chief executive officer is left up to the Government, very often it leaves the board of directors without a real function. Through the chairman of the board the Minister can give directions to the chief executive officer of the corporation and the board does not really have that much say in policy. The main function of a board of directors of any corporation should be to hire and fire if necessary the chief executive personnel. With Crown corporations that is very seldom the case. So you leave a board of directors no real function. Quite often they have extensive travelling privileges and they go flying all over the country or the world, often at Government expense, and they do not really have anything to do. It must be an awfully frustrating job. I do not think that the affairs of Crown corporations such as the EDC should be under the day to day control of the Minister. Rather, it should be flexible and have the private sector way of looking at things. Of course, the ultimate control should lie with Parliament, but through legislation and votes on the estimates rather than by control over the day to day affairs of the corporation by a ministerial appointee.

• (1250)

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to speak to the amendment now before us, I must admit that I have been reaching back to recall some statements made by the present Leader of the Opposition (Mr. Mulroney) in order to find a clear motivation for the amendment placed before us by the Conservative Party, and I found them. We must remember that we are dealing with an amendment that will change the current wording of Bill C-110, an Act to amend the Export Development Act. We are dealing with the Bill in such a way that we will restrict to three the number of persons on a board of 15 who could be employed either in the Public Service of Canada or employed, as I understand the amendment, by any provincial Government across the land as well.

The Conservative Party, with a great deal of justifiable and understandable motivation, would like to ensure that there is a broader cross-section of representatives of the various sectors of our economy on the board of the Export Development Corporation. But there is more to it than that, I would submit.

If we look at the Montreal *Gazette* for May 18, 1983, there is a report of a dinner, an unpublicized event at an east end hotel in Montreal for the closest campaign workers at the PC leadership convention. The now Leader of the Opposition said according to the article: "Oh, there'll be jobs for Liberals and NDPers too," he said in New Brunswick recently, "but only after I've been prime minister for 15 years and I can't find a single living, breathing Tory to appoint".

Some Hon. Members: Oh, oh!

Mr. Kristiansen: Nobody can object to the desire, which I am certain is genuine, of a Party that has been in the wilderness for so long that it wants to find a few jobs for the boys.

Mrs. Mitchell: How about the girls?

Mr. Kristiansen: I have not heard them mention much about the girls. Maybe there are a few jobs for the girls too. We will give the conservatives credit for that because we are generous. Just as the Leader of the Opposition is generous about medicare, we are generous with the Conservatives and their motivations.

A statement like this makes us view with some trepidation at the least what the real "real" reasons are for this great surge of generosity on the part of the Conservative Party, which now believes it can taste the victory and power that has alluded that Party for so long.

To be quite serious, Mr. Speaker, there are some very valid reasons for ensuring there is room for many more people from the private sector, from the employee sector and other sectors across Canada, to participate in the governing of a corporation which could be, if it is well managed and directed, important to our future in the export trade. I would hope the Government, whatever Party it may be, will take some steps to ensure that all major sectors in Canada are represented, whether from the federal Government, from the provincial Governments—which certainly have a worth-while vested interest in this—from the corporate sector and many also from labour who have, many of them, played a full part in trying to ensure, particularly in the forest industry, the expansion of our markets. I know the union of which I am still a member, the IWA, has played a vigorous part in pursuing and attempting to expand markets in China and in Japan. It has attempted this also by taking part in many multi-government excursions, worth-while excursions, not jaunts, to see our major competitors in the European market, basically both Sweden and the Soviet Union in the forestry and pulp and paper sectors, to ensure that we capitalize on whatever opportunities we may have available to us to expand both employment and profits. That is a worth-while objective.

I am one of those, distinct from some of my colleagues in the NDP and colleagues in the labour movement, who believes in the principle of tri-partism. The union to which I belong has also long been an advocate of some of the processes involved in that. We believe that if we are to succeed as a country and as an economy, there must be a more functioning partnership between the corporate sector, labour and Government, both federal and provincial. We must have a new social contract if we are to live together, to thrive and become more productive and aggressive in carving out our proper share in the international marketplace.

The motivation must be positive. It cannot simply be jobs for the boys. There is no point to be made with getting away from—I hesitate to use the word gang, but one government, the Liberal Party, which has become notorious for the amount of its pals, whether in government or in the corporate sector, being appointed to vacancies or boards right across the country, and then replacing that government with another machine that is power hungry. They are not power hungry because their machine has got used to it but because they have been absent from the centre of power for so long they can taste it.

The reports of that meeting at an east end hotel in Montreal make the scenario very clear. The story both appeared in *The Globe and Mail* and the Montreal *Gazette*. To refer back to *The Globe and Mail* it refers to the now Leader of the Opposition. It states: "Power is his promise across the country. As the Conservatives gather, he always reminds them that they have no power, and how sweet it would be if they could get power. No, not how sweet it would be, but how sweet it will be." How sweet it is, Mr. Speaker, to hear the PCs discussing their opportunities, their hungers and their thirsts with their colleagues at an intimate meeting in an east end hotel in Montreal. It is very nice of them to hold a meeting in an east end hotel, very nice, if not patronizing.

Patronage takes on a different colour when we are speaking about the kinds of goals the Conservative Party obviously now have.

The article states: "A man shouts", and I will not say his name, "you're going to be Prime Minister", and Mr. M shouts back: "you're going to be a senator."

But there are only so many senators. Vacancies are not suddenly created because senators have to reach a certain age before they retire, unless they decide to get out voluntarily. Knowing some of the people in that august chamber, they are not likely to leave earlier than they have to. That limits the possibilities for patronage appointments. Obviously because of the way the Liberal Party has governed this country for so long, there will be a little bit of a dearth of active Conservatives within the senior positions of the Public Service. Naturally the course of action is to open up all the boards, all the Crown corporations and agencies, so that after the Leader of the Opposition, as the article states, has "been Prime Minister for 15 years and cannot find a single living, breathing Tory left to appoint", then he may be able to become a non-partisan Prime Minister.

I will continue my remarks later, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order, please. I must inform the Hon. Member that his time has expired.

[*Translation*]

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

At 1:00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HEALTH AND WELFARE

PLIGHT OF HUNGRY CHILDREN

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I would like to express my deep concern for the plight of the growing number of children in the Hamilton area—and I am sure in other parts of Canada—who have been observed using local soup kitchen facilities in order to obtain food.

It must be noted that on July 7, 1981, the report of the Canadian Commission for the International Year of the Child, 1979, entitled, "For Canada's Children—National Agenda for Action", included a section dealing with nutrition which called for a federal-provincial conference on issues affecting children, including the problem of providing food to hungry children and the feasibility of establishing non-profit food banks to operate on a permanent basis in Canada for the distribution of surplus food to those in need.

It appears that the most effective method of reaching these children would be through a network of churches and neighbourhood groups rather than through established government agencies, but food banks are needed as central supply depots to supply food to these community groups, and the various levels of government could assist in setting up such food depots.

In light of the recent phenomenon of hungry children in various areas of Canada, I hope the federal and provincial Governments will examine this Year of the Child recommendation in order to try to ameliorate a very disturbing situation.

* * *

THE LATE CLARK TODD

TRIBUTE TO TELEVISION NEWSMAN

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, the world of journalism and all Canadians are saddened to learn of the death of CTV newsman Clark Todd, whose body was found yesterday in an obscure Lebanese mountain village. For several days the shelling in the area was so intense that it took five attempts by the Red Cross and CTV executives to reach Mr. Todd in the Chouf Mountains, just southeast of Beirut.

It is very difficult for most people to understand what is happening in Lebanon, with five or six different pocket wars demonstrating man's continuing inhumanity to man. Many also find it perplexing that the media must be in such a deadly war zone, with its barbarism and massacres, to see up close what is happening. People watching the nightly news in the comfort of their rooms tend to forget the risks which are taken to provide the coverage.

Like all professional journalists who suddenly find themselves in a dangerous region, Clark Todd felt the need to record the reality of the time. It is an uncomfortable decision that newsmen have to make, but if trained journalists do not cover wars, the truth is distorted. Armies lie, governments lie.

Clark Todd, a reporter profoundly dedicated to his profession, felt a responsibility to be where the action was. He did not die in vain. He died for a purpose. He died for the informational and democratic process. In extending our sympathy to the Todd family, I am sure the House would agree that Clark Todd was a good reporter. We shall miss him.

* * *

EDUCATION

ILLITERACY AMONG ADULTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, according to the recently released report of the Canadian Commission for UNESCO entitled, "Adult Literacy in Canada: A Challenge", over four million Canadians are functionally illiterate and 28 per cent of our population do not have the basic skills necessary to handle responsibly the tasks of everyday life. In my home Province of Manitoba there are over 45,000 such people. The existence of such a large group of illiterate adults in a country such as ours is a sad comment, but even more shameful is the finding by UNESCO that the federal Government has all but abandoned adult programs for basic reading and writing skills.

While we pour resources into courses offering specific job skills or retraining, we exclude from these programs those who have not learned to read, write, or do simple arithmetic. We fall far short of countries such as India, Tanzania, and Brazil which are doing a much more effective job of dealing with the problem than Canada, a country with a large and modern educational system.

It is estimated that there are one million adults in our country in drastic need, one million individuals who, without further training, will never be able to participate fully in society. They are doomed to a life of unemployment, welfare, and low-paying infrequent work, unless there is action.

Adult education and basic skills must be an integral part of government programs of skill upgrading and industrial retrain-

ing. Approaches to such training must be innovative and non-traditional. The federal Government should establish—

Madam Speaker: Order, please. The Hon. Member's time has expired.

* * *

[*Translation*]

AGRICULTURE

REQUEST THAT ONTARIO BROILERS MARKETING BOARD BE PLACED UNDER TRUSTEESHIP

Mr. Denis Ethier (Glengarry-Prescott-Russell): Madam Speaker, I have here a statement from Agriculture Canada, dated September 12, 1983, in which the General Manager of the National Broilers Marketing Agency in Canada, Mr. Roméo LeBlanc, says that Maple Lodge Farms Ltd of Brampton, Ontario, is now under investigation for having used the name of another company, namely, Cronkhite Poultry Ltd., which operated from an apartment in Montreal, for the purpose of purchasing and selling broilers in Ontario. This company was operating without a warehouse or abattoir and was using trucks leased in Quebec to give the impression that the product had been legally produced in that province.

Since the Ontario Broilers Marketing Board was well aware of this unlawful operation and since the Ontario Broilers Marketing Board tolerated the situation for a number of years in order to keep and distribute more quotas in western Ontario, circumstances permitting, to the detriment of business in eastern Ontario, I would ask the National Broilers Marketing Agency to put the Ontario Broilers Marketing Board under trusteeship until our producers in eastern Ontario, and more specifically the producers in the Saint-Isidore de Prescott area, are treated fairly as far as the allocation of broiler quotas is concerned.

* * *

[*English*]

YOUTH

CONDEMNATION OF PROPOSAL TO ESTABLISH MINISTRY

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, we on this side of the House have been pressing for some time for a more effective and long-term attack by the Government on Canada's high unemployment. In addition to the current statistics on the Government's poor record at creating jobs, now comes the idea of a Ministry of Youth, with squads of information officers. Moreover, this will not be just another government bureaucracy. It will be, in the words of the paper presented by the Hon. Senator, "... not a new army of traditional civil servants, but people under 25 working on contract for a minimum of two years. Several hundred such workers would be required to cover the whole country". Stopgap measures are not what governing is about. I trust that today's unemployed youth are aware of this latest ploy to win their votes. They want meaningful and permanent employment.

* * *

YOUTH

DEVELOPMENT OF ASPIRATIONS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, perhaps never before in our history has there been such a vital need as now for Parliament to signal to the people of Canada its deep and firm commitment to address itself to the needs and goals of the younger generation. But while our major concern must, of sad necessity, be that of youthful unemployment, Parliament must pursue with passion, dedication, and imagination all means to encourage, facilitate and develop the legitimate aspirations of all Canada's youthful athletes, artists, artisans, inventors, musicians, poets and writers. Indeed, no field of youthful endeavour can be excluded from our resolve to create in the country an atmosphere in which equal opportunity will be given to all our youth so that dreams may be fulfilled and talents can flourish.

* * *

FARM CREDIT CORPORATION

PROVISION OF LONG-TERM CREDIT TO FARMERS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, as the Government is well aware, the demand for long-term reasonably priced agriculture credit is very high. However, the availability of funds for this purpose has been relatively meagre, leaving hundreds of farmers with improved but unprocessed applications.

Historically the private sector has shown neither the ability nor the desire to service the long-term agriculture credit market. Therefore the only alternative is that long-term credit should be provided by the Farm Credit Corporation.

There are three main groups that need long-term affordable credit—the young efficient farmers, to get them started up; the older farmers who would like to sell out and realize sufficient means to assure a decent retirement; and the established farmers, to maintain their stocks, buildings and machinery. To accomplish this a fivefold increase in funding is needed with a provision for refinancing the fixed high interest mortgages issued in 1981 and 1982. Also needed is the implementation of the Federation of Agriculture's agribond proposal and, in order to maintain the country's agriculture capital stock, the FCC must extend its financing to capital items as well as for real estate. Therefore I call upon the Government to take the necessary positive action in this regard.

S.O. 21

• (1410)

HUMAN RIGHTS

ABOLITION OF BRITISH COLUMBIA COMMISSION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the Social Credit Government of British Columbia has abolished the Human Rights Commission in that Province. As a result, women, handicapped people, ethnic and religious minorities have no protection against discrimination. Employers, landlords or business people can now carry personal prejudice over into public life without fear of punishment. Gordon Fairweather, head of the Canadian Human Rights Commission, and a former Member of this House, said "there will be an asterisk beside British Columbia, singling it out as a lesser place for human rights."

At a federal-provincial conference last week, Manitoba's Attorney General said that the British Columbia Government had delivered a "devastating blow to the cause of human rights in Canada". The Federal Minister of Justice (Mr. MacGuigan) pleaded with the British Columbia Government to reconsider its action. However, Tory Cabinet Ministers from five Conservative provincial governments held a special news conference to indicate that they would not condemn the British Columbia Government or its action. Provincial Tories have said that they will not speak up for human rights. Canadians now ask if the federal Conservatives will also keep silent rather than offend their idealogical twins in the British Columbia Socreds. Conservative silence is the same as Socred consent.

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ASSASSINATION OF BENIGNO AQUINO

EXPRESSION OF SYMPATHY TO CANADIANS OF FILIPINO ORIGIN

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, I rise under the provisions of Standing Order 21 to offer my most sincere sympathy to all Canadians of Filipino origin following the assassination of Benigno Aquino on August 21, 1983, as he was returning home to the Philippines after years of exile in the United States. The shock of this barbaric act was indeed felt throughout the world and still remains unexplained. President Ferdinand Marcos, in a broadcast responding to the incident, stated that he was also "deeply and profoundly shocked by what has happened".

The third largest ethno-cultural group represented in our constituency of Parkdale-High Park is comprised of loyal Canadians of Filipino origin. Therefore I would like to join with my constituents of Filipino descent in their sadness and anger over the death of this great man, and add my voice to the international deplorement of such an atrocity.

POLITICAL PARTIES

SUCCESS OF PROGRESSIVE CONSERVATIVE PARTY IN BRITISH COLUMBIA BY-ELECTION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, during the summer months the Government came under some criticism for its six and five program. I think that is rather unfortunate because it has had some stellar successes, if not sometimes unheralded, but nevertheless successes.

In the by-election in Mission-Port Moody, that by-election produced an increase in the size of the Conservative B.C. caucus of 6 per cent. In the process of producing that for our Conservative caucus, the Liberal vote fell to 5 per cent. That, Madam Speaker, is the best six and five program in all of Canada.

Some Hon. Members: Hear, hear!

Mr. Friesen: That is the kind of six and five program that the entire country is waiting for, and we ask the Government to produce it.

* * *

SHIPBUILDING

DECLINE IN SHIPYARD EMPLOYMENT

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, in spite of the Canadian frigate program, in spite of the shipbuilding special recovery projects, and in spite of the Government's shipbuilding policy, production and employment in Canadian shipyards is the lowest it has been in recorded history. This terrible situation can be laid squarely on the doorstep of the present Liberal Government, in particular of the Minister of State (Finance) (Mr. MacLaren) and the Minister of Energy, Mines and Resources (Mr. Chrétien).

The Minister of State for Finance has failed to act expeditiously to place into law the Government's new shipbuilding policy, however weak that policy is, and has lost millions of dollars in shipbuilding contracts. The Minister of Energy, Mines and Resources, under the Petroleum Incentives Program, is quite prepared to pay up to 80 per cent of the costs of building and leasing offshore supply vessels and drilling platforms in foreign countries, while unprepared to pay the petroleum incentive grant for ships built in Canada.

There cannot be a dumber policy in Canadian history than one that would see Canadian taxpayers' money used as an incentive to build ships and drilling rigs in other countries. We pay billions to the Japanese to build our ships and rigs, while allowing our shipyard workers to live on unemployment insurance.

HOUSE OF COMMONS

IMPROVEMENT IN CHAMBER LIGHTING

Madam Speaker: I am sure Hon. Members have noticed that, thanks to advice received from our experts, the Chamber is much more comfortable. The lights have been equipped with flare-control barrels, because it was the glare rather than the intensity of the lights that was causing the problem. Those who are sitting in the last rows still have a shadow on their faces, but equipment wil be here and installed within a couple of weeks and they will look as nice as the rest of us in the Chamber.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

LEVEL OF SPENDING IN 1983

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I hope that perhaps some of the Ministers can shed some light on the important problems facing the country. My question is addressed to the Minister of State for Economic Development who knows that the Special Recovery Fund spending for 1983 is now projected to be $245 million less than was originally promised by the Minister of Finance in his April 19 budget. This means at least 15,000 less meaningful jobs for the balance of the coming year will be created under this program than originally promised. This cutback contradicts the Minister's undertaking to fast-track these projects in view of the unprecedented hardship facing unemployed Canadians at this time.

Why has the Minister allowed these much needed jobs to disappear into thin air? Can he not hold his own against the Minister of Finance to ensure that he meets his commitments to unemployed Canadians? How many new jobs have been created in the past six months as a consequence of this program?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the Special Recovery Capital Projects Program was designed to spend $2.4 billion—

Mr. Crosbie: Over a hundred years.

Mr. Johnston: —on economic infrastructure programs in almost every part of the country; in towns, hamlets, large cities and rural areas. The projects were selected on the basis of those that had already been planned by Departments for some time in this decade. The purpose was to move them forward so as to put economic infrastructure in place during a period when obviously the investment intentions of the private sector

had been much less than one would have liked them to have been. That situation, I might add, has unfortunately continued.

At the time of the budget the Minister of Finance said that 60 per cent of the funds would be expended within the next two years and the projects whould start within a six-month period if they were put on a fast track. They have been put on a fast track. There is a special board operating. There is a secretariat reporting to that board. There is a program management advisory group which is helping Departments to ensure that these projects are brought in on time and within budget. Hon. Members know that when we perceive capital projects of this kind that there is a preliminary project approval.

Madam Speaker: Order, please. Answers should be short, as should questions.

USE OF FUNDS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it is important to know to what purpose these funds are being put. Hopefully they will be used for the creation of long-term permanent jobs as an element of the Minister's economic development responsibilities. Why has the Government been so secretive about the use to which the SRF funds are being put? Will the Minister confirm that this past summer details of the SRF project applications and of the successful projects were given to all Liberal Members of Parliament in a lose-leaf binder, and that those details to date have not been shared with other Members of this House?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not aware that they have been given to Liberal Members of Parliament over the summer. I can assure Hon. Members that I am prepared to make all that information available to any Member of this House. I thought much of it had been made available. All of these projects have been subject to press communiques and detailed briefings. They have been available to Members on request. I can assure the Hon. Member that I will be more than pleased to supply him with any briefing material that will be of help to him in analyzing these projects. As he said, they do indeed put in place a much needed economic infrastructure and have provided a major incentive to the private sector also to get on board and invest.

● (1420)

I also think that it has been very encouraging for us to see these projects developing, and the jobs that they are creating. In the long term, Madam Speaker, each one of these projects will make a significant contribution to economic recovery by providing more jobs in future.

Oral Questions

SCIENCE AND TECHNOLOGY

IMPACT OF REDUCTION IN DEPARTMENTAL STAFF

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, under the Minister's other hat, his responsibility for Science and Technology, he has also managed to roll back his responsibilities from those that were originally envisaged, by laying off one-third of his staff at MOSST, and in the process he has lost his responsibility for NRC, NSERC, and, I believe, the Science Council of Canada. Will the Minister explain how he intends to heighten the profile of science and its important role in enhancing Canada's economic development while he is allowing his own staff to be reduced to zero?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the Hon. Member is quite right. We have reduced the size of MOSST in order—

Some Hon. Members: He is right, "the Minister".

Mr. Johnston: That is something which it seems to me this Government is always encouraged to do, namely, to make Departments more efficient and more effective in carrying out their missions.

The mission of MOSST now, with the chief science advisory role added, is one that will provide a tight, first-class advisory group on scientific matters for Cabinet, the Government, and the Prime Minister's office, much along the lines, I would suggest, of the role of the chief science advisor in the United States.

In so far as NSERC, the Science Council, and the National Research Council are concerned, those organizations report through me to Parliament, so if the Hon. Member has any questions with respect to those organizations, I am the Minister to whom those questions should be addressed.

* * *

EMPLOYMENT

REQUEST FOR TAX CREDIT PROGRAM TO HELP CREATE JOBS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Minister will know that in 1979 the Conservative Party used employment tax credits to create jobs, and over 31,000 jobs per month on average were created. I wonder whether or not the Minister will be bringing to the House within the next 30 to 60 days the legislation necessary to put in place a tax credit program for employment. It is the quickest and least expensive way of creating jobs. With one and a half million unemployed Canadians, we need something that is quick and less expensive. Will the Minister bring forward that kind of legislation within the next 30 to 60 days?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, we are considering a variety of programs. There are indeed a whole range of them that are somewhat along the lines of what the Hon. Member has suggested, which are interesting. For instance, I could refer to the experience in Great Britain where there appears to have been some considerable success with wage subsidy programs, particularly focusing in on the problems of those who are entering the labour force for the first time.

We do have a variety of programs under review. I will be happy to look once again at the very suggestion which was made by the Hon. Member. I would point out to him, however, that we have been creating jobs at a rate higher than that which he is suggesting that the Conservative Party created.

Mr. Hawkes: Madam Speaker, that is a tough statement to swallow when there are one-quarter of a million fewer jobs today than there were two years ago. That is not job creation, that is job loss, Mr. Minister. Madam Speaker, I am sorry, but it is sometimes difficult—

Madam Speaker: If it is too difficult, the Hon. Member should refrain from asking questions altogether.

Some Hon. Members: Oh, oh!

EFFECT OF TECHNOLOGICAL CHANGE

Mr. Jim Hawkes (Calgary West): May I ask the Minister to tell the House what his departmental estimates are for the coming year in terms of job loss due to technological displacement? How many Canadians will be replaced by new kinds of machines in the next 12 months, and what special plans does the Department have that will put those people back into the work force through a decent retraining program? How many people will lose their jobs to machines in the next 12 months?

Hon. John Roberts (Minister of Employment and Immigration): No, Madam Speaker, I cannot give the hon. gentleman that information. The reason that I cannot do that is because there is such a wide range of opinions as to what the effect of technological change will be. There are many who do argue, as he has suggested, that there will be jobs lost in the process of technological renovation. There are just as many scholars, assessors and critics of the technology scene who believe that the introduction of new technology will create jobs. In fact there is no consensus on what the impact of technological change will be, either negatively or positively, on job creation. I simply cannot give the Hon. Member the information he asks for because I do not believe that there is a sustained view on that.

The whole impact of technological change on the job market is, of course, a matter with which we are very much concerned. Just last week, for instance, I was able to meet with representatives of the Canadian Labour Congress and the Business Council on National Issues to sign a memorandum which creates, under the direction of the BCNI and the CLC, an institute focusing among other things on technological change, its impact on job opportunities, and the need for training skills for it. This is a matter of continuing concern, but the Hon. Member has asked for a specific answer which I cannot give

because I do not believe that there is a consensus to support that answer.

* * *

THE ECONOMY

REQUEST FOR PROGRAMS TO CREATE FULL-TIME JOBS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance. During the two-year period which ended last Friday there was some increase in the number of part-time jobs in the Canadian economy. Will the Minister admit that, during the same two-year period, more than a half million full-time jobs were lost? In relation to that, on the assumption that most Canadian men and women, young and old who want to work, want a full-time job, will the Government, in the next couple of weeks, be bringing in new programs to get full-time jobs for those Canadians who want them?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as I indicated yesterday, Canada is at the present time creating jobs at a faster rate than any other industrialized country.

Some Hon. Members: Hear, hear!

Mr. Lalonde: This is in line with what we have done during the 1970s when, under this Government, Canada created more jobs at a faster rate than any other industrialized country.

If the Hon. Member is asking for a specific initiative, I am very happy to bring to his attention one that does not need to be introduced. It is one that is under consideration before the House at the present time, and it will mean $25 billion worth of investment in this country over the next ten years and the creation of several hundred thousand jobs. It is now before the parliamentary committee. We are expecting that committee's report before the House any day, and I would hope that the New Democratic Party in particular, and the Official Opposition, will support the amendments to the Crow legislation which will ensure that this project proceeds and that we may create jobs all across the country and proceed with that very large investment.

Mr. Broadbent: Madam Speaker, once again the Minister did not answer the question that was asked. He knows that if a person works for one day in this country, it counts as a job because of the way the Government uses statistics. I repeat that before we had a Liberal Government, Canadians assumed that they would get a job and that it would be a full-time job. It is this Government that has changed that expectation for Canadians.

REQUEST FOR NEW POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would ask the Minister that if the Government is seriously concerned about the rights of men and women to work, will he be bringing in a new policy or program designed to give men and women the right to a full-time job?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as I just said to the Leader of the New Democratic Party, since last November, we have been creating jobs here in Canada at a faster rate than in any other industrialized country in the world. I shall go on repeating this until my hon. colleague and Opposition members finally realize that that is what we are doing in this country. This is indeed a remarkable record. It is true, and we agree, that the unemployment rate is high, and it is because the labour force in Canada also has the highest growth rate of any industrialized country, and we are doing everything in our power to create as many jobs as we can, as soon as we can. It is of course preferable to create permanent, full-time jobs that people can count on, and that is why, when I brought down my budget, I put special emphasis on the importance of creating jobs in the private sector rather than creating temporary jobs through direct job creation programs. However, we realize that the private sector will need time to create all those jobs. Meanwhile, I would again invite the Opposition to pass the Bill amending the Crowsnest Pass rate, and once that is done, the way will be clear for investing $25 billion in this country in the years to come, thus creating the hundreds of thousands of permanent jobs the Hon. Member is referring to.

● (1430)

Mr. Broadbent: Madam Speaker, the answer is not any better in French than it was in English. It is still the same answer.

[*English*]

INDUSTRIAL STRATEGY

Hon. Edward Broadbent (Oshawa): I should like to ask the Minister if he is aware that at least his officials acknowledge that the Government's policies have been a failure. Last week the *Economic Review* produced by his officials, and presumably he speaks with them from time to time, acknowledged that it is the Liberal Government's policies of the past couple of years that have exacerbated the depression and have worsened the situation for men and women in this country.

Will the Minister think again about what he has said and recommit the Government—which promised an industrial strategy for the country—to such an idea that would restore in some measure the hopes of ordinary men and women, young and old, who want to be able to get a job and to achieve the dignity that goes with that right?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the document to which the Hon. Leader of the New Democratic Party refers is one that I have signed and one that has been published under my responsibility, not that of my officials.

Mr. Broadbent: Have you read it?

Mr. Lalonde: The Hon. Member asks whether I have read it. I certainly have. What is depressing about the Hon. Member's behaviour is that he does not seem to hear nor does he seem to be able to read. The document states that among the factors that affected the world recession was the stubbornness of inflation, combined with governments' anti-inflation policies that were geared to beat that inflation.

As the Hon. Member knows, we have known such a thing as stagflation in this country, when we had high unemployment and high inflation.

Mr. Crosbie: And a Liberal Government.

Mr. Lalonde: What we are trying to do—and we have succeeded in reducing inflation—is to build on that reduced inflation and the recovery that we are experiencing at present, to create jobs. Not only are we creating jobs faster in this country than in any other industrialized country but we are also creating jobs faster than we even anticipated in the April budget. That is a good record and I think we should build upon that, rather than walk around like a typical gasconner.

* * *

EMPLOYMENT

RATE OF JOB CREATION IN AUGUST

Hon. James A. McGrath (St. John's East): Madam Speaker, the Minister of Finance will know that the level of employment in this country, based on the figures when the recession commenced in August, 1981, is down by 267,000 jobs, yet the labour force during that period increased by 350,000.

I want to ask the Minister, who boasts of his performance in terms of job creation, how he explains the fact that, given the data released by Statistics Canada last week, only 15,000 jobs were produced in the month of August. This represents a decline of 75 per cent in the level of employment over the previous four months. When the Minister boasts of performance, how does he explain that?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member forgot to mention that Statistics Canada also stated that the unemployment rate in Canada during that time dropped to 11.8 per cent, compared to what it was in the previous month. We have had a drop in the unemployment rate in August. I agree, the number of jobs created during the month of August was less than in previous months, but the important thing is the general trend, and we cannot form definite conclusions on the basis of information for one month alone. Even Statistics Canada was unable to explain, for instance, exactly why the number of new jobs created in the month of August was less than it was in previous months. We shall have to monitor developments in the months to come, but if the Hon. Member would consider the trend that has been developing since last December, he will see that 17,000 jobs were created in December, dropping to zero in January, and subsequently shooting up to 27,000 in February, and then in March, we went from 28,000 to 63,000 jobs, compared to November. There are fluctuations from month to month, and it is important to look at the average figures, which show that there is a definite upward trend since last November.

[*English*]

Mr. McGrath: Madam Speaker, it defies logic how the Minister can see any trend in a decline of two-tenths of one per cent in the unemployment statistics. If that is a trend, the Minister had better get some new economic forecasters. The facts are that the rate of employment in this country, that is, job creation, fell by 75 per cent during the month of August. These are the cold, hard facts that face the country today, and the Minister knows that.

PROPOSAL TO CREATE YOUTH DEPARTMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, I want to address a question now to the Minister of Employment and Immigration who has a responsibility in this matter. Given the fact that he has seemingly rejected outright as too "gimmicky", I think that is the word he used, the recommendations made by the Liberal Quebec caucus for the creation of a youth department within the Government, may I ask what advice he has for the 600,000 young people in this country who are unemployed? According to a study issued by his Department, they face bleak prospects for the next two years.

Given these facts, and the fact that all he was able to tell the young people of St. John's and the young people of Canada during the course of a conference on youth unemployment—

Madam Speaker: Order. Order, please. I think the Hon. Member will recognize that he has had a good chance to ask the question.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the hon. gentleman is guilty of an extraordinary misstatement of fact. It is not I who rejected out of hand the creation of such a department; it was the Leader of the Opposition. It is not I who termed it a gimmick; it was his colleague from St. John's.

What I suggested is that I should like to know why the Leader of the Opposition did reject it out of hand. I think it is an idea very much worth considering.

Mr. Crosbie: A bloody gimmick.

Mr. Roberts: I have also been discussing with my colleagues on the front benches, and on the back benches, that approach and alternative approaches which might arrive at the same objective even more efficaciously. I have not rejected the idea, but the Hon. Member's colleagues have. Rather than addressing barbed questions to me in the House it might be more

useful for him to talk to his Leader and his seatmate from St. John's.

REQUEST THAT GOVERNMENT DISCLOSE PLANS

Mr. Gerry St. Germain (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The unemployment situation in Canada obviously remains in a crisis state. Many people in Mission-Port Moody, like many other British Columbians, and Canadians, have lost their jobs, their homes and their cars. more important, Madam Speaker, they have lost their dignity, and families are suffering.

Can the Minister tell the House exactly what long-range plans the Government has to end unemployment and to put Canadians back to work so that they may regain their dignity, along with their families and their communities?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I should like to take this opportunity to welcome the Hon. Member and say how pleased I am that he has addressed his first question in the House to me. I hope he will address many more questions to me and also many which are as perspicacious as the one he has just posed.

As I indicated to the House yesterday, in this year we are directing something like $1.5 billion to job-creation efforts. I do not believe, and I hope he does not believe, that there is one simple, single, precise response which will create jobs. We are trying to create them with a whole variety of programs.

I described to the House yesterday how the variety of programs used in the past have been brought together and reinforced. I suggest the Hon. Member look at the material that was delivered to his office in that regard. If there is something specific he would like to do in the short term and immediately, it should be to intervene with the Government of British Columbia to re-establish some rather important programs like the Employment Bridging Assistance Program. These were very useful in creating jobs in British Columbia but unfortunately, in my view, the provincial Government has withdrawn from them.

● (1440)

Mr. St. Germain: Madam Speaker, I did receive the information on the Canada Works Program. It should create ten or 20 jobs in my riding.

NEED FOR LONG-TERM JOBS

Mr. Gerry St. Germain (Mission-Port Moody): With respect to my supplementary question, the people of my riding and the people of Canada want to know, Madam Speaker, when exactly—and I repeat—when exactly will the Minister truly create something long term? These are band-aid programs, Madam Speaker.

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, these are not band-aid programs. I do not call 328,000 jobs a band-aid. They are not a mere handful of jobs. We have not waited for programs. We have, over the past year, acted, and it would be very much in the interests of the hon. gentleman's own constituents if he could persuade his colleagues on that side of the House to allow the Crow rate legislation to proceed and pass in this House—

Some Hon. Members: Oh, oh!

Mr. Roberts: —because that legislation will create thousands and thousands of jobs in British Columbia.

Some Hon. Members: Hear, hear!

* * *

EDUCATION

ACCESSIBILITY TO POST-SECONDARY INSTITUTIONS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Minister of Finance. As the Minister knows, the situation of Canadian youth has reached crisis proportions. Jobs are not there, and now entry to post-secondary educational institutions is being denied thousands upon thousands of qualified students everywhere in the country. Will the Minister, and through him, the Government, urgently consider the establishment, with the provinces, of a joint emergency fund to meet this national crisis in post-secondary education so that the goal of accessibility is not totally eroded?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as the Hon. Member no doubt knows, the Federal Government is contributing very, very large amounts to post-secondary education. As a matter of fact the average is between 55 per cent and 60 per cent of the cost of post-secondary education, while the provincial governments are contributing only about 30 per cent to the cost of post-secondary education. It would seem to me that, if additional funds are required in that regard, the provincial governments should be expected to do their share and carry their share a lot more than they have in the past.

I have indicated that in spite of our large deficit we would continue this year and next year to increase our contribution to post-secondary education by 6 per cent and by 5 per cent. As the Hon. Member knows, there are several Provinces across the country which have frozen their contribution, their total contribution to the post-secondary education, or have increased it very, very little. I am pleased that the Hon. Member is as concerned as I am about the situation of youth unemployment and youth education and training. I would hope that her urging in that regard, and my own support of her recommendations, is going to be heard by provincial governments.

Oral Questions

EMERGENCY FUNDING REQUESTED

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, the Minister, when he was Minister of National Health and Welfare is the one who changed the funding formula to block funding and put the Government into the position it is in today. Will the Minister, therefore, since this Government does have some responsibility for the replacement of the pre-1977 formula, in taking this degree of responsibility, pursue immediately with the Provinces an emergency agreement? I am not speaking now of the next step in funding, but of an emergency fund. Otherwise, as I said, the principle of accessibility, which I thought the Government believed in, is going to be almost totally eroded.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the concept of block funding in 1976 was introduced under the pressure and representations of the Provinces. They all insisted that the system be changed, and even today—

Some Hon. Members: Oh, oh!

Mr. Lalonde: Well, the New Democratic Party seem to be making noise about this now, and they would be the ones objecting about confrontation with the Provinces. We are trying to co-operate with them and this is what we have done. This is what we are still trying to do. At the present time the fact is that the Provinces will not agree to go back to a 50-50 cost-sharing arrangement. They want to have the so-called flexibility which they are talking about, to allocate the funds as they wish.

As far as an emergency fund is concerned, Madam Speaker, I remind the hon. lady that in the last year we have allocated for the purpose of job training of young people, in particular, the largest amounts we have ever allocated in this country. This is money which has been allocated and is being spent now. We have not waited for the urging of the NDP in that regard. We have acted, and we will continue to act.

* * *

OFFICIAL LANGUAGES

FEDERAL SUPPORT FOR MANITOBA AMENDMENT

Mr. Robert Bockstael (St. Boniface): Madam Speaker, my question is directed to the Right Hon. Prime Minister. The Government of Manitoba is proposing to amend Section 23 of the Manitoba Act of 1870, which will partly reinstate the status of the other official language in Manitoba and so provide certain provincial government services in the French language. Given the controversy surrounding this proposal, and the extremism and hostility which have characterized much of the reaction exhibited by the Official Opposition in Manitoba in the past few weeks, does the federal Government intend to reinforce its support for the amendment as introduced by the provincial Attorney General and concurred in by the Secretary of State? And if so, in what manner?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member raises a very difficult and important question, one to which I have been giving some thought. I am prepared to share these thoughts with the House.

It seems to me that the record of this Parliament as regards the recognition and entrenchment of both official languages is very good. Every party in this House has been supportive of the Official Languages Act, and I believe that when the Government of Manitoba, along with the Government of Canada and Société Francophone des Manitobains, reached an agreement for an entrenchment into the Constitution of the two official languages, there was a great satisfaction on all sides of this House at the progress shown. I would want to find some way, hopefully a multi-party agreement, of influencing the Government and Legislature of Manitoba to continue with the very progressive steps which had been taken some months ago.

I am at a loss as of now as to what the best approach would be. I am thinking of perhaps proposing a resolution which could be sponsored jointly by the Leader of the Official Opposition and myself, or by the Leader of the New Democratic Party, in which this House would enjoin the Legislature of Manitoba to rethink the opposition which is mounting against this very progressive and, I must say, very, Canadian legislation. However, I have not yet raised it with the Leader of the Opposition. I probably will seek an appointment with him within a few days to see if there can be some progress in this regard.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

DATE AND SUBJECT OF MEETING WITH PRIME MINISTER

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, I have a question for the Right Hon. Prime Minister. I would just like to say that whenever he would like to have an appointment with me, my door will be wide open, especially, of course—

An Hon. Member: Get to the point!

Mr. Mulroney: Madam Speaker, I can assure the Hon. Minister of National Health and Welfare that I will get there in due time.

In view of the answer given by the Right Hon. Prime Minister, my question is as follows: Does he intend to meet within the next few days with the Leader of the New Democratic Party and myself, because in that case, I would be delighted to prepare immediately for a meeting on a subject he would like to see handled with generosity and respect. The question therefore is, when the Prime Minister would like to

see us, so that we can receive him in a manner appropriate to the circumstances.

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, I think we should take advantage of this opportunity. I shall be delighted to meet the Leader of the Opposition, perhaps within the next 24 hours—tomorrow afternoon if he is in town—and to see whether a resolution would be the best way to express our common position to the Province of Manitoba or whether he would, for example, prefer to take a bilateral approach, since a number of his friends are in the Opposition and they are, in Manitoba, the ones who are opposing this measure for the entrenchment of bilingualism. He may favour another approach, instead of a joint resolution. However, if the Leader of the Opposition is willing to see me, I will try to see him tomorrow afternoon, perhaps, with the Leader of the New Democratic Party, or as soon as is convenient for both leaders.

Mr. Mulroney: Madam Speaker, we are of course always prepared to meet the Prime Minister, especially in the knowledge that any initiative by the Government will respect the fact that this is an area of provincial jurisdiction. We will want to handle this properly. I realize it may be difficult for the Prime Minister to give a definite answer, but the definite question is the following: Do we have an appointment for tomorrow afternoon? If so, I will be delighted to attend, at his convenience.

Mr. Trudeau: Madam Speaker, of course, let us make it tomorrow afternoon, and meanwhile, the Leader of the Opposition could perhaps find out more about the nature of the issue in question. It is true that the question is being debated before the Manitoba legislature, but the Leader of the Opposition is also aware that this is a constitutional matter involving the Manitoba Act and the interpretation it was given by the courts nearly 100 years ago. It is not only a provincial matter but of concern to all Canadians and especially to those who entrenched the Bilingualism Act in the Constitution. I believe that this aspect of the matter demands that we, the federal Parliament, make our position known. But, once again, if the Leader of the Opposition can get better results by talking to his friends in the Opposition in Manitoba, I am perfectly willing to withdraw the resolution. Perhaps the best thing would be for him to convince Mr. Sterling Lyon and others who are opposed to this measure to make a broader view and see the importance to Canada and its future of entrenching the agreement that was concluded several months ago.

● (1450)

[*English*]

Madam Speaker: I just want to remind Hon. Members that the Speaker finds herself in a quite delicate situation because appointments should not be negotiated in the House. However, taking into account all of the factors, and I think everyone has those factors in mind, I will let it go for a while. But I just want to warn the Hon. Member for Osahwa that negotiations on appointments can be done outside the House.

[*Translation*]

Hon. Edward Broadbent (Oshawa): I agree, Madam Speaker. As far as my fellow members are concerned, I would like to say that we have no reservations about taking part in this meeting to discuss a subject that is very important to Anglophones and Francophones across Canada.

* * *

[*English*]

SOCIAL SERVICES

CUTBACKS IN BRITISH COLUMBIA—EFFECT OF GOVERNMENT POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Manpower, who is probably aware that social service programs in British Columbia, for example the Renfrew Collingwood Seniors and Handicapped Centre in my riding, are being cut back by the cruel restraint program of the Bennett Social Credit Government. Is the Minister aware that the result of his new job creation funding announced this week, which abandons public programs for business programs, is another blow, in fact a double whammy if you like, for these social service centres in British Columbia? Will he agree with me that this reliance on the private sector for job creation really makes him and his policy no different from the Bennett Social Credit policy, or indeed their federal allies, the Mulroney Conservatives?

Madam Speaker: Order, please. Could we have a bit of silence in the House?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, while the Hon. Member put his question to the Minister of Manpower, I think he meant it for the Minister of Employment and Immigration. I was not able to hear all of his speech given the noise around me, but I think I caught the drift of it. I would say we are anxious as a Government to provide a context in which the private sector will create jobs, and we are also conscious of the need for direct action on the part of the Government to create jobs.

I did not understand the specific allegation or specific question. I will look at his remarks in *Hansard* and try to reply to them at length, but I did not hear much of what he said.

* * *

THE ADMINISTRATION

APPOINTMENT OF FORMER MINISTER OF STATE (MINES)—NATURE OF SECURITY CHECK

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Prime Minister. A necessary ingredient of the many factors to be considered prior

to a Cabinet appointment has been, among other things, a police check and tax check of the potential appointee and a searching verbal examination of the candidate by the Prime Minister himself. These are essential to the integrity of the Government and the morality of the whole system, I suggest.

The Hon. Member for Burin-St. George's now says that in his case no such police or tax check took place. I ask the Prime Minister, is this true? If no such checks took place, why not? If such checks were made, why did his tax problem and potential prosecution not turn up?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is correct that various checks are generally made. They are made either before or after the appointment. The Hon. Member shakes his head. If he will hear me out he will realize it is true that checks are made in the sense that if the Commissioner of the RCMP or Deputy Minister of National Revenue finds that there is something that should be reported to the Prime Minister about a Minister who has been in office a period of time, this report is made. So the checks are made as a matter of course, and they are ongoing.

In this particular case, Madam Speaker, it would have been preferable had I known the results of the checks before the swearing-in of the Hon. Member for Burin-St. George's, but I did not. The Hon. Member yesterday explained the circumstances in which he did not inform me of certain facts, and his justifications were laid before the House. In my case I am sorry that I did not request or await results before proceeding with the appointment. It would probably have saved the Member some embarrassment and myself some embarrassment. But the substance of the matter is that the checks were made and they resulted in the resignation of the Hon. Member, for reasons known.

It is important to underscore the fact that in no sense was the public aggrieved or was the common weal imperiled. As soon as the facts became known, the Hon. Member offered his resignation and I accepted it.

Mr. Lawrence: That is an astounding statement for a Prime Minister to make. Just astounding. What a dereliction of duty.

DEPARTMENT'S DECISION TO INSTITUTE PROSECUTION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I then ask the Prime Minister how long had the recommendation to prosecute been in the Department of Justice before the decision to prosecute was made? When was the decision to prosecute actually made and when and from whom—obviously now far too late—but when and from whom did the Prime Minister actually become aware of the decision to prosecute?

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as far as I am aware, but I would perhaps defer to the Minister of Justice to correct me if my facts are wrong, the decision to prosecute by the Department of Justice was made yesterday or today. I believe the Minister of Justice was informing me earlier that the information had been laid today.

Mr. Crosbie: That is not the question.

Mr. Trudeau: Therefore, they probably made the decision yesterday.

In so far as the further question is concerned, I believe it had to do with when I was aware. I was aware yesterday that they were going to prosecute. I believe that is why the Hon. Member made his statement yesterday. I was made aware about an hour ago that, in fact, they laid the information today.

An Hon. Member: Five charges.

CONFIDENTIALITY OF TAX INFORMATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is also for the Prime Minister. Yesterday the Hon. Member for Burin-St. George's pointed out the law guarantees the confidentiality of income tax information. He alleged that the confidentiality of his information was breached by a senior government official. Has the Prime Minister investigated the Hon. Member's charges, and can he give the House the assurance that no one on his staff was the senior government official to whom the Hon. Member referred?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot give assurance about things that I know not. I can simply say that if the Hon. Member is talking about staff in the Prime Minister's office, they were not aware of any facts before I was. I was made aware by my officials just after they spoke to the Hon. Member from Burin-St. George's at the time the officials met with the Hon. Member. The Member phoned me, as is well known, and offered his resignation. I phoned the Governor General and recommended that he accept it.

I cannot know if the leak came from the Hon. Member. I do not know who would have had the tax information. Certainly my Department does not have the tax information.

The Member would know that it is always a very delicate matter to inquire into the background and records of any Member of Parliament. The principle of the independence of Members of Parliament force us to be very chary of inquiring into the background of any Member of Parliament.

An Hon. Member: Not on the Government benches.

Mr. Trudeau: Certainly I have no taste for doing that. I am sure no members of my staff have the means of doing that.

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, September 12, 1983, meet the requirements of the Standing Orders as to form.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTIONS

Madam Speaker: Regarding the question posed yesterday by the Hon. Member for Simcoe North (Mr. Lewis) about the objections to the Electoral Boundaries Readjustment Act, the delay is of 30 calendar days and the delays in the two objections raised yesterday were properly observed. Therefore, they should be made into an appendix. We would like to follow the usual procedure and append them to *Votes and Proceedings*. Does the House give its unanimous consent?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

MR. HENDERSON—REMARKS OF MR. WILSON

Mr. George Henderson (Egmont): Madam Speaker, I would like to raise a point of order arising out of a statement made in my absence yesterday. The Hon. Member for Etobicoke Centre (Mr. Wilson) made certain charges against me which I feel should not go unanswered. I am certain the Hon. Member would not wish to mislead the House by accusing me of obtaining the use of a JetStar to travel to and from my constituency in one day for the purpose of presenting a grant.

Madam Speaker: Order, please. Now that I know what the Hon. Member's point of order is all about and his having given me notice that he wanted to raise a point of order, I have looked at *Hansard* and I must tell the Hon. Member that he does not have a point of order. This is a matter of debate and it can be debated *ad infinitum*; but it is not a point of order.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. SKELLY—ELECTORAL BOUNDARIES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I have the honour to present to the House of Commons a petition from several hundred residents of the Sechelt Peninsula requesting that the House, during consideration of objections to the Electoral Boundaries Readjustment Act, consider their request to remain within the North Island-Powell River electoral district on the grounds that they were not able to make presentations to the Electoral Boundaries Commission when it sat in British Columbia. Hearings were held long distances from the Sechelt area and it would be the residents' request that they be allowed to remain with electors who have a community of interest.

MR. TAYLOR—CLIFFORD ROBERT OLSON

Mr. Gordon Taylor (Bow River): Madam Speaker, I am pleased to accede to the wishes of 2,000 more Canadians who herewith petition the Government and the Hon. Members of this House to move rapidly in order to pass Bill C-671, an Act respecting the execution of Clifford Robert Olson. This individual deliberately planned and killed 11 innocent youths and now brags about it and tries to profit from his murderous acts. These petitioners believe that such an individual has no right to continue to live; and in duty bound your petitioners will ever pray.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,803, 4,846, 4,847, 4,851, 4,852, 4,860, 4,896, 4,939, 4,968, 4,987, 4,995 and 4,999.

[*Text*]

CMHC—FUNDING OF RENTAL UNITS

Question No. 4,803—**Mr. Howie:**

In the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, for how many rental units was Canada Mortgage and Housing Corporation funding provided in (i) Fredericton (ii) Toronto (iii) Vancouver (iv) New Brunswick (v) Quebec (vi) Ontario?

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

Order Paper Questions

Rental units that have received funding from CMHC

	1980	1981	1982
Social Housing—Subsidy Assistance			
Fredericton	42	119	33
Toronto	2,878	3,227	2,588
Vancouver	3,498	2,896	2,024
New Brunswick	650	653	495
Quebec	8,295	6,698	7,455
Ontario	8,107	8,308	8,119
Market Housing—Direct Rental Loans			
Fredericton	—	—	19
Toronto	—	—	1,964
Vancouver	—	—	1,999
New Brunswick	—	—	53
Quebec	30	24	1,264
Ontario	76	88	6,439
Mortgage Loan Insurance—Rental Properties			
Fredericton	147	168	131
Toronto	7,565	8,195	5,518
Vancouver	2,591	2,905	1,425
New Brunswick	715	503	474
Quebec	22,067	8,613	7,442
Ontario	14,576	16,648	13,885
Rehabilitation of rental properties under the Residential Rehabilitation Assistance Program (RRAP)			
Fredericton	73	46	232
Toronto	21	32	851
Vancouver	1,278	723	762
New Brunswick	3,305	3,291	3,254
Quebec	16,887	13,849	14,070
Ontario	1,887	2,303	4,623

Note: This excludes the many thousands of units funded in previous years for which subsidy support and federal loan guaranties are still provided by CMHC.

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Question No. 4,846—**Mr. Howie:**

From April 1, 1980, how many existing housing units for native Indians in New Brunswick have been improved or repaired by Canada Mortgage and Housing Corporation funding?

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

CMHC funded the repair and improvement of 232 housing units on reserves under the Residential Rehabilitation Assistance Program from April 1, 1980 to April 30, 1983. CMHC does not maintain a record of native non-native clients served by the program off reserves.

CMHC—NEW HOUSING UNITS

Question No. 4,847—**Mr. Howie:**

Since April 1, 1980, how many new units of housing have been constructed for native Indians in New Brunswick?

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

CMHC has not funded the construction of any housing units to Indians on reserve. CMHC does not maintain a record of native/non-native clients under the Rural and Native Housing Program (Section 40 of the National Housing Act) that operates off reserve. However the delivery agent for the program in New Brunswick advises that 66 newly constructed houses have been provided to native clients.

CMHC—SENIOR CITIZEN HOUSING

Question No. 4,851—**Mr. Howie:**

Since January 1, 1980, how many loans were made for the construction of senior citizen housing projects in (a) Fredericton (b) York County (c) Sunbury County, New Brunswick?

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

National Housing Act (NHA) Loans approved for senior citizens' projects, January 1, 1980 to December 31, 1982:

	Loans	Units	Beds
(a) Fredericton	2	30	70
(b) York County*	2	30	70
(c) Sunbury County	—	—	—

* Includes Fredericton city

CMHC—CONSTRUCTION OF NURSING HOMES

Question No. 4,852—**Mr. Howie:**

Since January 1, 1980, what amount was loaned by the Canada Mortgage and Housing Corporation in New Brunswick for the construction of homes to care for senior citizens?

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

CMHC has not made any direct loans to nursing homes in New Brunswick since January 1, 1980. However, subsidy assistance under Section 56.1 of the National Housing Act at an estimated total of $1.9 million per year has been approved for 490 hostel beds for nursing homes since January 1, 1980 in that Province.

CANADARM

Question No. 4,860—**Mr. Fretz:**

1. Was the Canadarm on display at a recent gathering of the Liberal Party of Canada in Niagara Falls, Ontario?

2. Was the display mounted at public expense and, if so, what were the costs involved in the (a) shipping of the Canadarm to Niagara Falls (b) setup and dismantling of the display?

3. Was the public invited to view the Canadarm?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for

Science and Technology): In so far as the National Research Council is concerned the answer is as follows:

1. No.

2. Not applicable.

3. Not applicable.

FBDB LOANS

Question No. 4,896—**Mr. Riis:**

What was the number of loans provided by the Federal Business Development Bank to businesses located on leased Indian band land in British Columbia in each year from 1978 to 1982 and, by year, how much did the loans amount to?

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism): The reply for the Federal Business Development Bank is as follows:

	Number	Total amount
1978	9	$ 1,657,650
1979	25	1,513,800
1980	10	485,093
1981	3	133,254
1982	—	—

HALIFAX VESSEL TRAFFIC MANAGEMENT CENTRE

Question No. 4,939—**Mr. Crosby:**

1. Does the Department of Transport propose to construct or acquire facilities to house the expanded operations of the Halifax Vessel Traffic Management Centre and, if so, what are such facilities?

2. Were alternative proposals for sites and/or facilities for the expanded operation of the Centre considered and, if so (a) what were such proposals (b) what was the cost of each alternative proposal?

3. What would be the cost of renovating or improving the building now housing the Centre to an acceptable level and standard, in order to accommodate the expanded operation?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): 1. Subject to Treasury Board approval, Transport Canada proposes to construct a new operations building to house the Halifax Vessel Traffic Services Centre on available Crown property at Shannon Hill overlooking Bedford Basin and the Narrows.

2. Two options were considered from a cost point of view:

(a)		(b)
Chebucto Head		
Construction:		
New operations building		$ 736,000
Waste, water, demolition, etc.		145,000
		$ 881,000
Electronics		$ 216,000
	Total	$1,097,000
Shannon Hill		
Construction:		
New operations building		$ 736,000
Remote site conversion		146,000
		$ 882,000
Electronics		$ 196,000
	Total	$1,078,000

3. The cost of improving the Chebucto Head Facility for the Halifax Traffic Centre has been estimated at approximately $140,000 more than the $1,097,000 required to construct a new operations building.

CANADIAN COMMERCIAL CORPORATION

Question No. 4,968—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Canadian Commercial Corporation and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Corporation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. The composition of the Board of the Canadian Commercial Corporation, and the address and occupation of each individual member of the Board are as follows:

Mrs. Sonja I. Bata,

Director, Bata Limited, Don Mills, Ontario

Mr. Claude T. Charland

Assistant Deputy Minister, Trade Development, Department of External Affairs, Ottawa

Mr. John H. Dickey, Q.C.

Sr. Partner, McInnes, Cooper and Robertson, Barristers & Solicitors, Halifax

Mr. Roland Giroux

Hon. Chairman of the Board, Consolidated Bathurst Limited, Montreal

Mr. Walter A. Hadden

President, Champion Spark Plug Company of Canada, Limited, Windsor

Mr. Raymond V. Hession

Deputy Minister of Supply, Supply and Services Canada, Ottawa

Mr. J. E. Gorse Howarth

President and Chief Executive Officer, Canadian Commercial Corporation, Ottawa

Mr. Angus A. MacNaughton

Chairman and Chief Executive Officer, Genstar Corporation, Vancouver

Mr. Gerald E. Shannon

Assistant Deputy Minister, International Trade & Finance Branch, Department of Finance, Ottawa

2. The compensation and benefits paid to the chairperson, directors, president and vice-presidents of the Corporation are as follows:

Order Paper Questions

Directors

Each director from the private sector and not selected from among persons employed in the Public Service of Canada, Crown Corporations and agencies, is presently paid a fee of $350/day for attendance at each meeting of the Board, or one of its committees, or for each day, or part thereof, of any other service to the Corporation. Public servants receive no extra compensation for their services to the Corporation. In addition, all directors are reimbursed for reasonable travelling expenses incurred in connection with the work of the Board.

President (Chairperson)

The President's classification is outside the G-i-C/DM framework and, as such, is confidential under regulations issued pursuant to the Statutory Instruments Act. The President is also chairperson of the Board.

Vice-Presidents

The two Vice-Presidents are senior civil servants. Their employment categories are EX2, in one case, and FS3 in the other. (The EX2 salary range is—as of July 1, 1983—$56,090 to $65,990 and for the FS3 category—as of April 1, 1983—$47,434 to $63,907.)

RELEASE OF SERVICEMEN DUE TO DIABETES

Question No. 4,987—**Mrs. Cossitt:**

In the past five years, were any individuals released from service in the Canadian Armed Forces because they were diabetic and, if so (a) how many (b) in each case, what was his/her classification (c) what is the justification for considering diabetes as a reason for discharge from the Armed Forces during peace time?

Hon. J.-J. Blais (Minister of National Defence): To provide a reply for the past five years as asked in the question would entail a manual search of thousands of files for which the Department does not have the necessary resources. A manual search has been conducted for calendar year 1982 and the data for 1982 is as follows:

(a) Eleven.

(b) Plumber gas fitter—one

Radar plotter (Sea)—one

Medical assistants—two

Infantrymen—three

Artillery—one

Safety systems technician—one

Vehicle technician—one

Weapons technician—one

(c) Since diabetes mellitus is a chronic and progressively debilitating disease and since it is not possible to guarantee the necessary condition in the Canadian Forces where a diabetic would have regular meals, rest, sleep and protection from injury with the concurrent risk of infection which would have potentially serious implications for a diabetic, employment for such an individual would be very limited. Neither heavy physical work for sustained periods nor front line defensive duties even for short periods could be considered. In addition, the medical resources required by the insulin dependent diabetic such as sterilization of insulin injection equipment, refrigeration for storage of insulin and sophisticated laboratory facilities could not be guaranteed in potentially hostile environments, nor in fact, in the majority of postings/positions in the military environment.

The final medical category awarded to diabetics is determined by the clinical condition and treatment requirements for each individual. The career disposition is determined in each case by the limitations imposed by his/her medical condition.

HMCS "ORIOLE"

Question No. 4,995—**Mr. Clarke:**

Will the training ketch "Oriole" be taken out or has it been taken out of service in Esquimalt, British Columbia and sailed through the Panama Canal to the east coast of Canada and, if so (a) on what date will it or did it leave Esquimalt (b) on what date did it or will it arrive at east coast ports (c) what is the purpose of the visit to east coast ports (d) how long will it be absent from Base Esquimalt (e) what is the estimated cost of the trip and the stay in eastern Canada, including fuel, victuals and wages for the crew?

Hon. J.-J. Blais (Minister of National Defence): The training ketch HMCS *Oriole* has not, nor is planned to be taken out of service. However, consideration is being given to include in the 1984 schedule of operations a cruise by the *Oriole* to the Atlantic to participate as a Canadian entry in a gathering of the International Fleet of tall ships planned for Halifax and Quebec City during June, 1984.

(a), (b) and (d) Since the details of this possible participation are still in the consideration stage further information cannot be confirmed.

(c) Purpose of the cruise, if approved, is given above.

(e) If this cruise is approved the only additional cost that would be incurred and would be different to training operations in the Pacific, would be for the use of the Panama canal and port services in the non-Canadian ports which the ships might visit during transit.

DND—RADIO BIOLOGY RESEARCH PROGRAM

Question No. 4,999—**Mr. McKinnon:**

Did the Department of National Defence contract for a continuation of a radio biology research program with the University of Ottawa at a cost of $189,453 and, if so (a) what was the amount of the original contract and what was its purpose (b) was the first contract simply underestimated or was it expected at that time that there would be a gross overrun?

Hon. J.-J. Blais (Minister of National Defence): Yes. (a) and (b) This is an original contract. Previously the research program on radio-biology was conducted in-house utilising National Research Council (NRC) facilities. However, since NRC required the space occupied by the DND scientists the decision was made to contract this work to the University of Ottawa. This is a continuing program and the contract will be renegotiated yearly.

[*English*]

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

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions No. 4,557 and No. 4,663 could be made orders for return, those returns would be tabled immediately.

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that questions No. 4,557 and No. 4,663 be deemed to have been made orders for return?

Some Hon. Members: Agreed.

[*Text*]

CHAIRMAN OF CANADIAN DAIRY COMMISSION

Question No. 4,557—**Mr. MacKay:**

1. Since his appointment to the office of Chairman of the Canadian Dairy Commission, did Mr. G. Choquette undertake travel abroad and, if so, in each case (a) what was the date of departure from and return to Canada (b) what was the routing and final destination and what were the stopovers (c) what was the (i) mode of transportation (ii) name of the carrier, including whether it was a charter or government-owned aircraft (iii) class of ticket used (d) what was the cost of transportation and the total cost (e) what was the purpose (f) what were the names of persons accompanying Mr. Choquette?

2. Since the appointment of Mr. Choquette, did the staff of the Canadian Dairy Commission undertake travel abroad and, if so, in each case, what was the (a) name and job title of the official (b) date of departure from and return to Canada (c) routing and final destination and what were the stopovers (d) mode of transportation (e) name of the carrier, including whether it was a charter or a government-owned aircraft (f) class of ticket used (g) cost of transportation and the total cost (h) purpose of the trip?

3. In the past three fiscal years and in the fiscal year 1982-83, by year, what was the travel budget of the Canadian Dairy Commission and what was the actual expenditure for travel?

Return tabled.

MINISTER OF AGRICULTURE

Question No. 4,663—**Mr. Munro (Esquimalt-Saanich):**

1. While on government business, did the Minister of Agriculture accumulate a travel bill of $156,903 for the fiscal year 1981-82 and, if so, was this an increase of approximately $47,000 from the Minister's travel bill for the fiscal year 1980-81?

2. Does this figure include the travel costs of any ministerial assistants or officials from the Department of Agriculture who accompanied the Minister in his travels and, if not, what were their travel bills?

3. (a) To what functions and/or for what reasons did the Minister travel in 1982 (b) what modes of transportation did he use (c) in what class of accommodation did he travel?

Return tabled.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion No. 1 (Mr. Blenkarn).

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am very pleased today to have the opportunity to speak to the amendment to this Bill. This amendment shows faith in free enterprise, and through the appointment to the board of largely non-civil servants it is paying tribute to the free enterprisers of this country.

The Hon. Member for Kootenay West (Mr. Kristiansen), a member of the NDP, spent practically his full ten minutes just before lunch projecting that the PC Government after the next election would use this section for patronage purposes. The New Democratic Party has been in bed so long with its Liberal counterpart that it has become inhibited by patronage disease. My only comment to members of the New Democratic Party and members of the Liberal Party is expressed in the words of the poet who wrote: "All is yellow to the jaundiced eye".

I want to deal with the real reason own Party wants to change this section of the Bill. The Bill will provide the Government with an open cheque to appoint whoever the Government would like to appoint. It could appoint only public servants. I realize there are some excellent public servants, but there are also some real duds. If we are to have this corporation at all, I think the people on its board should have some knowledge of business and know something about the export and import business, not someone who has lived in the shelter of the Public Service all his life. Public servants may have a lot of book knowledge, but most of them have never had to meet payrolls or find ways and means of keeping businesses going. Their pay cheques have come from the Government at the end of each month over their years of service. To appoint such individuals to a board of directors to handle export business would be suicidal as far as improving export business in Canada is concerned.

● (1510)

First let me indicate that we need people on the board of directors who have some knowledge of business, have had to meet payrolls and know that a business needs something

coming in in order to meet its bills. The board of directors requires someone who has knowledge of business, if the business is to be kept intact. Most public servants—there may be a few—have not had that experience. Second, we need people on the board with ordinary, everyday horse sense who can adjust their thinking to the particular items before them.

I would like to relate a story concerning red meat. It comes under the red meat section of the federal Meat Inspection Act. Public servants in the City of Calgary had an opportunity to use good, ordinary horse sense but they did not do so. As I have already indicated to the Minister of Agriculture (Mr. Whelan), I think this story is a disgrace to the Department. I hope the Minister in charge of this particular Bill will not condone this type of behaviour on the part of the board of directors or public servants who will be dealing with the export of Canadian goods.

A merchant in my riding operates an excellent food store in which is located a meat counter. He had the opportunity to provide an order worth $100,000 to another Canadian who had a boat built in Japan. The food was not going to Japan; it was to supply that Canadian boat. It was a different thing entirely. Even if it were going to Japan, good, ordinary horse sense should have been used. When the merchant visited the export people in Calgary he was told that he could not fill that order. He asked why and was told that in the first place he did not have a wholesale permit. He said that he was a wholesaler and that he had a wholesale licence. They told him that even in that case he could not do it because he sold fresh meat over the counter in his store.

This law was put into the books in 1903. It is antiquated, it is ridiculous, it is crazy. Simply because a man sells fresh meat over a counter should not deny him the privilege of dealing in the export business. He was not taking meat from the counter to fill that order. His meat is inspected like that of anyone else.

In the second place he was told that he required an export licence. He indicated that that was fine if that was provided in the regulations and asked how he could obtain one. The public servant told him that he could not get one. When he asked why, he was told that it was because he sold fresh meat over the counter. Anyone in business would not have stopped there, but they closed the books; they told him that he could not make the deal.

Then what happened? Canadians and Albertans lost the benefit of a $100,000 deal because the shipbuilder felt that he could not monkey around with it all day, all month or all year. He went to Japan where he filled his boat with supplies. People in the export business require good, ordinary, everyday sense. That is not evident in the Department today. We lost that business. The farmers lost that business. The merchants lost that business. Canada lost the work involved.

The Government talks about providing money for employment but this is an example of employment being denied as a result of a silly, crazy rule passed in 1903. The Minister of Agriculture will not change it because his bureaucrats have said no. Will we have people like them on this board? The board should be able to indicate that a rule such as this is not sensible and change it. It should be able to remove such an antiquated law from the books so that merchants can obtain similar orders and sell their meat. Then other men who sell meat over the counter could become involved in the export business. They would not provide meat from their counters; that is for customers who go to their stores. The meat which the merchant in my riding sold over the counter was for people from the Cochrane area. He could have taken meat from the packing plant and sent it to wherever he wanted.

Often people who are appointed by government are afraid to speak. They think they are under the control of the minister who appointed them. That is not good enough in our country today. We want people on this board with some business knowledge and ordinary horse sense who are prepared to meet the challenge of providing Canadian goods to the markets of the world to increase the buoyancy of the economy.

This board could also tackle inspection problems. For years there have been provincial and federal inspectors. If their methods or standards were different, I could understand it, but I have been told by the federal department and its inspectors and by the provincial department and its inspectors that each use the same standards. Is it so difficult for two governments to get together so that they will not duplicate the work? As long as merchants are following the standards and providing meat to other countries as set out in the Act, there is no problem, but provincial and federal inspectors with the same training continue to do the same work. It does not make sense. In some cases federal inspectors travel to a packing plant to inspect meat under the federal Act. At the same time provincial inspectors inspect the same meat under the provincial Act. How ridiculous can we get!

We should ensure that taxpayers' dollars are used sensibly, not in this ridiculous way. We want a board that will tackle the problems. Under international trade agreements Canada certifies meat products for export to foreign countries and meets the requirements of the importing country. This is sensible. If we are to export meat or other goods to Japan, Korea, Europe, Spain or England, we have to meet their requirements. A board of directors composed of businessmen with ordinary horse sense will ensure that these requirements are lived up to. I support the amendment.

● (1520)

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am pleased to join in debate on this Bill at the present stage because it provides an opportunity to bring a perspective to bear that I think is needed as a matter of simple justice. Several of my colleagues have already alluded to the need for ensuring that the Export Development Corporation is responsive to the needs of the private sector, and we have argued for an amendment to the Bill which will ensure that the board of EDC is not dominated by public servants.

I want to comment on this matter from the point of view which was expressed by the private sector three years ago when a special committee of this House sat to consider the advisability of establishing a national trading corporation. As

a member of that task force, I listened for a period of about a year to the views of various Government agencies and a great many private corporations and individuals on all sorts of questions affecting our international trade.

Among others, we heard at considerable length from the Export Development Corporation. In fact, EDC gave an excellent briefing to the committee on its role and functions, as well as on its organization and history. I would like to indicate for the record that the officers of EDC who spoke before the committee showed an excellent and proper understanding of their assigned role and seemed well aware of both the nature and the reasons for the legislative restrictions placed upon EDC by Parliament.

The Export Development Corporation as presently set up is a proprietary Crown corporation. That is, it can be sued in its own name, although it is an agent of Her Majesty, and it has authority for autonomy over its own operating budget. These features distinguish it from some other kinds of Crown corporations. One of its powers is to decide at the board level whether to accept or reject an export financing proposal put before it, even if that proposal is put to it by the government of the day.

Let me quote from the testimony of the senior vice-president for corporate affairs for EDC when he spoke before the special committee of this House just over three years ago. As he explained the feature of EDC's relations with government, he said:

> If a proposal were to come to us and it were to be a size or an amount or there was some other aspect of the contract that would present a liability beyond that which the board of directors judge prudent to undertake in light of the corporate resources, but in the opinion of the Minister of Industry, Trade and Commerce it was in the national interest to enter into this kind of contract, there is a facility for the government, through the Export Development Act, to take on these kinds of risks and loans.
>
> There have been a number of these. They have ranged from contingent liabilities from sales of wheat on protracted terms to atomic reactors where there is a questionable capacity of the borrower to discharge its debt.

It is clear to me that a conflict of wills between the government, with its aims and wishes, and the board of the Export Development Corporation, with its mandate and aims, is not only possible but was contemplated in the framing of the Act as it presently reads. Furthermore, we have the assertion of a senior officer of this corporation that such conflicts have in fact actually resulted in the government having to assume a risk which the EDC board refused to assume. Let me quote again from the same officer of the EDC about the role and function of EDC. In outlining the intent of EDC in providing export insurance, he said the role of EDC was, and I quote:

> —to foster international competitiveness to exporters of Canadian goods that are competitive in terms of price, quality, delivery and service. What we are talking about here is putting Canadian exporters in a position of competitive equality.
>
> They are supposed to be able to compete in terms of the excellence of their product and selling activities and the like, and we follow on by providing a financial facility. The objective of this is to improve Canada's balance of payments. There has to be a net benefit accruing to the Canadian economy as a consequence of this.

Let me emphasize that last statement: There has to be a net benefit accruing to the Canadian economy as a consequence of what EDC does. Already it is clear that EDC has, as it should have, a responsibility to ensure that its activities are of public benefit. That is what is meant by benefiting the Canadian economy. It means that EDC is not in the business of providing benefits to private companies for their own sake. Rather, it has a clearly assigned public responsibility to provide benefits to private companies, if they are competitive producers, only if such benefits are also public benefits. To this extent, the corporation does exactly what we would want it to do. It administers money on the Crown's behalf to secure a public benefit.

At the time EDC appeared before the special committee of this House on a national trading corporation, its board of directors included several public officials, including the Governor of the Bank of Canada. This fact does not disturb me, nor do I think it disturbs my colleagues. When public money is being administered, responsible public officials should scrutinize its expenditure, just as we do here in Parliament.

The vice-president who explained EDC's role and structure also told the committee that these individuals, meaning the public sector directors on the board of EDC, were balanced by private sector directors. He said:

> These individuals are representative of a general constituency in which we engage, but this is augmented, indeed it is a major contribution, by the private sector directors, who present a regional aspect, if you will, throughout the country. You will find representatives from Toronto, Montreal, Vancouver, the East Coast, in a variety of industries, and they lend their business experience. When the board of directors acts, it acts as a board of directors, and comports itself as a board would in the private sector. They separate their departmental activities, if you will, from those of the corporation. They act as corporate directors in all respects.

In light of what I have recalled for the benefit of Members who may not have had the time to follow deliberations of the special committee of this House which examined the feasibility of a national trading corporation, it should be clear why my colleagues and I are urging an amendment to the present Bill which would ensure that the Board of EDC is primarily composed of appointees from outside the public sector. Let me list the reasons very briefly.

First, as several of my colleagues have said, the private sector is a more likely sector in which to find the kind of expertise in assessing business needs and economic benefits than the public sector. However, I would like to add that this is by no means to underestimate or undervalue the wealth of talent available in the public sector. It is still true that the private sector trains its members to assess economic benefits straightforwardly and without the tendency to compromise with competing public policy aims.

Second, as the EDC officials explained to a committee of this House in the words I quoted earlier, the directors should be able to resist Government pressure to act like a private board of directors in the interests of the corporation and its shareholders. What better way to ensure that they are able to do so than to make certain they are not civil servants, that their careers do not depend upon pleasing the Government, and that when a conflict arises between the proper goals of the

corporation and the wishes of the Government, the directors themselves are not in a conflict of interest situation.

Third, after a year of listening to evidence all across Canada from those who actually engage in the business of exporting from Canada, it was clear that the majority did not want a national trading corporation. Time and time again they pleaded for an Export Development Corporation that could meet more demand and more kinds of demand; but they did not want a government trading corporation.

To ensure that EDC does not become the substitute for a national trading corporation which the Government appears to have given up trying to create directly we in this House should ensure that now, while we have the opportunity before us to consider the composition of the board, we accept the wisdom of the Canadian exporting community and the wise explanation of its role and nature given by EDC three years ago and adopt the amendment before us.

● (1530)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I participated in the committee hearings with the Chairman presiding where the President of the corporation as well as other officers were present. I look back upon the minutes of the Finance Committee meeting No. 143, dated May 26, 1983, and I recall earlier discussions involving my colleague, the Hon. Member for Calgary South (Mr. Thomson), who at the time had made certain observations about the composition of the board of directors and also about the necessity of having the chief executive officer come from the private sector. At the meeting that I attended in which this matter was discussed at length, my colleague, the Hon. Member for Calgary South, was not present because I believe he was out of the country on other public business.

I thought that I had an agreement with the Minister of State for International Trade (Mr. Regan) and with the chairman and presiding officer of the corporation that the amendments would be brought in and that the Minister would have no objection to bringing in amendments which were in keeping with the sentiments which had been expressed by my colleague and myself. Those sentiments were that the majority of the directors on the board of the Export Development Corporation should be from the private sector first. That was agreeable, but what has happened is not in keeping with that.

An amendment has been put in which allows all of the directors to come from the public sector. That is a horse of a different colour. It is simply an old bureaucratic drafting trick. There is no way that we find it acceptable when all that we should have in this Act are words to the effect that if we objected to an entirely public slate, it would be stated that the Opposition agreed to the amendment to the legislation in Bill C-110. No way.

I would like the Minister to talk about this because he knows very well that my colleague, the Hon. Member for Calgary South, my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) and myself have made a point of issue of this. Yet at the last meeting of the Finance Committee, the Minister and the officers of the corporation had in principle accepted the points we had put forward. However, in the drafting of the amendments that have come forward, and presumably have been adopted late in June at a committee meeting where I was not present as I was out of the country—

[*Translation*]

Mr. Laniel: He gets around!

[*English*]

Mr. Lambert: Other Members were out of the country too. The Hon. Member for Beauharnois-Salaberry (Mr. Laniel) would draw attention to his presence in the House this afternoon by that kind of an extraneous comment.

However, Mr. Speaker, I will come back to this matter. The carrying out of what was understood to be the principle of the amendments in the committee is halfhearted and, I think deceptive. We are not interested in seeing a majority of the board being from the public sector. That should never happen, but that is the kind of amendment that the Minister has brought forward. That is the kind of amendment that was brought forward and passed by the committee on June 28, *per incuriam,* I am sure, by most of them.

The same thing applies to my objection to having the chairman as the chief executive officer of the corporation. This is a great Canadian practice. I would simply like to point out that at two of the major Canadian public Crown Corporations, Canadian National Railways and Air Canada, the chairman and the president are not the same person and it is the president who is the chief executive officer. Do we now have ducks on one side and drakes on the other?

I put before the committee that the reason that the chairman should not be the chief executive officer of such a corporation is that he must bring a certain neutrality or objectivity to the deliberations of the board, particularly where there are public interests involved. If one person is the chairman, the president and the chief executive officer and presides at a board meeting, it is that individual, male or female, who will set the pace and influence the meeting and carry the day. Other directors, whether they represent public interests or private interests or the interests of the shareholders, let alone the corporation directors, are at a very grave disadvantage.

I for one, as far as my philosophy concerning business administration is concerned, favour a more objective chairman than the chief executive officer. One could say that when the president or the chief executive officer is given the right to preside at meetings where the chief executive officer's performance should be judged and in fact may be at issue, it is almost like giving the devil permission to judge his own deeds.

To that extent, I find the proposals contained in the Bill to be contrary to what seemed to me to be the agreement, and I said so in committee hearings at page 143:29 in my answer to a remark made by the chairman when asked about whether the officers could be excused. The chairman said:

No, I would think at this point I do not see any further need. Mr. Lambert?

● (1540)

My answer was as follows:

No, as far as I am concerned . . . and I think I can speak for my colleague, Mr. Blenkarn . . . you have taken care of my problems and Mr. Thomson's and Mr. Blenkarn's. As far as we are concerned, this should be it.

All I can say is that we should not trust the Government any further than it can be thrown because it is precisely what was brought in on June 28 which negates all of that. I will stand here and argue until we get some changes.

Mr. Jack Shields (Athabasca): Mr. Speaker, the amendment to Bill C-110 which has been proposed by our hon. colleague on behalf of the Conservative Party begs only one question, which is basically: "Do we want the Export Development Agency to be run by public servants in an area that is so crucial to Canada's development and employment all the way through the line, or do we want to have the opportunity to draw on the expertise of the private sector as it exists right across the country?" We have some of the top managers and people who are presently sitting on the boards of some of the largest corporations in the country doing extremely well, and they know how the private sector works.

If I may, I would like to refer to the Export Development Corporation's presentation to the Special Committee on the National Trading Corporation which was set up a couple of years ago. It should be enlightening to all Members of the House to learn that the Export Development Corporation's statement of corporate purpose is as follows: to foster international competitiveness of exporters of Canadian goods and services that are competitive in terms of price, quality, delivery and service; to assist in improving Canada's balance of payments; to optimize the Canadian content of Canadian exports; and to contribute to the formulation of and to complement Government trade policy.

These are the most important: to encourage maximum private sector involvement consistent with the requirements of international competition in the provision of financial services related to exports; to conduct the affairs of the Corporation in accordance with commercial principles and to maintain the Corporation in a sound financial condition.

This was presented to the Special Committee by the Export Development Corporation. This is what it is recommending. How better to follow the recommendations in the proposals submitted than to seek as many competent private sector individuals to sit on the board of directors or, indeed, to appoint one as chairman of the Corporation?

The nature of the Public Service is one which I admire as it involves people who dedicate their lives and their careers to service in Canada. I sincerely applaud the dedication of many public servants, particularly the career public servant. The career public servant works for the masters in Government, the masters being in this House of Commons and being the Government of the day, carrying out the policies and directives of the Government of the day, whether it be left-leaning, socialist, God forbid, or whether it be private sector oriented.

The Export Development Agency itself has clearly stated that it wants to encourage maximum private sector involvement. It only begs the question, then, on the amendment: Why not seek, across Canada, maximum private sector involvement and get some of these titans of industry involved in the Export Development Agency?

We all know that many corporations like Avco and Brascan and many others have been built up across Canada from virtually nothing. They involve the kind of people who have spread their wings with their investments completely worldwide. They know what is required for a small businessman who is starting out. They knew the problems involved when they first decided that they would export to another country in the western world. They went through the mill. Why not draw from this experience? Why say that this burden is to be put on the public servants when their master is the Government of the day and when they are so susceptible to pressure and to direction from Government? Why not allow the private sector people, those who understand as they have been through the mill, to sit on the board of directors of the Export Development Agency? It is a golden opportunity in this sector, particularly when we consider the kinds of loans and exports involved. It is crucial to the balance of payments of Canada. If we do not have a proper and good balance of payments with exporting, we all know what happens to our economy.

I am not suggesting for one moment that a certain number of career civil servants from certain departments, possibly from the Department of Industry, Trade and Commerce, from the Department of Finance or maybe from the Department of Energy, Mines and Resources, should be excluded. I am only suggesting that enough, perhaps three or four, be appointed so that there is a window on the Export Development Agency so that the Government then knows what is going on.

We see this example every day. One need only look at companies like Syncrude or Suncor as they relate to the development of the tarsands. One sees this every day because the federal Government, through Petro-Canada, owns a percentage of the Syncrude development. A Member representing the Government is sitting on the board of directors so that there is a window an input on the operation of the Government's corporation itself. We can see many other examples. We see it with the Suncor plant located north of Fort McMurray because the Government of Ontario, which owns a percentage of the Suncor operation, has a senior member of its civil service, a career civil servant, sitting on the board of directors. It does not demand more than a window on what is happening in the day to day operation of the Suncor plant. That is as it should be for the Export Development Agency. I can think of many men who would be very capable and who would give of their time to the Export Development Agency knowing what it means to Canada.

The board of directors sets the policy and the chairman of the board, of course, directs the board. Once these people are drawn from the private sector, it then follows that the chairman of the board cannot be the executive director of the company at the same time. The chairman of the board may be

involved in a number of corporations across the country. Board members may be involved in directorships of a number of companies or a number of banks, with a clear understanding of what is required when a small businessman approaches and says, "I have widgets that I want to export to Iran, or Syria or Brazil, and I need some help in financing because I have 180 days to wait before I receive my money". They know that that small businessman, intending to get into the export market, must go to the bank with a guarantee that he will be paid. He must then borrow on term financing. All of this is required. People who sit on boards of large corporations across the country understand this. I sincerely doubt that the senior career civil servants in certain sectors who would be appointed to the board would have the same understanding as a businessman and as an entrepreneur who is to go out and seek markets in the world for his goods produced in Canada, goods which provide jobs, homes and security for families.

I think that all Hon. Members should seriously consider the amendment that we are proposing and adopt it.

• (1550)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this legislation has been before the House for 17 months. I read the speeches of May of 1982 to refresh my mind as to just what was said at second reading. I found that in that particular debate there were four or five very constructive speeches made by the Hon. Member for Calgary South (Mr. Thomson), as I believe was mentioned here today, the Hon. Member for Yorkton-Melville (Mr. Nystrom), the Hon. Member for Mississauga South (Mr. Blenkarn), and the Hon. Member for Etobicoke Centre (Mr. Wilson). I happened to be the fifth speaker. I tried to be constructive in my speech as well. I say these things to emphasize that what we are dealing with concerns one of the great opportunities of our nation to bring the attention of this country to the fact that the world has become one and that the trading relationships between the various countries of the world require new institutions, different from those we have had in the past, to try to improve this relationship of trade.

In the motions that are now before us at the report stage, I see evidence that some of the proposals made 16 or 17 months ago have been brought forward again as motions. Most of those motions deal with the efficiency of the Export Development Corporation, which is now to be made into a big institution to facilitate trade through credit. However, as has been heard from one of the previous Hon. Members, we in this part of the House in particular are very concerned about what is obviously an extension of a practice which has developed over the last 30 years of using these so-called Government agencies simply as a rest home for civil servants to reach a higher salary level with better working conditions than those found here in Ottawa. These remarks were made by my seatmate a little while ago because they are of serious concern to him. I could back him up to a certain degree by saying that, in my judgment, the most successful example in Canada of where Government and private enterprise have worked out best in co-operation involves a firm started 30 years ago in Alberta to build a pipeline system around the Province. Nearly 90 per cent of the shares went to the ordinary citizens of Alberta, not to foreigners from Saskatchewan. The citizens of Alberta had the first chance, over-subscribing many times. The management went to private enterprise sectors which had a minimal number of shares, and the Government of Alberta took two shares in the corporation. Therefore, it had a right to two directors on the board. Therefore, great control was given to private enterprise, and the two directors from the Government side were there to provide a window in order to protect 90 per cent of the shareholders.

One should look back 30 years and examine the corporation which has grown into a multi-natured giant today. If one considers the $5 shares that the public bought back in 1950 and the dividends received over 30 years by the shareholder who invested $5 thirty years ago, the shares having been split and split, one will realize that he has received a dividend of very close to a 100 per cent a year on his $5. In other words, he has received an average of $5 every year for the $5 he invested. That is why one cannot persuade Albertans to sell off any of those shares. The secret was that the Government organized it and gave confidence to the people that there was someone from the Government protecting their investment. However, it involved the wherewithal, the know-how, of the management teams comprised of producers and distributors of oil and gas.

This company, as we all know now, is very large and all across Canada. I can use an example, evidence, that in no way must one have a majority of Government civil servants controlling a company when the main purpose of it is to serve the people investing in it. The public interest is protected by serving the public interest well and efficiently, rather than with the number of civil servants which the Government has been able to hire. Quite seriously I suggest that some consideration be given to the experience of my seatmate, the Hon. Member for Edmonton West (Mr. Lambert).

I want to conclude with some of the remarks that I made 16 months ago. At that time I raised the issue that in the Bill there was a clause allowing the Corporation to borrow money by any means. I congratulated the Minister for his being so lucky as to have such a clause included. The one thing that has destroyed individuals, small businessmen, large companies and Government in the last 30 years has been the cost of interest. If one can use techniques to get interest at a reasonable rate into any individual's or company's hands, big or small, then everyone benefits.

The monetary theorists, who have so much say around Ottawa, and every one of the western industrial nations, use interest rates as a device to hold down inflation. However, the quantitative figures show that inflation is the cost of interest. Therefore, inflation is the interest. Last year in Canada, in 1982, 62 per cent of the total costs of 200 of the largest corporations was the payment of interest. For 3,000 years civilizations have periodically risen in revolt against high interest rates. Canada is now in that stage and has been for a long time. Therefore, if one can include in an Act a phrase allowing one to borrow money by any menas, then the corpora-

tions, which are really speaking, although it is not formal, under this amendment, can find ways of using such a clause to obtain money at lower interest rates.

The technique of the small business development bond was mentioned on this side of the House, placed in the budget by the Clark administration. That can be used. The lawyers in Justice say that "by any means" means to include the small business development bond. In the last 17 months, with all the amendments that have been put through the House giving to the Farm Credit Corporation, to Canada Mortgage and Housing Corporation, to the Export Development Corporation, the right to borrow by any means, there has not been an occasion when they have ever used that principle.

• (1600)

What we say in Parliament, and what we can prove by quantitative evidence is workable, is that the people who guide the Government are inhibited by the Department of Finance which says that that technique cannot be used.

There are other techniques for borrowing money at lower rates that have been put forward by Parliament on many occasions. These have obtained the support of Ministers but they never appear in the laws and amendments that are passed by the House. Even though the legislation gives the right to borrow by any means at half interest rates, no one is ever allowed to use that authority. There is always a clause to provide that approval must be given by the Department of Finance.

I think the challenge to the Minister is the same as the challenge to the Minister of Agriculture (Mr. Whelan) and the Minister in charge of Housing, and that is, to grapple with this dragon, the Department of Finance, and show it that Parliament wants the interest rates to come down so that these companies can succeed.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I welcome the opportunity to intervene briefly in the debate to make one or two points. I am pleased that the Minister of State for International Trade (Mr. Regan) is in the Chamber as he will particularly appreciate an example which I would like to draw to the attention of Hon. Members. Many of us have seen occasions when a useful corporation or institutional process was overweighted with Government bureaucrats and appointees.

I want to add emphasis to the comments of the 15 or 16 Members of the Opposition who have spoken on the Bill this afternoon—not a word has been heard from Members on the other side—and draw to the attention of the House a painful experience of which the Minister will be very much aware. I am sure he will recall, with some misgivings, when he was Premier of the Province of Nova Scotia, the actions of the then Premier of the Province of New Brunswick. That gentleman thought that it might be a good idea if his Province, Nova Scotia and Prince Edward Island, took a closer look and got a tighter handle or greater control on the Maritime Transportation Commission. This was one of the finest, near-government, industrial, institutional tools available to the private sector in the Maritime Provinces. It was run almost exclusively by directors and employees drawn from the private sector. The Minister has not looked at the names of the board of directors since the time of his regime.

Mr. Regan: It did not happen in my day.

Mr. Forrestall: Yes, it did. The Minister should go back and do some homework. It was a finely-tuned, knowledgeable, institutional process at work serving industry, processors and those who had to move goods. It supplied detailed and up-to-date information and took a lead in forming policy. Now it is virtually a dead mechanism and functions only as a clearing house for information. That has been the case for the last eight or ten years and it happened because the institutional process was overweighted with Government bureaucrats and because the Premiers of the day felt that they wanted more than a window on the industry—they wanted control.

That body no longer functions as was the intention when it was set up. It is no longer in a position to take a lead because it reflects only the view of Government and not the view of those who would use it.

As has been said, the Minister of State for International Trade surely cannot be in disagreement with the intent and spirit of the amendment offered by the Hon. Member for Mississauga South (Mr. Blenkarn). Surely he cannot take the position that only Governments can run things. Surely he does need three members of the board of EDP to come from the private sector so that it can have a window on what are essentially issues and processes in place to assist the private sector. Surely the Government does not need 9 of 12 members of the board to provide a window on this process. Surely there is a balance—perhaps 5, 6 and 6, which would make it a 13-member board. Let the board elect a chairman. There is advantage, there is merit and, indeed, long-term wisdom in relying on the developed expertise of the private sector to manage and develop the policy directions of such a vital and massive organization as the Export Development Corporation.

In the annual report of the EDC for 1982, in the left hand column on page 6, there is a discussion of the purpose of its operation as established by Parliament. It exists to develop Canada's export trade through the provision of insurance, guarantee and financing services. At the same time, under the Financial Administration Act there is another facet. The corporation is ordinarily required to conduct its operations without parliamentary appropriations. In practice this means that EDC is expected, in pursuing its purpose, to conduct its affairs in accordance with commercial principles and disciplines and to maintain a sound financial condition. It has been our sad experience that we less frequently trust the private corporate sector to achieve those goals than we do the Government departments and Crown corporations.

As of March 1, 1983, the board of directors included Mr. Cloutier of National Defence fame. Do Hon. Members know how much money we wasted and how many mink hats we bought for 11,000 or 12,000 women in the Canadian Armed

Forces? I will not mention things like the Bonaventure overruns and money wasted in defence spending. He is represented as a great president, a great man from the Canadian corporate world, Mr. Speaker. He probably sold newspapers as a young man, and that was probably his last experience with free and private enterprise. As for Mr. Cohen, what more can I say? That is not so much a window, Sir; that is a storm window. Marcel Massé—well, he has done a good job in culture and in some other areas.

● (1610)

Mr. Blenkarn: How about business?

Mr. Forrestall: How about business? What is his business track record? With Jack Armstrong we come to the first of the private sector appointment. He had a distinguished career with Imperial Oil and he was a member of the board of directors of many very successful and highly reputable Canadian firms. Then we go to Daughney, a businessman, highly successful in his own company with a high reputation throughout Canada for his business acumen, his adherence to good corporate practices, a good addition—an awful Grit, mind you, but beyond that he has some good corporate sense. Then we go right back into the Government sector with Montreuil; G. K. Bouey, another great Canadian businessman; R. Johnstone, a deputy minister, going all the way from clerk 5 to deputy minister, a great Canadian but not a businessman. With A. K. Stuart finally we go back into the private sector. Six directors out of the nine are from the boardrooms of Crown corporations, the departments of Government, and three from the private sector. A reverse of that surely is a simple proposition with which the Minister of State for International Trade can find sympathy and can accept when it comes time for his contribution to this debate.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it gives me a great deal of pleasure this afternoon to be able to participate in this debate dealing with the Export Development Corporation and the amendment which has been proposed to the Bill by our colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). As you will recall, Mr. Speaker, the original intention of the Bill on the formation of the Export Development Corporation was to ensure that the people in manufacturing in Canada who were undertaking export transactions with foreign countries were assured of their security in those countries with which they were dealing. There was a commitment by the Export Development Corporation to ensure the worthiness of the clients with whom the various manufacturers and entrepreneurs of this nation were dealing. If there were problems with finances or problems due to political disruptions, then, indeed, the Export Development Corporation ensured that the Canadian companies which were involved in these transactions were going to be adequately compensated for their efforts and, in the ultimate sense, Canadian workers and Canadian business would not suffer.

Probably the Export Development Corporation, in that particular sense, fulfilled a very worth-while gap which might have existed before as far as the confidence of businesses in this country was concerned in dealing with foreign nations which perhaps were not as stable as our own. However, now it appears that the present Government, and the Minister responsible for this corporation, envisage a larger role for the Export Development Corporation.

First of all, I would have to question the validity or the necessity of expanding another bureaucratic machine of this Government. We have too often seen what the expansion of roles of corporations which have been established by this Government has meant to the Canadian economy. I believe I can say without fear of very much contradiction that a substantial portion of this great gross debt which the nation faces today of $31 billion is due in substantial part to the mismanagement of these major corporations which this Government has allowed to happen.

I feel that what we should be trying to accomplish as Canadians, as parliamentarians and as law makers in this House, is just the opposite. We should be attempting to accomplish and create a situation whereby Crown corporations are much more efficiently managed and much more tightly controlled. Before I get into the mechanics of how that might take place with reference to the Export Development Corporation, let me tell you, Mr. Speaker, that I am pleased to see that interest has been expressed in this area by the present Minister of State for International Trade as he is indeed a fellow Maritimer and one who should have a very deep ingrained sense of responsibility for ensuring that people in the Atlantic Region of Canada are given a fair opportunity of having access to a market, which would have very positive consequences if properly executed.

Atlantic Canada, particularly the Maritime Provinces, is geographically a part and extension of the New England states. We look to—that great vast market in New England of some 40 million or 50 million people. The opportunity for export into that part of the region by the Maritimes is just fantastic, and I feel it should not come as any sort of revelation to anyone with the slightest bit of imagination that people with some foresight and initiative, who were placed in a position of substance in a corporation such as the Export Development Corporation, might be able to exploit the advantage which we have as Atlantic Canadians, as Maritimers, and break into that market in New England.

One example which comes to mind immediately is the development of the silicon industry in Atlantic Canada. I feel that that is almost a natural for our area. The Maritimes, as you are well aware, Mr. Speaker, are largely unpolluted, and the silicon industry, being an extremely clean industry, would fit in very naturally with the sort of atmosphere and environment which we currently enjoy in Atlantic Canada. We do not have pollution now, and we do not want any more, as the saying goes. In that regard, it is necessary that we have people of vision, people who have a proven track record, not people whom we would normally associate with CIDA and not people whom we would normally associate with the monstrous Canagrex legislation and not people with whom we envisage we are now going to associate in the expanded role of nationalization,

of socialization of the fishing industry which this Government seems so intent on pursuing in Atlantic Canada. No, Mr. Speaker, we do not appreciate the stumbling blocks which the bureaucrats have consistently placed in the way of bringing new technologies and new industries into this country by FIRA, for instance. This has not been in the best interests of Canada, Mr. Speaker, and I become very concerned when I hear of an expanding role on the part of the EDC.

● (1620)

We have seen socialization move to such an extent in this nation tht we have very nearly become neutered in our abilities to expand and promote in a country with some of the greatest resources and greatest potential of any nation on the face of the earth. We are faced with a massive bureaucracy, due solely and entirely to this Government, to its discredit. But let us now take the opportunity to develop something positive rather than something negative. Let us fill those positions on the EDC board with people who have proven track records from the private sector. The private sector in this country is what has made Canada great. The very fact that this Government has been unable to destabilize it, unable to undermine those foundations, is indeed a tribute to the ability and stability the private sector has brought to this nation over the years.

It is my contention, Mr. Speaker, that in order for this Government department to succeed it is important that we put people in those jobs who have imagination, not people who have only tomorrow to think about and the end of the week when they pick up their pay cheque from the taxpayers of the nation. We do not want people in those jobs who are there solely to create circumstances to justify the continuance of their own positions, and I strongly urge the Minister to consider the proposal put forward by my colleague and place competent, qualified people from the private sector who know what they are doing.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please! It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ontario (Mr. Fennell)—Crown Corporations— (a) Capitalization of Corporations (b) Use of letters of comfort; the Hon. Member for Mississauga-South (Mr. Blenkarn)—Crown Corporations—(*a*) Canadair— Manufacture of executive jet aircraft—Government funding (b) Government position; the Hon. Member for Kootenay-East-Revelstoke (Mr. Parker)—Energy— (*a*) Sales of western coal in central Canada (*b*) Request for cost study of coal use.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motion No. 1 (Mr. Blenkarn).

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I rise to take this opportunity to comment on Bill C-110 and on the amendment proposed by the Hon. Member for Mississauga South (Mr. Blenkarn). We have heard a great deal of debate and concern expressed by Members who have spoken about the way in which the Government of Canada seeks to assist Canadian businessmen in doing business overseas. I am convinced everyone here is concerned about the same thing, that Canada is competitive and able to take advantage of the opportunity which exists and realize our fair share, as much as we are able, of markets which exist for our products in other countries. Having said that, I think we need to re-examine for a moment what the Minister for International Trade (Mr. Regan) has been trying to do. He simply made a proposal to increase the number of Members on the Export Development Corporation Board from 12 to 15. The fundamental purpose of that change is to ensure a broad-range representation on that board and ensure it works as effectively and as thoroughly as possible, and to assist Canadian business people.

The amendment by the Hon. Member says that the Government should ensure that of those 15 members no more than 3 should come from the public sector. That in itself, Mr. Speaker, I think is a very serious affront not to this political Party or that political Party or whatever group happens to form, from a political point of view, the Government of the day, but an affront to a Public Service which has shown itself through the decades to be both highly competent, willing and able to work with the Government of the day in implementing Government policy. I say that not as a defence of a Liberal Government, I say that as a defence of and a respect for the civil service of this nation.

I became somewhat concerned, Mr. Speaker, when I heard a few minutes ago the Hon. Member for Bow River (Mr. Taylor), perhaps less diplomatically I would suggest than some of his colleagues, describe the Public Service of this country in a very unflattering way, in my estimation. The Public Service of Canada is based on the merit principle, and my mind reckons back to a newspaper article of May 11 when the Conservative leadership was still on and a candidate for that

leadership, one Brian Mulroney, now the Hon. Member for Central Nova, the Leader of the Opposition, said at that time that when he becomes leader and when he becomes Prime Minister—a presumptious statement—

Mr. Forrestall: He has and he will.

Mr. Tobin: —there will be room for people of other political persuasions in this country to fill important roles in the Public Service but only after he has exhausted every single Tory in Canada. That, Mr. Speaker, is an amusing kind of statement which we tend to make in politics, but I hope it was only said in jest because if this proposed amendment is made in the spirit of ensuring that only three people whose abilities and service to this country are based on merit, not on partisan affiliation, can be allowed to serve on the board whose job is to assist Canadian business in doing business overseas, then I am a very disappointed man.

Let us look at some of the people from the public sector who should or could serve on that board, and who would be absolutely vital to ensuring that whatever private sector representatives are there, they are able to do as complete a job as possible. Who are some of those people? A representative from the Bank of Canada, perhaps the governor. That to me is a key Public Service appointment if this board is to be effective and not merely a bit if window dressing; a representative of the Minister of Trade's Department, of course; a representative from Industry, Trade and Commerce, of course; and a representative from CIDA, and this Department works with CIDA.

Mr. Dick: Pork-barrel.

Mr. Tobin: The Hon. Member's view of doing business overseas is politicized and is seen only through partisan eyes, Mr. Speaker.

If Canada is going to be successful in doing business, it is fundamental that a representative of the Department of Finance be on that board as well. These are key Government Departments which need to be represented. I want you to understand, Mr. Speaker, why I speak as I do today. If the Hon. Member for Mississauga South or any Member of this Party or any Party moved a motion to say that at least six members of the board had to be public servants, I would equally be opposed to having quotas. I think that what the Minister has provided is an increase from 12 to 15 members, and what he has said is that those 15 members should be the best people we can find, be they public or private, they should constitute as much as is possible the best mix of people to work together to enhance Canada's ability to do business overseas.

Mr. Forrestall: We will find someone to represent Newfoundland.

Mr. Tobin: Mr. Speaker, that is the other key point, and I am glad the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) has raised that point. I hope that raising the number of people on the board from 12 to 15 would not make it an exclusive prerequisite of an appointment but, rather, that as much as possible, if not the Provinces then certainly the regions of Canada, each of which has different and various resources, skills, products and expertise to offer, might perhaps be better represented on this kind of an advisory board.

● (1630)

In closing let me say again that I for one would be very concerned if a motion were moved that there must be six public servants, that there must be a quota, as I am now concerned to hear the Conservative Party saying there must be at least 12 to 15 appointments filled by the private sector. We in the House must get back to the notion that we can—

Mr. Taylor: Socialism.

Mr. Tobin: No, not socialism but, rather, the mirror principle that we can best function when none of us becomes a blind, repetitive parrot for the extreme wing of our own extreme doctrinary position of our own particular philosophies. Is it not a rather embarrassing position to be standing up pounding one's fist across the way, saying that at least 12 of 15 key positions must be filled by those in private enterprise? It is a page from an extreme doctrine, a bible that is carried around. I thank God I am not in a position to be a member of a Party which would take a position as the NDP might that at least 12 of 15 positions must be filled by those in the Public Service. I repeat that we must find the best mix and the best people based on the merit principle.

Once again I warn the Conservative Party and the Hon. Member for Central Nova (Mr. Mulroney) that the eyes of the people of Canada, now that he has entered the House, are very closely following his every utterance. The eyes and the ears of the people have seen his charismatic front and they want to know how deep it is. I would suggest that it is so shallow that I could walk across it with only a pair of slippers on and not even get my ankles wet. I warn him today that if I were made Prime Minister of this country, there would be room for merit only after every known partisan Tory has had an appointment. I shall warn him that the certainty and the cockiness with which he entered this Chamber will be deflated rapidly and much to his disappointment, and, of course, much to my delight.

Mr. Robert C. Coates (Cumberland-Colchester): Methinks the former speaker was preaching for a call. There is a vacancy in Newfoundland, I understand, in Canada's newest Province, and the great rhetoric that we have heard today, the great spirit of protection for the Public Service, will sit very well with the Prime Minister (Mr. Trudeau) as he now shuffles a very small deck in Newfoundland as to who can be and who cannot be in the one Treasury Board seat that is left. You were very, very impressive, Brian. We all look forward to your progress in the days ahead.

Of course, being very serious, I would first of all like to say to the Minister that I have been very impressed with his energy and activities since he assumed that portfolio. It was my pleasure to be in the Philippines last weekend to meet with the Speaker and with the Minister and Vice Minister of Energy there and to hear their complimentary words about the

Minister's recent visit there with a significant number of very substantial business personalities from this country. On that trip they did business, and that is what his job is all about. Really, that is what the CDC is all about. It is a vehicle that is geared to assist our people in big business, in medium-sized business and in small business to move our products to the markets of the world. For, after all, we are traders. In many ways we are free traders. We are determined as exporters, as a basic exporting nation, to try to get our goods to the four corners of the earth. That is the case, and the EDC is a very significant vehicle because there is all kinds of competition out there by other nations against our goods. I am sure that the Minister realizes that more and more every day. Certainly, the more one visits the Pacific, the more one realizes just how difficult it is for our business community to compete against the emerging nations. It does not just involve Japan in the Pacific anymore; it involves the Republic of Korea, Taiwan, Hong Kong and Singapore. It is also starting to involve Indonesia and the Philippines. We must be there every day. I believe that the Minister, from his many experiences with the Commonwealth Parliamentary Association, as Premier of the Province of Nova Scotia and in his present position, has a grasp of what is needed. However, I suggest that what is needed is not a bunch of civil servants, on this particular board.

One of the really sad things that I see about this nation that is not in evidence in many other nations is that we do not use all of the talent that we have available for as long as it is available. We have a system where everyone must sort of put one foot in the grave and the other on a banana peel once he becomes 65 years of age. There is a wealth of experience existing in Canada found in chairmen of boards and banks and in the small, medium and large industries in our country that is not being utilized.

The Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) pointed out a very significant example of what happened in Alberta with only two Government Members on a very significant board. I say to the Minister, let us go out there. I do not really believe that we can go to the sectors and ask businessmen to go on boards when there is any possibility of a conflict of interest or an unjust advantage to others in the same industries. However, I think that there are chairmen and presidents from Bell Canada and other corporations. One of the companies that the Minister and I both know very well is Northern Telecom. I happen to have the good fortune to have a Northern Telecom plant in my constituency. The Minister happened to be the Premier of Nova Scotia at the time that that plant was established. We both know what the then Chairman, Mr. Scribner, did for Canada. We know what Walter Light is doing for Canada now and Ben Benato. We know what others, especially in that sector of industry, know about the international marketing of products. As the Japanese often say, "Marketing is everything". Through vehicles like the EDC, we must assist those companies to get in there and meet the very heavy competition in the international world; for instance, Northern Teledon, without the same breadth and depth of a company like Seaman's, going in and beating it five times out of six. We must have people sitting on the EDC to be able to process applications with the snap of a finger. We do not want weeks and weeks of delay, double checking and looking to see that every T is crossed, which is the art and the style of civil servants. We have to give the background and the confidence to those people out there when they are in Singapore, in Germany, in Norway, or wherever they are, of knowing that they are going to have a board of directors, indeed, EDC, that will be with them all the way and will help and not hinder them. I think we have the kind of Minister who realizes that. I think the amendment is a good amendment. I think that puts you, Sir, where people cannot accuse you of political patronage when you are looking for directives. I think it puts you in a position where you are forced to be non-partisan, because everyone will be watching you and saying, "Let us see if the Minister is going to some big Grit or if he is going to give the private sector an opportunity and appoint the first best person who is available who is not implicated or involved in any way at this moment in his life." I think then we will be satisfied. The Minister will be satisfied. But, far more important, the people who are selling for us, earning the tax dollars for us so we can pay our other bills will be very confident in the Minister, they will be very confident in the Government and they will produce new jobs for the people. That is the bottom line for all of us right now and that is my contribution to the debate, Mr. Speaker.

• (1640)

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a few observations and interjections. If we really want to try to debate and perhaps govern properly by the use of the parliamentary process, the Government might listen to what has been said. The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), the Parliamentary Secretary to the Minister of State for International Trade who is responsible for this Bill, has perhaps in his own words just brought up the very compromise which would get this matter moving if the Government would like to agree. The Hon. Member was upset and somewhat concerned that we needed a broad range of people. He felt that if we had 12 of the 15 from the private sector it may not be a broad enough range. I, on the other hand, say that if you have a majority from one group, one institution, being the Public Service of Canada, that that would be too restrictive and not be a broad enough range.

Mr. Tobin: Agreed.

Mr. Dick: The Hon. Member felt we should have a person from the Bank of Canada, a person from the Department of Trade, a person from the Department of Industry, Trade and Commerce, a person from the Department of Finance, a person from CIDA and someone, perhaps an officer of the company itself appointed to the board of directors. That adds up to six.

Mr. Tobin: That's a minority.

Mr. Dick: If the Minister and the Government wanted to make progress, why would it not accept six directors covering all the important departments from the government services? That would leave nine to come from outside government services. Perhaps one might indicate that of those nine not more than two would come from any one province. All the Provinces are interested in trade. This would ensure fair regional distribution. Representation would not be all from the finance sector on Bay Street in Toronto or all from the manufacturing sector in Toronto or all from some other area. But that is the type of compromise I am thinking of. If we are really serious in trying to make government work, this is a way to compromise and trade off a little bit, and I think through that process we sometimes get the best result. I would invite the Minister or his Parliamentary Secretary to go part way on this suggestion. Even at this stage, and perhaps with all-Party consent, we could agree to the Government's own amendment if it would go part way, as long as majority representation would be from the private sector. Otherwise we will have people paid by the taxpayer, public servants, controlling the public Crown Corporations, and it becomes a bit incestuous to have them controlling a publicly owned corporation because they have something at stake. It is too narrow a base. Therefore, I recommend that the Government consider a halfway measure between the position as drafted in the Bill and this amendment. I think that might be of some assistance.

I want to put one example on the record about why I feel it is important. I was very frustrated on one occasion with an industry in my own constituency and an industry that was based in Nova Scotia, namely, Pioneer Electric. Through Canadian Patents and Development Ltd. this company got rights to market ground detectors for hospital operating rooms. The device was invented by the National Research Council people. It was an extremely important device. Ten to 15 years ago people died on operating tables. Death was put down to heart fibrillations, but it was not heart fibrillations, it was electric shock. So much equipment was attached to people in the operating process. With a little electric leakage from each machine enough current was finally built up so that a person was electrocuted. What was developed at the National Research Council and what Pioneer Electric and Canadian Stackpole's Measurment Engineering division in Arnprior had the right to do was to market the device and pay royalties to CPDL. Unfortunately, after they paid a little over $100,000 in royalties, a firm set up in Clearwater, Florida copied the patents which CPDL had. These patents were registered in the United States. An investigation was started as to whether we should stop them. I have three legal opinions from American patent attorneys who said that Canadian Patents and Development Ltd. would be successful in their suit. But they were controlled by employees of the corporation and other members on the board who were public servants. Only a few were from the private sector. They did not have enough gumption to go ahead. If they had paid $60,000 they would have made another $100,000 in royalties from the successful sales. Instead, no prosecution took place. The other people in Clearwater ended up stealing our patent, going ahead and expanding further. They were subsequently bought out by a company called Square D. Square D is a big electrical contracting firm. Square D up to that point in time had been buying 60 per cent of the manufactured product from Canadian Stackpole and Pioneer Engineering. We lost the market. Since this technique was developed, every hospital operating room in North America and around the world had to have one of these devices. It was a tremendous market and we blew it because we were too timid.

If we had had a few more aggressive businessmen on the board, they might have taken that further step and assured the manufacturing rights for Canadians, not letting them slip away as in this case.

I suggest a compromise be considered. The Parliamentary Secretary said we do not want too narrow a base. If we have too large a majority from the public sector, it would be too narrow a base. But perhaps we could have a group from the public sector covering those six important departmental areas and the other nine directors spread fairly well across Canada, maybe two from Quebec, two from Ontario, two from Nova Scotia, one in Saskatchewan or one from Ontario, but not more than two from any one province. This is my suggestion. I am not bound to it; I am just making a suggestion. If the Government wants three for any one province, they can have three. I wanted to make the point that it should be spread out across Canada to ensure that we do not have too small a base from which to work. I think the Government should consider it. Perhaps we could get on to the next amendment; hopefully the Government is willing to make some movement.

● (1650)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am very pleased to rise to lend a few observations to this very important debate on our approach as Canadians to the promotion of export trade and to the established and recognized role of the Export Development Corporation in achieving those goals. In particular I rise to speak to Motion No. 1, sponsored by the Hon. Member for Mississauga South (Mr. Blenkarn), which takes a rather different approach to the structuring of the board of directors of the EDC than that put forward in the present legislation. The proposal of my colleague would ensure a dominant private sector emphasis on the board of directors. Of course we assume that these people would be well qualified in their disciplines, would represent an appropriate cross-section of the business and corporate community and would ensure that the EDC fulfil the objectives we all wish as Canadians. This is a very important agency of Government which, throughout the past decade or more of its existence, has made a number of errors, many of which have cost Canadian taxpayers dearly.

I will get into specific examples of those errors in a moment, but I think it is important to ask ourselves what is the role of the Export Development Corporation. Should it be a promoter of Canadian trade in other parts of the world for the benefit of Canadians? Should it be an extension of our foreign aid

initiatives, perhaps operating on the same principle as the Canadian International Development Agency to assist the emergence and development of less privileged nations around the world? It is important for us as Canadians, particularly in these difficult economic times, to realize that our first obligation is to get our own economic house in order and put Canadians back to work. As our level of prosperity improves and as Canada is restored once again to the point where we can make genuine technological, scientific and social contribution to the needs of those less fortunate than ourselves, perhaps we can put an increased emphasis upon foreign aid.

The purpose of the EDC at this point in time should be to enhance and increase the opportunity for Canadian businesses to penetrate more aggressively markets around the world and thereby overcome the serious unemployment crisis in Canada. If that is to be our goal, we must ask ourselves whether the EDC has been effective and honest with its masters, the Parliament and the Government of Canada, in submitting to the House cost analyses so that Canadians know on an annualized basis whether there is a net return for the moneys expended by way of loan guarantees and other forms of assistance to Canadian corporations. I mean a net return; in other words, for every dollar spent by Canadian taxpayers they should know whether there has been a multiplier effect operating in that we received more than a dollar back to be used toward the needs of Canada and toward a solution to our serious unemployment problem. If we want to make the EDC an instrument of foreign aid, that is fine, but let us face up to the truth and tell Canadians that that is what it is.

I will turn to the question of the amendment and whether the board of the EDC and its president and chief executive officer, Mr. Cloutier, has been doing an effective job over the years in ensuring that this goal is achieved. Personally I find it repugnant to watch, as we did in recent years—not in the last year or so—colossal advertising campaigns by the Export Development Corporation geared to Canadian consumers. I never understood why there were full-page ads in national and local newspapers and television advertisements promoting the aims and objectives of the EDC. Those initiatives were an absolute waste of taxpayers' money because they were directed at the wrong market. What difference does it make if the Canadian television viewer or newspaper reader is sold on how great is the EDC? Its customers are the corporations of Canada. They should be the benefactors, and ultimately the workers of Canada. If one examined the philosophy behind those advertising campaigns, one would realize that they were nothing more than a glorified back-slapping exercise on the part of the Liberal Government in its attempt to brainwash Canadians into believing that everything it does is for the good of every last one of us. As with many of the travesties to which the Government has exposed Canadians in the name of advertising, it was absolutely unnecessary. It is an example of the kind of decision private sector members of the board would never have permitted. It was an absolute waste of taxpayers' money which did very little to achieve the goals of the EDC.

For a moment I would like to look at what has happened in the Canadian mineral industry over the past 20 years to 25 years and to what extent the EDC has contributed to the situation. In 1950, nickel world-wide was produced by three countries—Canada, the U.S.S.R. and Australia. The Sudbury basin in Ontario produced sulphide ores, and laterite ores were produced in New Caledonia, Australia. As of last year the inventory of nickel producers world-wide rose to some 25 different nations producing and refining nickel. Many of these refineries were subsidized by government largesse, much of it extended by this nation to promote the development of mining activities in other parts of the world. If we believe that the EDC should be an instrument of foreign aid, then that is a very admirable gesture. But we have increased the production capacity of nickel to the point where we are on the verge of seeing the Canadian nickel industry collapse. The same is true in the case of copper, coal and many other mineral industries where we used the instruments of CIDA and EDC to help, aid, abet and build ports and new projects around the world. I am not saying that we should not do this. I am saying that we should analyse whether there is a net benefit or a net cost to Canada inherent in such initiatives.

I would like to refer to a particular example concerning a coal mining project in Indonesia about which the Minister of State for International Trade (Mr. Regan) crowed quite loudly on May 4 of this year. Canada was signing an agreement through the EDC to finance the development of a major new coal mine in Indonesia. In fact, the Minister was present in Jakarta for the signing of the contract under which Canadian companies would receive certain spin-off benefits in relation to the development of the coal mining project in southern Sumatra, Indonesia. The fact of the matter is that we are aiding and abetting the creation of an additional nine million tonnes of coal production capacity in another country. That country requires in return that it be given access to an equivalent dollar value of business in Canada. In other words, one of the terms of the deal under which we guaranteed low interest financing for the opening of that new coal mine in Indonesia is that it does a reciprocal amount of business in Canada. There is no net gain for Canada in such an initiative. This new mine will exceed the production capacity of one of the largest mines in British Columbia of which there are only three or four. I will be taking my seat in a moment, but let me first indicate that we will in fact experience a net loss. We will lose many jobs as a result of the additional competition which this mine will pose.

In conclusion I would suggest that if the board of directors of the Export Development Corporation included a healthy dose of representation from the private sector, we would take a much more quantitative approach to determining whether these kinds of decisions are wise, because in that case Canada would emerge as a net loser.

• (1700)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the presentation of this Bill is an expression of interest in international trade and the vehicle by which it could be accomplished.

However, the Bill is only an expression of mechanics, not an expression of policy as it has been exercised by the Government. I would like to discuss that policy as it relates to this Bill and to international trade in general. I hope that the Minister of State for International Trade (Mr. Regan) will take the time to listen. I fully appreciate his total duties and responsibilities, but I would like to get this message to him because Atlantic Canada is deeply concerned about a situation which is now arising in our international trade with the United States.

As a result of representations made by the State of Maine, the United States Department of Trade has undertaken hearings and has made recommendations on the basis of information gathered at those hearings to the effect that there should be a 17.9 per cent duty-type impost levied on white potatoes shipped to the United States from eastern Canada, as far west as the Great Lakes.

What is the impact of this ruling? It is a virtual embargo because of the level of the assessment which has been made. It is a virtual embargo upon the exportation of potatoes from Canda into the United States. This breaks the spirit of trade relations which have existed between Canada and the United States.

I want to make clear that I have tried to get information on the meetings to be held in the United States to give further and final consideration to the impost which has been imposed upon us. To this point, I have not been able to find anybody who had at their fingertips information on a succession of meetings which will consider the subject matter. I have not been able to find anybody who can tell me whether we can or cannot make representations on behalf of Canada at these hearings. That is a situation which is intolerable. It defines a policy which is unacceptable to Canadian agriculture which must have export trade if it is to survive.

I want to point out something else. If we are to survive economically, we must have a better balance of trade in the horticulture industry. We have reached the point where, with the United States alone, we have approximately $700 million annual deficit in trade of horticultural products.

There is a traditional trading pattern in commodities which are traded throughout the world. There is a world price or continental price and commodities are traded on the basis of that price. In Canada only when vital emergencies arise do we have the authority to impose any constraint of trade upon any of our GATT partners, only when the Department has declared a real emergency in a particular commodity.

Let me cite an example. The British Columbia potato industry is very detrimentally affected by the importation of potatoes from the State of Washington. Our Government has said that it is not possible to establish that dumping operations are taking place as these potatoes come from the State of Washington to the Province of British Columbia. In spite of this, we are found guilty of dumping and damage in the United States, according to the recent ruling of the Department of Trade and Commerce in that area.

More hearing are to be held. I believe the final hearing of the international trade commission of the United States is to be held on October 30. If the horticultural industry of Canada does not have the total support of information and legal advice from the Government of Canada, with all the statistics to back it up, we will be faced with a further unfavourable ruling. This will occur if we cannot present our case as the situation exists at the moment.

I cannot get from the officials responsible for this operation the scheduling or subject matter of these meetings. I am very disappointed. It makes me think that this Bill may be just more window dressing. Is that what it is, or will it play to a particular segment of Canadian international trade and ignore the agricultural sphere of Canada?

The agricultural sphere has traditionally been put in a second rate position in the trading pattern of this nation. We have traded off this item in return for some import regulation, export regulation, or something else. The Government has said consistently and persistently that it will give the United States better access to Canada with the foods it produces in return for which we hope to get a better opportunity to export some manufactured goods. This has continued to the point where we cannot stand embargoes such as the one presently being imposed upon us by the United States. It is not an embargo by name, but it is virtually an embargo.

In an effort to defend ourselves against this action, we do not know what formula has been used to arrive at the figure known as a constructive value in the United States. We know that shippers in Canada have been accused of dumping. Internationally, dumping is accepted as the shipping of a product abroad at a lesser price than it would be shipped to a domestic customer. The shipping industry in Canada would have to be nuts to do any dumping. Why sell abroad at greater commercial risk at a price lower than you would sell in Canada?

I have been directly involved with that industry almost since birth. Any dealer in the potato industry who ships potatoes from Canada to the United States does so because the market is better there; he will get more money for his product than he could get in Canada. Therefore, under the literal international interpretation of the term "dumping" we are not guilty of it in any way, shape or form. I have confidence that our dealers have economic sanity even in restricted markets.

I wish to say to the Minister through you, Mr. Speaker, that ever since the transportation capability has existed allowing us to exchange food products with our neighbours to the south, we have had what is known as a continental market and a continental price. If a commodity produced in Canada is marketed, it is under the influence of the continental price, not a Canadian price per se. If the ruling handed down by the United States Trade Department is imposed, it will reverse the accepted trading patterns between these two nations which has existed since the earlier trade in foods, particularly horticultural products.

We have been accused of dumping. However, in the assessment of dumping, I would ask whether the sale was made today, six months ago, two months ago and whether the

market was at the same level at which it is today. Did the investigators take into consideration the possibility of a future sale? Did they understand the difference between an f.o.b. sale and a delivered sale? Is that the way they arrived at the fact that M. Rose and Sons is accused of dumping to the extent of 20 some percentage points? If it was in fact guilty—Mr. Speaker, I see that my time is running out. I wonder if I could have unanimous consent to make a very few brief remarks to conclude?

• (1710)

Mr. Deputy Speaker: Is there consent for the Hon. Member to extend his remarks?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be.

Mr. McCain: Thank you, Mr. Speaker, and I thank Members of the House.

If M. Rose and Sons was in fact guilty of conducting most of its trade during the last year with the United States and if in fact it sold at a price that was 22 per cent or 23 per cent less than what the Canadian market could afford, M. Rose and Sons would not be in business today. It is as simple as that. The very fact that M. Rose and Sons is still in business contradicts the accused margin of dumping.

Is the Marshall Company in Ontario guilty of dumping by 41 per cent? If it had in fact dumped into the United States at 41 per cent less than the Canadian market could have afforded, its officers are certainly candidates for an insane asylum and they must today be bankrupt by virtue of their idiotic trade policies.

The conclusions which have been reached contradict all logic, Mr. Speaker, and I appeal to the Minister of State for International Trade to ensure that this matter have the highest possible profile and support for the representations to be made.

I am being parochial when I mention potatoes because potatoes are the bread and butter of my community, but I am not being parochial when I say to you, Mr. Speaker, that there are further representations ready to be made by further commodity producers in the United States that might in fact have the same capability of getting protection from their Government which will interfere with the exports of Canadian agricultural products across the board. If the decision is unfavourable to Canada with respect to potatoes, then one can expect equally unfavourable decisions with respect to other food products which may be shipped to them.

I appeal to the Government and to the Minister that we do now activate every force that the Government has at its disposal to try to use the goodwill which we have established in so many ways in the United States to establish the innocence of the commodity trade as it relates to potatoes and as it will later relate to other commodities and to accept the traditional fact that commodities are marketed world-wide, not in relation to cost in any given year nor in relation to storage costs or shipping costs or any other costs but are internationally marketed between Canada and the United States and the world on the basis of the price that prevails on the date the sale is made. If we begin to interfere with that, Mr. Speaker, then I say to you that Canada and the United States will be in positions of extreme difficulty with respect to trading on a very broad basis. This is not acceptable.

We in Canada from coast to coast must ask that the Government make the strongest possible representations on this matter to the authorities of the United States who I believe want our good will and are probably not aware of the ultimate consequence of a single item. When looking back 13 years, we find that it is an item of which we have imported more from the United States in volume than from any other nation. We have imported more from them in 10 out of the 13 years. We have spent more in the United States on potatoes than they have spent in Canada in 11 out of the 13 years. Even with potatoes, the balance of trade is, on average, well in their favour. I ask that these representations be made and that the matter be taken seriously by the Cabinet.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, although I have listened to this debate all day, I did not intend to speak to this Bill until the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), the Parliamentary Secretary to the Minister responsible for this Bill, spoke, and he began speaking using rising decibels—

Mr. Regan: No, he is not my Parliamentary Secretary.

Mr. Friesen: Someone said that he was the Parliamentary Secretary and I took his word for it. He began speaking to this Bill using rising decibels. I suppose that being from Newfoundland, he wanted to make sure or at least hope that the Prime Minister (Mr. Trudeau), from the bowels of the PMO, would hear that there was yet another Member from Newfoundland who might qualify for a Cabinet post now that two of them have been discarded in the last month.

The Hon. Member was concerned about the proposal that my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), presented to the Minister regarding the membership of the board of directors for the Export Development Corporation. The Government proposal ensures that the majority of those members are drawn from Government offices, the bureaucracy. My colleague proposes that a majority of them be drawn from the private sector. My friend from Newfoundland wonders what is wrong with having most of them come from the Government offices. There is nothing morally wrong with that. However, the fact is that that usually does not work very well. It is not that it has been without success, but the batting average is probably not very good.

The reason that the success rate is not very good is that there is a difference between the mind-set of those members on a board of directors who come from Government offices and that of those who come from the private sector. They have different mind sets, different philosophies, different reasons for being there and, perhaps, different ideologies. Mainly, they have different reasons for being there.

A Government official's reason for being on a board of directors is very simple and very honourable, and it is to protect the taxpayers' money. He wants to make sure that the investments are secure, that they will be above reproach, that he will not fall under any kind of criticism and that the Government will fall under a minimum amount of criticism as a result of these investments.

Goodness knows I wish some of these people would have had some say in the investment in the Maislin Corporation and in a few other large grants that the Government has made outside of the parameters of these lending agencies. Obviously the lending agencies had nothing to do with those kinds of grants.

The reason the Government official is there is to make sure that the investment is secure, and if it is secure, to avoid political criticism and mistakes as much as possible, and that is a good reason for his being there. However, that is not the function of that organization. That is not why that organization exists.

Obviously the investments ought to be as secure as possible, but there are other ingredients to an investment corporation and one other ingredient is that there ought to be some risk. Those two principles do not mix very well when there are two opposing kinds of people on the board.

● (1720)

Let me use as an illustration the national banks that are now in many cases riding herd on some of the companies that are in trouble across the land as a result of the recession. Here is company "X" with, let us say, $2 million worth of capital investment. It is now just at the point of having as much debt as equity. The banks get nervous and the bank bureaucracies are no different from Government bureaucracies. They get twitchy. What do they do? Do they come and say, "Let us get some creative people in this organization to help you out so that you will have a better cash flow"? No, they send out a bank auditor who knows nothing about the business and whose one purpose is to make sure that the bank's investment is secure and not to make sure that the company will succeed. They want to retrieve as much as possible of the bank's investment.

I submit to you, Mr. Speaker, that that kind of mentality is parallel to or at least similar to the kind of mind-set that the Government official has when he sits on a board of investment such as this. The board member from the private sector, however, has an entirely different approach to business. Obviously he wants his investment to be secure—no one is in business to lose money—but he also has a willingness to take a creative risk. He does not mind risking in order to succeed, if necessary.

On a national scale, one of the problems in this country is that we do not risk easily enough. That is why we have billions of dollars of foreign investment in the country. Per capita, Canadians have more money in the bank than any other country in the world. Canadians do not want to take risks and prefer the safe route. The Export Development Corporation cannot succeed if it has the mindset of a Government bureaucracy that is afraid to take a risk.

There is another reason why it is not good to have a majority of Government officials on the board of directors. It was indicated in a different way by the Hon. Member for Richmond-South Delta (Mr. Siddon). He pointed out that not too long ago the Export Development Corporation funded a coal mining venture in Sumatra for which Canada would provide the equipment. In the process, Sumatra will become competitive with the coal mines of British Columbia. I suspect that if a majority of the board of directors of the Export Development Corporation had had the marketplace in mind rather than the immediate sale of equipment, they would not have funded a mining operation that would cut out domestic interests. This is an investment on an international scale that in the long run will hurt the domestic market.

I submit that if there were more members from the private sector on the board of directors of the corporation and they were sensitive to domestic trade, an investment would not have been made that would cut off trade within Canada.

For these reasons the amendment submitted by the Hon. Member for Mississauga South is a good one. I would ask Members of the Government to be open-minded about the whole proposition. There was a day when the Party opposite had the marketplace and free enterprise as its hallmark. It has shifted its focus and is now looking at security by way of Government departments and Government officials.

I support this amendment, Mr. Speaker, because it would introduce some creativity into the investment market for the Export Development Corporation.

Hon. Gerald Regan (Minister of State (International Trade)): Mr. Speaker, in speaking to the amendment proposed by the Hon. Member for Mississauga South (Mr. Blenkarn), first of all I want to thank all Hon. Members who have spoken on it today. There have been some excellent interventions and only a few things have been expressed with which I can seriously disagree.

I believe that the interest exhibited in the importance of the export industry is heartening and appropriate in relation to the role exports play in the creation of jobs in Canada. I am sure you are cognizant of the fact, Mr. Speaker, that, more than any other advanced industrialized country, Canada depends on the sale of goods and services in overseas markets for the standard of living we enjoy. It would not be available to us if over two million Canadians were not employed as a consequence of exports. I believe we can do even better than we have to date to develop export markets for our goods and services.

The intention of the amendment is the provide the Export Development Corporation—which is one of a number of ways in which the Government assists exporters in this country—to do a better job than it has been able to until now.

Before I enter into a discussion of what has been said and attempt to react to some of the comments made, I want to take advantage of this opportunity to congratulate the Hon.

Member for Kindersley-Lloydminster (Mr. McKnight), who participated in the debate, upon his nomination as shadow Cabinet critic for international trade. During his time in Parliament he has been an outstanding Member and I know he will bring great ability to the job. I look forward to his comments and assistance in this particular task.

I also want to congratulate his associate critic, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), who also spoke in the debate. He also has made a mark as an able Member in his time in the House. I am gratified that people who are constructive and able have received these assignments for what I consider to be a very important portfolio.

During the time that the Bill was in committee it received very careful consideration and lengthy examination. A number of other Hon. Members opposite have shown interest in the subject in committee and in the House. I particularly commend the Hon. Member for Mississauga South (Mr. Blenkarn) who has shown a very keen interest in the Bill and in bringing forward suggestions for ways in which it could be improved, according to his judgment. I want to emphasize that because, even though I am unable to accept the particular amendment that he has proposed, I agree and applaud the principle of greater private sector participation in the Export Development Corporation. I propose to follow that principle in my dealings with the board.

I cannot agree, however, with the principle of codification or, if you like, a statutory quota for how the board of directors of a Crown corporation should be made up. I do not believe we should tie the hands of future Governments with reference to how appointments are to be made. Appointments should be made from the private or public sector according to the talent that is available at a particular time and according to the ability of the people available. That is a principle that has been followed traditionally in all Crown corporations, I believe.

I have always thought that if we are to have Crown corporations—and certainly the EDC is one that is necessary for reasons that are plain—we should set them up so that they can operate with the flexibility of a private company and with as few strings as possible. That is the way to achieve the healthy atmosphere of private enterprise in a Government-owned company.

I want to emphasize that while the Export Development Corporation is vital for its work in financing our exports, no one should be under the illusion that it is the only organization that is financing exports. It finances only a very small portion of total Canadian exports. The vast portion of this financing is done by the private banking system, as it should be. We have the situation, however, that the banks are often unwilling or unable, for good reason, to do the long-term financing that may be required to enable us to achieve the major overseas sales which bring a great number of jobs to Canada and benefits to our companies. It is in that area primarily that EDC has the greatest validity, and I believe that most Hon. Members of the House recognize its importance in that regard.

• (1730)

I would like to say, in response to the concerns of the Hon. Member for Mississauga South, which have been reflected by other Hon. Members who have spoken on this matter, that I agree with the principle that the majority of directors of EDC should come from the private sector. I feel it is a good idea, and as long as I am minister I can assure him that I will do all I can to ensure that that will be the case, that the majority will be appointed from the private sector.

I believe that in enlarging the board to 15, we are not only making it possible for us to be in the position of ensuring a majority from the private sector, but also of ensuring the regional representation of which some Hon. Members have spoken as well. That, I believe, is also important. What I do want to say, however, is that the public sector directors who participate on the board, in my opinion, do a very valuable job, and I feel their work is important. There seems to have been some misconception by one or two Hon. Members who thought these directors were people who came from the EDC itself. That, of course, is not the case. It is not a question of employees running their own organization. It is, rather, the importance which has been recognized by successive Governments of having the key financial agencies of Government represented by able people on the Export Development Corporation, if it is going to have the full co-operation of those branches of Government and be best able to serve the exporters of our country.

I would like to say that I have found the private sector appointees, the directors, who do an excellent job on the board, and the public sector directors, to be working in harmony with each other. There has not been a case of a split between them. Indeed, they work in close co-operation and it makes a good mix. I feel that we would make that mix better if, as the Hon. Member for Mississauga South has suggested, we see to it that an over-all majority of directors come from the private sector. However, I do want to emphasize that in my considered opinion it is valuable to the goal which we all share to have the Department of Finance recognized on the board, to have the Bank of Canada represented, and to have CIDA represented, because in many instances we have co-operation between the Export Development Corporation and CIDA in what you call a "trade-aid" program, contracts which are part aid and part trade. As well, because of the fact that the new Department of DRIE, or Industry Trade and Commerce as it has been called, is responsible for the operation of the industries within the country, and the liaison with the private sector in that regard, it is important that that Department also be represented on the board. Therefore, I believe there is the need not only for three public sector directors, as the Hon. Member has suggested, but for five or six—but not more. I do agree that with the larger board, the rest of the appointees should tend to come from the private sector and that that is something which we will pursue.

I did have an element of dispute with the words of the Hon. Member for Yorkton-Melville (Mr. Nystrom) when he spoke on this subject. I thought that his words touched on being frivolous when he talked about political appointments and said

that people on the board from the private sector—and we are seeking to increase the number from the private sector—were there as political hacks. I do not feel that any Hon. Member who examines the membership of the private sector members on this board would conclude that that is the case, and I hope that it will not become the case. I hope that private sector directors will be appointed in the future by various governments according to their expertise in export, their experience and what they have to contribute from the private sector in that regard. I would be very surprised if an Hon. Member can point to some member of the Export Development Corporation board of directors and suggest that that is not the case. I can assure Hon. Members that we are going to continue to see to it that people are appointed who will contribute, whether they are Conservative, Liberal, NDP or "neuter", if you like.

I would like to move on, Mr. Speaker, to say a word in relation to the remarks of the Hon. Member for York-Peel (Mr. Stevens).

Mr. Deputy Speaker: I regret to interrupt the Hon. Minister, but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent.

Mr. Regan: I thank Hon. Members for their generous attitude in allowing me to conclude my remarks. I will attempt to be very brief. I do want to say that the Hon. Member for York-Peel was concerned about concessional financing, and we are all concerned about concessional financing. I believe that Canada has followed, and should follow a policy of attempting to get firm international agreement on consensus rates so that exporting countries will not waste their resources in trying to outbid each other on the level of the financing percentages. I feel that is wasteful and ill-advised and Canada cannot afford to get into that sort of spending race. I feel that our policy of strongly pursuing international agreement is very important. However, we have gone beyond that and said that when there is an important opportunity which is of net benefit to the Canadian public, where it is shown to us that a competitor is breaking the consensus or offering a concessional rate, we should examine whether it is in the interests of Canada to match that. And in examining whether it is in Canada's interests, one would have to determine whether the jobs which would be created were a better price than the other sort of job creation on which we spend money through various Government departments, and whether the net benefit to Canada makes it worth-while. Above all, our primary effort should be get international agreement in order to avoid that.

I am sure that Hon. Members would pardon me as a Maritime member if I took just a moment to agree with the remarks of the Hon. Member for Carleton-Charlotte (Mr. McCain) who spoke of the potato situation and the dumping investigation which is under way in the United States. I would like to associate myself with the concern of the Hon. Member and say that we have made representations at the highest possible level. I have written directly to Mr. Baldrige, the American Minister of Commerce, as well as making representations to other members of the American Government, about the seriousness with which we regard this investigation and how ill-founded we consider it. We believe that the trade in potatoes has been accurately described by the Hon. Member for Carleton-Charlotte and that, indeed, the generous attitude which has characterized Canadian-American relations in the last year should prevail so that the United States realistically recognize the fact that we usually buy more potatoes than we sell and recognize the way in which this trade has historically operated.

I do want to say a word of thanks to the Hon. Member for Cumberland-Colchester (Mr. Coates) for his words of commendation on my work in this Department and to say that he knows well the importance of export with Northern Telecom located in his constituency. I am happy that during my time as premier he and I were able to co-operate together in enticing Northern Telecom to that location, with all the benefits which have gone to Amherst in the intervening years as a consequence.

The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), who spoke at the last, gave an example which bothered me. He said it is bad when we finance the export of machinery which results in another country, which was formerly or could be in the future a market for our product, ending up building a factory with that machinery which will compete against us. While that does look sad at first blush, I believe that, like the Japanese, we have to be realistic and recognize that if they do not get the machinery from us, then they will get it elsewhere and that trade is a moving target. The country we sell something to today, as it progresses and develops, we will sell other things to in three years' time. You can never count on always having a continuing market for the same product and we must always adjust in that regard. I think probably if the Hon. Member looks into this in more depth he will see there is justification for the financing of machinery in that circumstance.

● (1740)

Finally, Sir, I am grateful to Hon. Members because I have trespassed on their time, but I cannot vote for the amendment. I ask Hon. Members to vote against the amendment, but I do express my thanks to the Hon. Member for the spirit contained in the amendment that there be greater participation on the board by the private sector, and I assure him that I will see to it that that is the case. I believe that the Canadian businessmen who are doing so well, who set new records last year and this year in exports will, with the assistance and support of all Members of this House, continue in that valuable work.

Mr. Lambert: Mr. Speaker, if the House would indulge me I would like to ask the Minister whether he would discuss the matter I raised with him concerning the chairman and chief executive officer?

Mr. Regan: Mr. Speaker, I apologize to the Hon. Member for Edmonton West (Mr. Lambert) for not having dealt with that matter but I take the same position in relation to that as I do on the codification of where directors will come from. I believe the amendment we gave in committee, which provided that there will be a chairman as well as the president and that the directors can come from wherever, meets the spirit of the concern, and as far as I am in a position to say today it will be my intention and my effort to seek to have a chairman who is from the private sector established with a president from the public sector, or vice versa.

I want to say, with reference to what the Hon. Member mentioned about how some companies operate, that my experience has indicated to me that in the private sector you find at different times almost every combination. Some companies have one person who is both president and chairman, others have a chairman who is the chief executive officer and not the president, and others have a president who is the chief executive officer. I think that flexibility exists in the private sector and is suitable in this instance also, but I do favour the principle of the separation of president and chairman of the board and I agree that one of them should be from the private sector.

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

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will pleased say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, the recorded division on the proposed motion stands deferred.

Mr. Forrestall: Mr. Speaker, on a point of order. It appears to be getting very close to six o'clock. Inasmuch as the Hon. Member for Ontario (Mr. Fennell), the Hon. Member for Mississauga South (Mr. Blenkarn) and the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) are here in the Chamber, there might be a disposition on the part of the House to move now to the adjournment debate.

Mr. Deputy Speaker: Is there agreement that we now proceed to the adjournment debate?

Some Hon. Members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CROWN CORPORATIONS—CAPITALIZATION OF CORPORATIONS. (B) USE OF LETTERS OF COMFORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I missed my opportunity to speak on the motion on Bill C-110 but I have my opportunity now to talk about a very similar subject, that of Crown corporations and the Government's practice of providing letters of comfort.

For myself and many of my colleagues this all came to light this spring when we had the unfortunate experience of witnessing one of the greatest financial travesties in this country, namely the collapse of Canadair and de Havilland. In my riding, Mr. Speaker, the people do not understand how much $2 billion is, let alone $500 million. In their minds that would be enough money to build industry to create jobs not only for every person in my riding but possibly for two or three surrounding ridings.

On June 22, 1983, I asked the Minister whether it was common practice to operate Crown corporations by letters of comfort. At that time I got no answer. Upon checking through the two Crown corporations I referred to, I found this had been carried on over an extended period of time. This, Mr. Speaker, to the citizens of this country is as immoral as printing money without coming before this House for approval. If you are going to have borrowing bills, then this method of providing money should be dealt with in the same way.

Letters of comfort, Mr. Speaker, are guarantees from the federal Government to Canadian and international banks. This is not only taking capital out of the country, it is also taking the interest on that capital out of the country. It increases the debt we owe to the rest of the world as well as to Canadians, and I feel this practice should be stopped.

In the Bill we have just been discussing, which we object to, Mr. Speaker, there is no accountability to the House of Commons. The same situation pertains to these letters of comfort. On June 22, I asked the President of the Treasury Board (Mr. Gray) to table in this House the number of Crown corporations financed by letters of comfort. I would like to extend that. I not only want to know the number, I would like to know the names and I would also like to know the individual amounts. The reason I cut the question short is that Madam Speaker is so in tune with what is happening she cuts us off rather quickly and we have to be very concise with our questions, and sometimes we do not the entire question in.

To me, Mr. Speaker, receiving a letter of comfort is the same thing as taking money out of the back door of the bank. In that way no one seems to know about it. There is another method that perhaps the Government could use instead of letters of comfort, that is through computer mystique, comput-

er disappearance. Perhaps that is how the Government should be getting the money to run these Crown corporations. I do not know, Mr. Speaker, but it is a thought. Now that we have nailed them down on this one, they will find a new method. But any time, Mr. Speaker, that the Government goes into the taxpayers' pockets and removes $1.4 billion, in the case of Canadair, it must be accountable to the House of Commons.

It would be marvellous for Canadian corporations and small businesses to be able to operate under letters of comfort, Mr. Speaker. Can one imagine what would happen if a proliferation of letters of comfort were allowed? Supposing a small businessman having trouble went to his Member of Parliament and said, "I require a letter of comfort because my company is almost in bankruptcy." Where would it stop?

● (1750)

Let us take another example. In every Department of Government, there are hidden corporations, some of which we have not even been able to locate. There is a budget put down in the Estimates by which Departments are supposed to live. Those corporations could funnel more cash into that Department through the back door, thus increasing budgets over and above the original Estimates.

I do not know how many other games are being played and perpetuated on the Canadian public. However, I do not believe this is the only one. Furthermore, from June 22 to this day, I do not have a record of what this money is, what has been going out, how much and to whom.

Let us take another example of a letter of comfort, and truly a letter of comfort as it is used, involving $34 million more for Maislin Transport. That is another letter of comfort, another name for a guarantee. That one went down the tube.

I must really ask another question. How many other guarantees are out to the private sector that have never come before this House because they are too small in amount to be considered? I think the Auditor General is aware of this situation. He is watching for it. However, it is something he cannot track down because it is done outside of his terms of reference. He must check the audits of the Department. He does not even have the right to audit Crown corporations until the Opposition stands in the House and demands that it be done.

I would therefore like to see the entire Government format changed, the financial responsibility changed, and letters of comfort discontinued. In order to prove this point, I would today like to see the list I requested on June 22 with the updated information I requested.

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the issue of letters of comfort has been discussed at some length over the past year, especially at the Standing Senate Committee on National Finance. Consequently, much of what I am about to say has already been reported to that Committee.

As Members are aware, it is the Government's current policy to issue letters of comfort only in those instances where Parliamentary authority for a guarantee does not yet exist but where it is the Government's intention to seek such authority. Approval to issue a letter of comfort is given by Governor in Council upon the recommendation of the Treasury Board and subject to the approval of the Minister of Finance (Mr. MacEachen) of the terms and conditions of the borrowing in question.

Letters of comfort have been used in the past to assist both Canadair and de Havilland to borrow funds until such time as guarantees could be issued. de Havilland, for example, borrowed $70 million on the basis of a letter of comfort issued on December 24, 1976 by the then Minister of Industry, Trade and Commerce, for the production of the Dash-7 aircraft. The letter of comfort, with an expiry date of December 31, 1980, was extended to September, 1981, at which time it was no longer required. Appropriation Act No. 4, 1980-81 authorized the guarantee of loans to de Havilland to a limit of $450 million and no further letters of comfort have been issued for de Havilland.

Canadair has used letters of comfort since its purchase by the Crown in 1976 when an operating line of credit was issued to Canadair covered by a letter of comfort issued by the then Minister of Industry, Trade and Commerce. The Challenger program was approved by the government in October, 1976, and financial arrangements were made for a further line of credit supported by a loan guarantee authorized by Appropriation Acts No. 5, 1976-77 and No. 3, 1977-78.

In June, 1978, refinancing of the guaranteed loan and the Challenger special operating line of credit was enabled through the issue of a letter of comfort.

By March, 1979, an additional loan was secured by a letter of comfort and an increase in cash requirements by September, 1979, resulted in a loan guarantee authorized by Appropriation Act No. 1, 1980-81.

By April, 1981, the company identified further cash requirements and Treasury Board recommended an additional letter of comfort to be issued and replaced upon Parliamentary approval of further loan guarantees. In September, 1981, Treasury Board again recommended further interim letters of comfort to be replaced upon Parliamentary approval of loan guarantees. This authority was obtained in Appropriation Act No. 4, 1981-82, with the result that the interim letters of comfort will either be replaced by the guarantees or will be allowed to expire.

Currently, there are two outstanding letters of comfort for Canadair supporting two loans totalling $130 million (U.S.). The total value of loans, either guaranteed or supported by letters of comfort, are within the Parliamentary authorized $1.35 billion guarantee ceiling.

There is one other letter of comfort outstanding, bringing the total to three at this time. This letter of comfort was issued to support a $150 million loan in Canadian funds of Ridley Terminals Limited, a company 90 per cent owned by National Harbours Board. The letter of comfort was issued on September 14, 1982, and is currently in the process of being replaced.

I hope this clarifies this issue. It is not this Government's intention nor practice to use letters of comfort—

Mr. Deputy Speaker: I hesitate to interrupt the Parliamentary Secretary, but the time allotted to him has expired.

CROWN CORPORATIONS—CANADAIR—MANUFACTURE OF EXECUTIVE JET AIRCRAFT—GOVERNMENT FUNDING. (B) GOVERNMENT POSITION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on June 15 last, I had occasion to ask a question of the Minister of National Revenue (Mr Bussières), who reports to the House for the Minister of State for Social Development, with respect to Canadair Limited and certain moneys that had been transferred on that date to Canadair in the amount of $240 million.

Your Honour will recall that in December of 1982 the House advanced $200 million to Canadair. In June of this year we advanced $240 million. Of course, following the question placed on June 15, there were a number of meetings with the Public Accounts Committee where Canadair attempted to explain itself through the new owner of that company or the purported owner of that company or the imputed owner of that company, an organization calling itself the Canada Development Investment Corporation, a corporation that has yet to receive any Parliamentary authority, but one authored and operated by one Joel Bell of National Energy Board fame.

All of the evidence brought to the Public Accounts Committee indicated that we had only given a short term transfusion to Canadair in June. We gave it $240 million then. Mr. Bell admitted that the money was virtually all spent when the Corporation received it and that indeed, by this fall sometime, he would have to bring the leukemia victim back before Parliament for another transfusion.

Therefore, it is with that in mind that I was prompted to ask the question of the Minister of National Revenue, because what is presently being done at Canadair, in terms of the losing operations of that Corporation, involves the building of executive jet aircraft. That, of course, is a real matter of social policy. That executive jet aircraft should be built is clearly important to help those less fortunate corporate executives go back and forth across the country. I say back and forth across the country because unless the new 601 carries only four passengers, it cannot get beyond across the country. It is designed to carry 20 people. But with four aboard it can go as far as the U.K.

● (1800)

Speaking to the social policy, I thought it would be fair to inquire in the House, and perhaps get an explanation from the Minister's Parliamentary Secretary, as to why we should spend $25 million a copy to build aircraft that cannot be sold, but we do put a price tag on them of $11 million. The subsidy really for the social purpose of Canadair is only somewhere between $14 million and $15 million a copy. Of course, that also would bring into mind the social purpose when one examines the new sales of Canadair this year. Indeed, by June Canadair had yet to sell a new airplane and make a new sale for 1983. I suspect Canadair has still not made a new sale. The effect is that while we operate this company and while we would this aircraft and while we have the social responsible aircraft flying around—

Mr. Blais: Canadair will not sell any if you go on saying what you are saying.

Mr. Blenkarn: —as white tails which are rented from the Pepsi-Cola people, we have a situation where they cannot be sold for what they cost to produce.

Somewhere along the line it is imperative that we receive in the House some accounting from this Government; some social accounting perhaps. This corporation has been successful building water bombers and drones. It has good contracts to make parts for the Boeing 767. It makes parts for the F-18, I believe, and it has other possible work it can do. But in terms of the Challenger program it has been a total financial catrastrophe. Yet even the other day the new president of this corporation spoke glowingly and optimistically of the market for the Challenger. We must know, Sir, having put in $200 million in December, $240 million in June, and we are likely to be called on again for another transfusion, where are we going? Where is this corporation going? Where is the Government going with the taxpayers' money? It is the responsibility of the Minister, the Parliamentary Secretary, or whomever is going to answer for the Government, to give us some answers today. This situation cannot go on forever. We must have a rationalization of the aerospace companies owned by this Government and managed by this Government. The Government presumably has confidence in the management though most of us on this side do not. Except for the president, the management is in place. The Government presumably has confidence in the directors even though most of them are political friends of Government. They have all been reappointed. The Government has the matter in its control. The Government must answer.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am surprised and dismayed by my hon. friend's incessant attacks on Canadair and its Challenger executive jet.

Some Hon. Members: Oh, oh!

Mr. Bloomfield: I only wish he could have attended a recent Canadair seminar for the people who own and fly this outstanding aircraft. He would have found a confident gathering. Canadair's customers are happy with the aircraft and Canadair is on the comeback trail.

Some Hon. Members: Oh, oh!

Mr. Bloomfield: No one denies that Canadair has had its problems. But that is no reason to lose our nerve and abandon our effort as a country to participate in this important industry. What we have to do, at least what we on this side of the House believe we have to do, is strengthen the industry,

improve its management, lower its operating costs and pursue profits.

● (1805)

Indeed the plane has cost more than the Government was told would be needed, but that money has been spent and the issue now is to get back what we can. CDIC believes that the Challenger will play a major role in Canadair's future. Challenger customers are confident as well. A headline in *The Gazette* earlier this month declared: "Customers Give Challenger Jet Top Marks". After interviewing users the reporter wrote, "the people who fly the plane say they love it". A similar note was sounded in the September issue of the Business and Commercial Aviation magazine which carried a lengthy cover story on operator assessments of the Challenger.

For the record, the cost to Canadair of building a Challenger today is less than the price at which the plane is being offered for sale today. This covers all costs except interest, but interest costs will occur whether or not the plane is built. I challenge not only the Hon. Member opposite, but his new leader as well, to declare whether under those circumstances they believe production should be ended. Instead of playing the game of innuendo, why do they not have the courage to say where they stand? Moreover, let me remind them that the biggest impediment to future sales of the Challenger is the doubt created in the marketplace when the Canadian media and Opposition Members attack the plane. This makes prospective customers uneasy.

The reasons for government support of Canadair are clear and straightforward. Canada has to export to live. Canada needs high productivity. Canada needs jobs. The Challenger plane is largely exported, earning United States dollars for us to pay for the other things we import. Canadair is a high technology, high productivity company. It provides thousands of jobs at good pay for skilled Canadians. Does my hon. friend opposite want to destroy all this? Is this the policy of the Official Opposition?

At the Committee hearings Hon. Members obtained a wealth of information. In addition they have been promised a further report from CDIC before the end of the year on the future plans for the Challenger program. There have been problems at Canadair, but the situation is steadily improving. It is unfortunate my hon. friend is so fixed in his antagonism to the Challenger and to Canadair.

ENERGY—SALES OF WESTERN COAL IN CENTRAL CANADA. (B) REQUEST FOR COST STUDY OF COAL USE

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, it has been almost three months since I raised a question in the House concerning the use of western Canadian coal to supply eastern Canadian markets. On June 16 I pointed out to the House, and specifically to the Minister of Energy, Mines and Resources (Mr. Chrétien), that Canada imports approximately 16 million tonnes of coal every year from the United States. We import all that coal despite the fact that we are one of the world's great coal producers. We pay an enormous price for that imported coal. Each year a billion dollars flows out of the country to pay for that imported coal. Along with that billion dollars we lose approximately 30,000 jobs in Canada.

In return for that enormous loss of jobs, what do we get? We get massive pollution problems because imported American coal has eight times the sulphur content of Canadian coal. This extra sulphur goes directly into acid rain. In spite of these enormous costs and consequences, the Minister of Energy, Mines and Resources refused even to give the question a serious answer. Instead we were treated to the stupid response that Canada's rail facilities could not handle both coal and wheat at the same time, something he said changing the Crow rate would improve.

If the Minister knew his geography, he would know that the main problems of the rail transportation system are in western Canada. In southeastern British Columbia and in Alberta one has to travel large distances before one hits the main traffic of the railway system. This would not affect rail transportation in any way whatsoever.

I gave the Minister notice of the question. If he had tried to find out something about it, he would have discovered that the change in the Crow rate would have absolutely nothing to do with shipping coal east on southern railway lines. He might even have found out that the Japanese, one of our major customers, have demanded that their Canadian suppliers absorb cuts in both the sales of coal and its price. I would have thought the possibility of 30,000 new jobs in Canada and the saving of $1 billion flowing out of this country would have been worth at least that much work on the part of the Minister. Perhaps, because most of these jobs would be created in western Canada, the Minister, like his colleagues, simply does not care.

● (1810)

On behalf of all Canadians, particularly the unemployed miners in western Canada, I again ask whether the Minister will have his Department carry out an extensive study to determine the feasibility of using western coal to supply eastern Canadian markets as a replacement for imported American coal? Will the Minister ensure that such a study includes the very real costs of increased acid rain as a result of using imported American coal?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, having listened to the Hon. Member I want to assure him that I share his concern that quantities of western coal are not being utilized in central Canada. I point out to him that there is a large body of coal in eastern Canada, namely the Maritimes, which would like to find its way to market in central Canada as well.

Unfortunately the Hon. Member refuses, intentionally or otherwise, to accept some of the arguments which are economic in substance. Earlier today we heard from the Minister of State for International Trade (Mr. Regan), who at one point in his career was the Premier of Nova Scotia. On numerous

occasions he tried diligently to attempt to get eastern coal into the markets of central Canada. Unfortunately, he was not successful, primarily because of the economics of shipping the coal from eastern to central Canada. Likewise, the argument holds for shipping coal from western Canada to central Canada.

Due to the size and geography of this country, Canada has long been a coal trader. During 1982, Canada exported 16 million tonnes of coal valued at $1.2 billion and imported 15.7 million tonnes at approximately $1.2 billion. While Canada is currently a net coal exporter both in terms of volume and value of coal, exports have been forecasted to grow in the future and imports are expected to drop.

I wish to assure the Hon. Member that I will take under advisement his suggestion, and pursue it with the Minister of Energy, Mines and Resources (Mr. Chrétien). However, I do not want the opportunity to go by without saying that we have already looked at the various possibilities. The Hon. Member must remember that Ontario Hydro is not owned or operated by the Government of Canada, but by the Province of Ontario. It is they in their wisdom who will determine whether they will purchase coal from western Canada, in his instance, or in my instance, from eastern Canada.

The Hon. Member makes a valid point that the Government should consider re-examining this. I assure him I will raise this point with the Minister. If anything can be done, I am sure this government will attempt to do it in order to assist not only the people of western Canada but of eastern Canada. As he knows, it would provide much in terms of job creation at this time in our economy.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.15 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, September 14, 1983

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NUCLEAR ARMAMENTS

CONDEMNATION OF SOVIET UNION POLICIES

Mr. Gordon Taylor (Bow River): Madam Speaker, the avowed objective of Soviet communism is world domination. The Soviet bureaucracy does not care how long it takes or what means it uses to achieve that end. One tactic is fifth column activities. For instance, while the Soviets have been testing and piling up missiles, their fifth columns have been hypocritically and cleverly inducing as many people as possible in the NATO countries to protest the building and testing of missiles. People sincerely interested in peace have been cleverly induced into supporting this Soviet planned unilateral disarmament.

The Soviets have tripled the number of missiles that NATO countries possess, and have been testing and testing, until now their aim is 90 per cent improved over what it was two years ago. Their accuracy was tested when the Korean passenger plane was destroyed with one of their missiles and 269 innocent people, including ten Canadians, were murdered.

Yes, let us work for peace. Let us do everything possible to avoid a nuclear war, but let us be realistic. Canadians do not want a nuclear conflict. Canadians do want a world-wide reduction of nuclear armaments, a reduction that will apply to all nations and one that will be balanced, mutual, and verifiable.

* * *

BILINGUALISM

EROSION OF ENGLISH LANGUAGE RIGHTS IN PROVINCE OF QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I was extremely pleased yesterday with the readiness of the Prime Minister (Mr. Trudeau) to meet with the Leader of the Opposition (Mr. Mulroney) and the Leader of the NDP to prepare an all-Party resolution requesting the Legislature of Manitoba to entrench official bilingualism in that Province.

I fully support that initiative and hope that it proceeds quickly. On the other hand, I would like to remind the House that minority language rights are still threatened and under attack in other Provinces in this country.

In Quebec, my Province, the present government will not agree to entrench rights, especially the opting in to Section 23(1)(a) regarding linguistic minority education, which is in the Constitution Act of 1981. Over the years this same government has continually eroded minority language rights in that Province. Let us move ahead in Manitoba, but let us not forget that minority language groups in other Provinces have problems as well, and give them some consideration too.

* * *

AGRICULTURE

PLIGHT OF INDUSTRY IN BRITISH COLUMBIA

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, Canadian farmers face extinction. B.C. newspapers have headlined the distressed condition of agriculture in that Province. A thousand Okanagan fruit growers have demonstrated their frustration by rallying with hundreds of tractors, clogging highways on Labour Day.

The cry at the farmers' rally, repeated by the B.C. Minister of Agriculture, seeks imposition of temporary tariffs on imported fruits and vegetables when there is a domestic surplus. The most obvious response thus far from Canada is in a notice that Okanagan farm organizations have been charged under the Federal Combines Investigation Act. This extremely questionable action imposes an additional financial burden on farmers facing personal ruin.

Underlining the crisis, the area August jobless rate reached 14.2 per cent, up from 11.7 per cent a year ago. With unfair foreign competition threatening the demise of the last remaining fruit canning plant in the Okanagan, and with agriculture in disarray, this statistic can only worsen unless immediate action is taken.

Farmers are perplexed to read in their newspapers headlines such as "Auto import curbs hit local dealers". These farmers are simply asking the Government of Canada for treatment equitable to that provided auto and textile workers. They demand that government commit itself to the survival of agriculture, and act in their defence.

S.O. 21

POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY ON WESTERN GRAIN TRANSPORTATION ACT

Hon. Edward Broadbent (Oshawa): Madam Speaker, there is a particularly iniquitous piece of legislation being considered by a committee of this House, namely, the proposed Bill that will bring about, if passed, changes to the Crow rate. Up to this point the Conservative Party of Canada has been prepared to accept the principle of changes in the Crow rate, something that the New Democratic Party has consistently opposed.

It was remarkably refreshing to learn last night that once again the Conservatives have done a 180 degree reversal in policy and are now prepared, for at least three years, to leave the Crow rate as it is. We hope that after three years passes they will make another three years' extension. We will remain consistent in that position on that issue.

Now that they have made this change, we would like them to support the other arguments of the NDP on this Bill, namely, to split it up into three sections. One dealing with rates—let us get rid of that. The second is on the important question of upgrading rail and port facilities. We should proceed with that immediately. The next portion concerns the resolution of the ownership of an important 50,000 acres of coal land that lie in British Columbia. We in this Party say that that land should go to British Columbia, and we want Tory support on that as well.

Madam Speaker: Order, please. I am sorry, but the Hon. Member's time is up.

* * *

● (1410)

[*Translation*]

AGRICULTURE

CROWSNEST PASS RATE—POSITION OF THE PROGRESSIVE CONSERVATIVE PARTY

Mr. Gaston Gourde (Lévis): Madam Speaker, yesterday evening, the Progressive Conservative Party made another about-face on its position on the Crow's Nest Pass rate. On May 12, 1983, the Member for Vegreville (Mr. Mazankowski) and Progressive Conservative critic for transport said, among other things, that the members of his Party had always taken the position that improvements to the existing statutory rate should be made and that he realized something had to be done to improve the situation. In the same statement on May 12, he also said that most producers were prepared to pay more than the statutory freight rate. Finally, he made a proposal that farmers should be allowed to decide whether payment should go to the railroads or to themselves. Yesterday evening, however, the same Member for Vegreville, speaking on behalf of the Progressive Conservative Party, made a proposal supporting a return to the *status quo*. This is contrary to what I read in a letter the New Leader of the Progressive Party sent me in July, in which he supported the position taken by the Member for Vegreville on May 12, 1983, in this House.

In June 1983, in *Terre de chez nous*, Mario Dumais wrote an editorial under the following headline:

"One party, three policies".

Madam Speaker, from now on, we should say: One party, four policies!"

* * *

[*English*]

THE ADMINISTRATION

LACK OF NEWFOUNDLAND REPRESENTATION IN CABINET

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise to express on behalf of the people of Newfoundland our profound sense of outrage over the events that have transpired since the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) was so shoddily fired from his post as Newfoundland's representative in the Cabinet. Arising out of the statement in the House by the Hon. Member for Burin-St. George's (Mr. Simmons) on September 12, and the Prime Minister's (Mr. Trudeau) incredible admission in the House yesterday, we now know that the Hon. Member for Burin-St. George's was appointed to the Cabinet without the normal security check.

The Right Hon. Member for Yellowhead (Mr. Clark), prior to making appointments to his Cabinet, submitted a list to the RCMP and the Department of National Revenue. It was only after clearance by these two agencies that appointments were made. That such a practice was not followed in the case of the Hon. Member for Burin-St. George's is, to put it mildly, incredible.

However, the result of this "Mickey Mouse" performance is that Newfoundland is not represented in Cabinet at a most critical time in its history. The fishing industry is in a state of bankruptcy and chaos and talks on the offshore have broken down. These problems are exacerbated by the fact that Newfoundland officially has one in five unemployed, the highest unemployment rate by far of any province.

This is a scandalous and unacceptable situation for which the Prime Minister and his colleagues stand condemned, not only by the people of Newfoundland but by the people of Canada.

* * *

VETERANS AFFAIRS

DELAY IN DELIVERY OF PENSION CHEQUES TO WESTERN CANADA

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I would like to alert Members of Parliament to a very serious example of blatant discrimination that occurs against western

Canadians, more specifically against war veterans and their families who live in certain areas of western Canada.

Many war veterans and their families depend upon the War Veterans Allowance, disability pensions, and widows' pensions to meet mortgage, utility and other financial obligations. However, in areas of western Canada these cheques regularly arrive late. In most parts of Canada war veterans and their families receive their federal cheques within two or three days of mailing, yet in certain parts of western Canada the mails result in delays of up to one week for hundreds of veterans and their families. The anxiety, frustration, and in some instances fear that result from these repeatedly late cheques are both unnecessary and unacceptable.

These veterans were prepared to die for our country, and many have suffered for many years as a result of their service. These veterans and their families deserve better recognition and treatment. I urge the Minister of Veterans Affairs (Mr. Bennett) to end this act of blatant discrimination, and I encourage all Members of the House of Commons to bring pressure on the Minister and his Department to right this very serious wrong which is being perpetrated against Canadian war veterans who have made their homes in western Canada.

* * *

● (1415)

MULTICULTURALISM

CALL FOR ESTABLISHMENT OF CANADA HERITAGE DAY

Mr. Bill Yurko (Edmonton East): Madam Speaker, in 1974 on the first Monday in August, the Hon. Horst Schmid, then Minister of Culture in the Alberta Government, officially proclaimed the first Heritage Day in Alberta.

This multicultural event has exploded in Alberta as a day and weekend of celebration of the music, the dancing, the dress, and the food of the various ethnic groups which now form the Alberta society.

This year in Edmonton alone nearly 500,000 people attended the two day heritage festival held at Hawrelak Park to enjoy the music, dance, costumes, and food of the 52 ethnic groups that participated. It was a wonderful expression of the multicultural roots and customs of Canada's diversified peoples and their unique Canadianism.

The time has now come to make the heritage festival a national event. Indeed, it is my intention to bring forth before Parliament a Private Member's Bill to declare the first Monday in August an official national holiday designated as Canada Heritage Day.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FINANCE

REQUEST FOR REMOVAL OF TAXES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is addressed to the Minister of Finance. He will know that the number of unemployed in Canada last month was 1,365,000. He will also realize that the recovery is far from vigorous and it may falter. The recession is still with us.

In view of the fact that Statistics Canada has reported that the incomes of Canadians are shrinking because those incomes have only risen 4.8 per cent in the last year while the inflation rate has been 5.6 per cent, and in view of the need for consumers to spend more in order to encourage employment and investment in growth, will the Minister now eliminate the tax increases and levies that he imposed on the consumer in his April budget? This includes the Canadian ownership special levy, or grab, that he is continuing to levy on oil products, which will take $400 million more from Canadian consumers this year and $900 million more next year which the Minister wishes to turn over to Dome. Will the Minister now announce that he is reversing those impositions on the consumer in order to help the recovery?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, first of all I should like to wish my critic well in his new functions. I am sure we will have a pleasant time together over the next while. I should like to wish him well in that position, for a very long time indeed.

I should like to say to the Hon. Member that our 1983 forecast is to the effect that the real personal incomes of Canadians will grow next year, and will continue to grow significantly. It is true that they will not grow significantly in 1983 and, indeed, that personal disposable income will be somewhat less than inflation, as has already been the case for part of this year.

I would remind my hon. friend, however, that those who have analysed the situation have indicated that the provincial taxes this year have increased much more than the federal taxes. A large part of the problem for consumers arises from the very significant increases in provincial taxes in the provincial budgets.

If my hon. friend goes to the April budget he will find that there have been practically no federal tax increases this year. If he reads the budget he will find, on the contrary, that there have been measures to alleviate taxes in several respects. The federal tax load for this year is not increasing in a way comparative to that of the Provinces under their various provincial budgets.

Mr. Crosbie: Madam Speaker, I have the impression that we are in the federal House and not in one of the ten provincial legislatures. We can do nothing about what the provinces do with their tax rates.

By the way, I should like to thank the Minister for his pleasantness. I like to choose my own dancing partners, however, Madam Speaker.

Some Hon. Members: Oh, oh!

● (1420)

REQUEST FOR ASSISTANCE TO CONSUMERS

Hon. John C. Crosbie (St. John's West): My supplementary question is directed to the Minister, who just stepped all over my foot. In your budget of April, you did not index the child tax credit threshold which is going to give you more revenue this year. You did not index the tax exemption for dependent children. You put a sales tax on cable TV. You have increased the excise tax on alcohol by 13.3 per cent, and tobacco about 15.8 per cent, and you are still collecting $400 million more for Dome Petroleum.

Some Hon. Members: Order.

Mr. Crosbie: My question—

Madam Speaker: Order, please. Order please. I wonder if the Hon. Member is ever going to get to a question. The first question was terribly long. I allowed it because it was the lead question. However, apart from that the Hon. Member has to learn to be briefer.

Mr. Crosbie: Madam Speaker, as I was saying, my question is this: will the Minister reverse these steps, to assist the consumer? Will he stop heading for the "hypocrite of the year award" with a 15 per cent increase in the tobacco tax when he has a 6 and 5 program which he is supposed to be carrying out?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am very happy to let my hon. friend choose his dancing partners, as long as he lets me call the tune.

Some Hon. Members: Hear, hear!

Mr. Lalonde: I feel the question still deserves an attempt at an honest answer in spite of the allegation by the Hon. Member. The Hon. Member, Madam Speaker, has forgotten to refer to the fact that in the budget of last April we increased our expenditures very significantly in order to help alleviate the situation of the unemployed. We have started a national recovery program which means $4.8 billion of expenditures, half is being used to help the private sector get back on its feet and hiring Canadians, and half is being used in direct government programs of job creation, whether through the launching of a number of national projects across the country or through job-creation programs.

These projects are going on now, and they show up in terms of the number of jobs that have been created. As I indicated yesterday, we are in this country, and have been since last November creating jobs faster than any other industrialized country, including the United States. That is a fact and we want to accelerate, if possible, that process so that we will be able to alleviate the difficult problems which many, many Canadians are facing.

Mr. Crosbie: This Government has been calling the tune for 20 years and the Canadian people are paying the piper, with 1,365,000 of them unemployed.

Some Hon. Members: Question!

Mr. Crosbie: Oh, yes. You want the question; you will get the question.

SIZE OF GOVERNMENT DEFICIT

Hon. John C. Crosbie (St. John's West): When is the Minister going to take steps to help the Canadian consumer, particularly in view of the fact that his deficit figures, we are told, are going to be considerably better than has been indicated? And when is he going to give us the new, latest, more modern deficit figures which we have been promised?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, this must be the first time I have ever heard a Conservative say that the deficit of the government will be less than I expected. Last year, they were going on nonstop about the fact that the figures I announced were much lower than the actual deficit. This year, they have decided to take another tack. The main thing is that the beneficial effects of the measures we took in the last budget are now making themselves felt. We brought inflation down more than we expected. We are now creating more jobs than was forecast, the Canadian economy is growing faster than we said it would and short-term interest rates in Canada are lower than in the United States. In fact, the bank rate is now at the same level in Canada and the United States, which is something we have been unable to achieve for a very long time, including the period during which the Hon. Member was Minister of Finance, which fortunately lasted only a few months.

* * *

● (1425)

[*English*]

INDUSTRY

PROJECTED DISAPPEARANCE OF EMPLOYMENT IN MANUFACTURING

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce I will direct my question to the Minister of State for Economic Development. The Government report which was leaked this summer, called "The Rocky Road to the 1990s", said that one-quarter to one-half of the existing jobs in manufacturing were going to disappear by 1990. The report sets out a number of impediments to job creation and growth: the Foreign Investment Review Agency, the National Energy Pro-

gram, a restrictive tax framework and excessive regulation—a litany of government policy errors in the last 15 years—things we have resolutely opposed on this side of the House for those same years.

Can the Minister give us any hope that the Government recognizes that these massive policy errors are going to be turned around in order to achieve the three million to four million jobs the same report says must be created by 1990?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the document to which the Hon. Member makes reference indeed was leaked and became quite celebrated. It stimulated, I think, a good deal of healthy debate in the community, with respect to the opportunities as well as the challenges which confront society as we move into a new technological era. There are issues raised in that report designed to do that very thing, stimulate debate on some of these issues, but that is only one aspect of the report, the part to which the Hon. Member makes reference.

As I have mentioned a number of times, it was in fact not a study; it simply brought together much of the conventional wisdom of the day and the questions society must confront, issues, I might add, which we hope to air in detail at our Canada Tomorrow Conference which will be held in early November, and which I hope a number of Members on the opposite side of the House will attend.

We see the future as providing enormous opportunities, but at the same time we have to recognize we are going through a period of adjustment. That paper raises those issues, and I am glad to see that the Conservative Party, too, is finally addressing some of these matters which are of great concern to some of the people currently in the work place. But we feel those fears are exaggerated and that there are opportunities. Yesterday my colleague, the Minister of Employment and Immigration, made reference to those opportunities on the one hand as against some of the—

Madam Speaker: Order, please. That answer is much too long.

Mr. Wilson: Madam Speaker, it is hard to imagine any healthy debate from the same tired old crowd who have been there for the last ten years and have not changed at all in that period.

PROPOSAL TO ESTABLISH MICRO-COMPUTER FACILITY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me be more specific about something which has been in front of the Department of Industry, Trade and Commerce for the last year. Wang Laboratories have been negotiating without success for over a year for the establishment of a micro-computer facility in Canada. They have not had any success at all because of the DREE/ITC merger, and what has been described by one of the Wang officials as policy cast in jello, and a lack of urgency in addressing the proposal. Will the Minister commit to the House that he will act on this proposal with some sense of urgency to bring much needed jobs and new technology to Canada?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will take note of that question on behalf of the responsible Minister. I would not rely at all upon the preamble, and the assumptions and statements made by the applicant company. To my knowledge the applications are treated expeditiously and effectively and to the satisfaction of the constituency that the Department serves. Nevertheless, I will raise the particular case with my colleague.

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CANADIAN SECURITY INTELLIGENCE SERVICE

REQUEST THAT GOVERNMENT NOT PRESS FORWARD WITH LEGISLATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General who is aware of the extraordinary and unprecedented opposition to his proposed security legislation, from civil libertarians, to Attorneys General, to chiefs of police, and now, after months of silence, we even have a few brave Conservative Members of Parliament, much to their Leader's horror, who have expressed some opposition to this legislation.

In the face of the growing opposition to this police state legislation, will the Minister finally acknowledge that this project is in fact totally discredited, and allow the Bill simply to die on the Order Paper?

• (1430)

Hon. Bob Kaplan (Solicitor General of Canada): Far from it, Madam Speaker. The Bill is now before a committee of the Senate, which is giving it serious attention. The Hon. Member himself had an opportunity, I believe, to appear before the Senate committee.

I look forward to the work of the committee, to its report. I can assure the Hon. Member and the House that the Bill will not be dropped, but, rather, that the Government will respond in due course to the recommendations of the Senate committee.

SURVEILLANCE OF CANADIAN CITIZENS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my supplementary question is directed to the Solicitor General, who should be aware of the fact that any Bill which subverts the rule of law and denies parliamentary accountability will not get through this Parliament without a very tough legislative battle.

How can the Minister possibly justify the inclusion in the Bill of Clause 18, one which would allow the new Security Service to spy on Canadian citizens who, by the Minister's own admission, pose no threat to national security whatsoever?

How can the Minister possibly justify the inclusion in the legislation of such a draconian and unwarranted provision?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I reject the Hon. Member's characterization of the Bill. I am looking forward to the very sensible and healthy debate that is taking place in the Senate. I think the Senate has distinguished itself by not having any of the rhetoric of the type in which the Hon. Member has been constantly engaged since the Bill was brought forward. I think that he is way off base, and the work that is taking place in the Senate demonstrates that fact.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR WITHDRAWAL OF WRITS OF ASSISTANCE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my final supplementary question is directed to the same Minister. Today the Law Reform Commission released a report recommending the long overdue abolition of writs of assistance and their replacement with telephone warrants or "dial-a-writs" which still, by the way, pose a very serious threat to civil liberties.

Pending the early tabling of a Bill, as promised by his colleague, the Minister of Justice, to abolish writs of assistance, will the Minister at least immediately withdraw all outstanding writs of assistance in the hands of RCMP officers?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have indicated that the writs of assistance are required, until some other measure is introduced, for a wide range of drug investigations and operations. I recognize the weaknesses of the writs of assistance, but until some satisfactory substitute is produced I am not prepared to see them abandoned by the RCMP. I think that the war the RCMP is waging against drug trafficking in this country is too important to be dealt with on the kind of political basis that the Hon. Member is suggesting.

I appreciate the good suggestions of the Law Reform Commission, but until they are translated into sensible legislation that is acceptable to this House I am not prepared to see drug traffickers profiting from the absence of effective measures for dealing with them.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SWEDISH PARLIAMENTARY DELEGATION

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of a delegation from the Swedish Parliamentary Standing Committee on Cultural Affairs, which is headed by Mr. Ingrid Sundberg, its Vice-Chairman.

Some Hon. Members: Hear, hear!

* * *

SMALL BUSINESS

REPORTED DECLINE IN JOB OPPORTUNITIES

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister responsible for Small Business. While the Liberals, who form the Government, were busily bailing out such corporate giants as Canadair, Dome, Massey Ferguson, Maislin, and others, a recent survey concluded that the small business sector was losing between 350,000 and 400,000 jobs a year, more than all other sectors combined.

First, is the Minister aware of these facts? Second, in fairness, has he recommended to Cabinet, as we would, realistic incentive oriented job creation programs aimed specifically at small business, the largest potential employer in Canada?

Hon. David Smith (Minister of State for Small Businesses and Tourism): Madam Speaker, I think that the questioner should be appraised of the fact that 65 per cent of the new jobs being created in this country at present are in the small business sector, and that is largely due to the policies of the Government.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Madam Speaker, that answer is an absolute joke, because the facts speak for themselves.

MINISTER'S POSITION

Mr. Otto Jelinek (Halton): Madam Speaker, in view of the fact—and I repeat my original question—that a recent survey indicated that between 350,000 and 400,000 jobs were lost in the small business sector, and I called it the largest potential employing sector in Canada, has the Minister made any recommendations to Cabinet for realistic incentive oriented employment programs, as we would? I asked him that question. He did not answer it. I repeat it. Now please answer that question.

Hon. David Smith (Minister of State for Small Businesses and Tourism): Madam Speaker, I would like to assure the Hon. Member that I believe in small business. I believe in initiative. I believe in hard work; I believe in the work ethic, and so does this Government.

Some Hon. Members: Hear, hear!

Mr. Smith: Madam Speaker, I want to assure the Hon. Member that I will be standing up for small business in this Government.

Some Hon. Members: Hear, hear!

NATIVE PEOPLES

NECESSITY FOR SKILLS TRAINING

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The native peoples, as the Minister well knows, experience the highest rate of unemployment of any group in Canada. They need skills training, and they need jobs. The Task Force on Employment Opportunities for the '80s dealt very specifically with this problem. As a matter of fact it made 11 recommendations in this area.

First, is the Minister aware of the specific recommendations made by the Task Force? If so, which recommendations does he support? Finally, has he had discussions with his colleague, the Minister of Employment and Immigration, with regard to the implementation of any of the recommendations contained in the report?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, may I take this opportunity to congratulate the Hon. Member on his appointment as the critic for the Department for which I am responsible. I wish him all the best.

I would say that there has been a great deal done by the Government in collaboration with the Minister responsible for employment and immigration. For one thing, several millions of dollars were set aside and fenced off out of a recent NEED Program to create employment opportunities for the Indian people, and they took full advantage of that, by a marked stimulation, for instance, in the employment generation through the housing area.

As well, in his budget a few months ago, the Minister of Finance indicated an additional $40 million added to the NEED moneys, which then totalled over $60 million in new moneys this year for housing over and above the amount that was already there, $80 million, which almost doubled the entire moneys spent on Indian housing within one year. That created a tremendous number of jobs within the Indian community, as well as addressing one of the most serious social problems facing the Indian people, that being housing which is not adequate in terms of isolated areas where water, sewers and infrastructure and things of that kind are required.

In addition, we now of course have a Minister responsible for the Economic Development Fund, with offices set up in Winnipeg, and now already beginning to consider loans under the Economic Development Fund. Applications from the natives will be coming in very shortly and, I think, decisions made.

Therefore, when one combines all these initiatives with many of the other policies that the Indian people cannot—

Madam Speaker: Order, please.

Mr. Munro (Hamilton East): I could have gone on forever, John.

Madam Speaker: Ministers will have to make an effort to be more brief. These answers are really too long.

TASK FORCE RECOMMENDATIONS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I appreciate getting my briefing on the floor of the House of Commons. The Minister recited, chapter and verse, what he is doing. He did not answer the question. I asked if he was specifically aware of the recommendations of the Task Force on Employment Opportunities for the '80s. None of the subjects which he discussed here on the floor of the House were referred to in this particular report. Specifically, I am asking what recommendations from this report with regard to skills training and the education of the native peoples he has come to grips with.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I think the Hon. Member would agree that the essence of all those recommendations involves the tremendous emphasis which must now be placed on skills training for native peoples so that they can participate on an equal footing with the rest of Canadians in job opportunities as they open up. I have just enumerated some of the policies that we are now adopting. I could refer to others, in the sense of grant moneys for retraining slots in close proximity to hydro-carbon development. In the Territories we are expending $20 million in training for natives. All is in keeping with the spirit and essence of all those recommendations to which the Hon. Member has referred. I am prepared to go through each one and send him a progress report.

* * *

● (1440)

[*Translation*]

COPYRIGHT

REQUEST FOR INCLUSION OF AMENDING LEGISLATION IN FORTHCOMING SPEECH FROM THE THRONE

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, I would like to take advantage of the presence in the House of a group of Swedish parliamentarians, members of the Committee on Culture, to direct my question to the Minister of Communications.

The Minister is well aware of my abiding interest in copyright matters, and I would like to ask the Minister whether the legislation to revise the Copyright Act will soon be tabled in Parliament, and whether, by any chance, Canadian artists can expect to see this new legislation in the next Speech from the Throne?

Hon. Francis Fox (Minister of Communications): Madam Speaker, as you did yourself, the Hon. Member mentioned the presence in the House of the Parliamentary Committee on

Culture from Sweden, and I am delighted to see that they are visiting Canada during this international communications year.

The copyright question is clearly an issue that today has international ramifications. It is a matter of concern to many countries, which have started a thorough review of their copyright legislation because of the enormous technological advances that are endangering the author's copyright. The same is true in Canada, and not long ago, I had a chance to discuss this matter quite thoroughly with my colleague, the new Minister for Consumer and Corporate Affairs, and we shall very shortly be submitting a joint position on this question to our Cabinet colleagues.

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[*English*]

UNEMPLOYMENT INSURANCE

REQUEST FOR COVERAGE OF PART-TIME WORKERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Commission of Inquiry into part-time work has recently confirmed that part-time jobs are increasing as full-time jobs are being phased out and disappearing. Seventy-two per cent of these part-time workers are women, many raising their children in poverty. They earn low wages, receive few benefits, and lack job security. Many do not even have unemployment insurance. Since the Minister apparently cannot provide full-time jobs, will he at least amend the unemployment insurance regulations to cover part-time workers, as the Commission recommends?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I have not read the report in its entirety but I have looked at a summary of it. I am conscious of the recommendations that have been made to us. I am taking them under advisement and looking at them very seriously.

In some instances there may be some simplifications and exaggerations in the report of the present situation. I am extremely concerned about the possible use of part-time employees by employers in a way which does not provide the kind of basic protection that people employed in Canadian society should have.

We will be examining the report with some considerable care to see if we can act upon recommendations that it makes.

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CANADA LABOUR CODE

APPLICATION TO PART-TIME WORKERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in the absence of the Minister of Labour my supplementary question is directed to his Parliamentary Secretary. Last spring the previous Minister of Labour refused to answer my question on the necessity to change the Canada Labour Code as it applies to part-time workers until the Commission on part-time work had reported. Will the Minister now amend the Labour Code to extend protection to all part-time workers under federal jurisdiction? As well, will he remove restrictions that deny part-time work to workers in the Government and which denies them the right to unionize?

[*Translation*]

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Madam Speaker, as the Hon. Member is aware, the Commission's report was published on Wednesday, September 7 of this year. The Minister has received the report but would like to postpone any specific comments on the Commission's conclusions and its recommendations until he has had a chance to examine the report in greater detail. We know that the Commission identified a number of major problems concerning part-time workers, the most important one being the absence of statutory definitions and also of provisions relating to pension and social benefits. The Minister will therefore proceed to examine these points in detail.

* * *

[*English*]

NATIONAL ENERGY PROGRAM

SUBSIDIZATION OF FUEL USED BY AEROFLOT PLANES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Under the National Energy Program's oil import compensation program, Canadian taxpayers have been subsidizing Russian passenger planes which land at Mirabel and buy fuel from Petro-Canada for the return flight to Moscow. Can the Minister tell us whether Canadian taxpayers will continue to subsidize these Russian planes after the 60-day embargo on Aeroflot flights is lifted, considering the fact that ten Canadians were among the 269 innocent people shot out of the skies by the Russians?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I will look into the question. Of course, there are no Russian planes coming to Canada for the next 60 days. What the Hon. Member is asking after that is to keep discriminating or treating the Russians in another fashion than the other airlines, forever. I do not know if it will be six months or forever. It is a question we must look into. However, the embargo is for 60 days and there will be no Russian planes coming into Canada, so the problem is not material at this time.

Miss Carney: I would suggest that a country which shoots commercial aircraft out of the sky possibly could be subjected to special treatment.

POSSIBLE AVENUE OF COMPENSATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, considering the fact that the Russians are apparently reluctant to pay compensation for the deaths of these Canadians and others on board the downed Korean aircraft, is there some way in which compensation could be extracted through higher fuel prices, such as the oil export charge on Russian planes refuelling at Mirabel?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we certainly cannot do that for the next 60 days.

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EXTERNAL AFFAIRS

U.S.S.R.—RESPONSE TO REQUEST FOR COMPENSATION FOR RELATIVES OF VICTIMS IN DOWNED KOREAN AIRLINER

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Secretary of State for External Affairs. He may know that the Soviet Deputy Foreign Minister, Mr. Kornienko, has stated that there will be no compensation payable with respect to the downing of the KAL 007 aircraft. Mr. Kornienko added, "I view the question as irrelevant."

Would the Minister indicate to the House if there has been any response to the note that was delivered to the Soviets and, in the event that the Soviets have said no to compensation, as appears to be the case, what further steps will the Minister be taking to guarantee that there will in fact be compensation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think that the Hon. Member's interpretation of the Soviet spokesman's statement may not be fully accurate. The Deputy Foreign Minister said that compensation should be paid, but not by the Soviet Union. What I have read is an acknowledgement by the Soviet Union that there is a liability, an obligation, that must be met.

I do not think it is unusual to have this response because we had a similar experience some time ago with respect to a claim affecting the Soviet Union when, in the initial stages, the Soviet Union refused to accept any responsibility whatsoever. I never thought that the Soviet Union would come forward very quickly and acknowledge a responsibility and express a willingness to provide compensation. We intend to continue our efforts, and hope to meet the same success as we did in the past.

Mr. Stevens: Surely the Minister is not suggesting to the House that there is any other nation responsible for the downing of this jet than the Soviet nation?

REQUEST THAT CONTENTS OF DIPLOMATIC NOTE BE TABLED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, would the Minister now table the contents of the note that was delivered to the Soviet Union? There are many precedents for tabling such notes, including the tabling by the Right Hon. Member for Yellowhead of the note with respect to Afghanistan.

Second, would he indicate specifically to the House what the further steps were which he referred to Monday night, when he said that he would be taking further steps to secure compensation with respect to this matter?

● (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, with respect to further steps, we have begun and will continue consultation with the bereaved families on the question of compensation. I think that process has to be undertaken, no matter how unpleasant it is, particularly for the bereaved families. Once we have completed that process we intend to make a claim in a single presentation to the Soviet Government. That is our bilateral approach. Other nations as well, including the United States, have indicated that they will be making a claim; the South Korean Government has done the same thing. I believe that we will all have to proceed bilaterally and keep pressing forward the legitimacy of this particular compensation claim.

I want to correct the Hon. Member if he concluded from my statement that I inferred that the Soviet Union had no responsibility or that another nation or the airline had responsibility. It is quite the contrary. I believe the Soviet Union has full responsibility which it has not yet acknowledged. But what the Soviet Union did, or its spokesman, in the statement was to admit that compensation should be paid. In this case, if I read correctly, they viewed that it should be paid by somebody else, not the Soviet Union.

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FISHERIES

COLLAPSE OF EAST COAST COMPANY

Miss Coline Campbell (South West Nova): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Due to the recent financial collapse of a major East Coast fish company, can the Minister assure the House that the groundfish inventories presently held by the bank's receivers will not be dumped at lower than market prices on the existing market, and therefore avoid a fish price war among East Coast companies?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am happy to report to the Hon. Member that there is no evidence to suggest that fishing companies are engaged in a price war. I would even add that it would be most irresponsible to suggest that because this is what—

Mr. Crosbie: The Bank of Nova Scotia is.

Mr. De Bané: This is exactly what I think is most reprehensible, to give a signal to the buyers in the United States that our sellers are engaged in a price war. What an irresponsible statement.

Mr. Scott (Hamilton-Wentworth): She asked the question.

Mr. De Bané: I am happy to report that our companies are behaving responsibly. When we saw a weakness in the market this summer, the Government immediately established a program to buy the cod stocks. The market has firmed up. At the moment the price of cod blocks in the United States is $1.16 to $1.18, while last year it was $1.08. At this moment our major competitors in Europe are short of stock. This means that there is also an upswing for Canadian exporters in the European market.

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LABOUR RELATIONS

AUSTIN AIRWAYS LIMITED DISPUTE

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, in the absence of the Minister of Labour whose office indicated he would be here this afternoon, I would like to direct my question to his Parliamentary Secretary. The Canadian Airline Employees Association approached him in late July to ask for ministerial consent to lay a charge of bad faith bargaining against Austin Airways Limited before the Canada Labour Relations Board. Prompt attention to this request might have prevented the necessity of a strike which began on August 23, a month after the Minister was contacted. Could he tell the House if the Minister intends to help resolve this situation by permitting the Canada Labour Relations Board to hear the charge and, if so, when will his consent be given?

[*Translation*]

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Madam Speaker, I wish to take the Hon. Member's question as notice, and I shall advise the Minister accordingly.

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[*English*]

CANADIAN WHEAT BOARD

INITIAL PRICE FOR BARLEY

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister who speaks in this place for the Canadian Wheat Board. He will know that a poor corn crop in the United States has pushed up world barley prices by more than 30 per cent, which means that there is now room for an increase in the initial price for barley. Since higher initial payments will be received by farmers, there will be increased economic activity right across the country. Can the Minister tell the House if a recommendation for a higher initial price has been made to Cabinet, and when farmers will know whether that will be forthcoming?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, in response to the Hon. Member's question I would like to confirm that the Canadian Wheat Board brought forward an assessment about the changing conditions in the feed barley market. I am happy to report to the House that the market has substantially improved during the latter part of the summer, so we might be in a position to do a full assessment. However, I would not want to move on a matter as important as this until I have had the opportunity to consult with the Minister responsible for the Wheat Board who is presently abroad and should be back shortly. We will be meeting as soon as he returns. I hope we will be able to bring forward a recommendation to Cabinet so that we can take advantage of the new barley prices and give a further payment to farmers in that area.

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EMPLOYMENT

CANADA EMPLOYMENT CENTRES—POLICY AFFECTING FUNCTIONAL ILLITERATES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Canada Employment Centres have established a policy that denies functional illiterates with grade six or less education admission into Manpower programs supported under the Skills Training Act. Why is this policy in place when there is absolutely nothing in the Act denying access to functional illiterates or people with below grade six education?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I thank the Hon. Member for his question. I will have to check and give him a detailed answer at a later date.

EXCLUSION OF INDIANS FROM EDUCATIONAL PROGRAMS

Mr. Jack Shields (Athabasca): Madam Speaker, while the Minister is checking into that I wonder if he could also check into why treaty Indians are being denied access to academic upgrading programs in exactly the same way under the same Act, with the statement by Manpower officers that this is being covered under Indian Affairs funding, when Indian Affairs funding for Alberta is $85,000 to cover academic upgrading for 40,000 adult Indians? Could he also check into that?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I will check to see if the assertions of the Hon. Member are accurate, and reply to him directly.

CANADIAN WHEAT BOARD

INITIAL PRICE FOR BARLEY

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is directed to the Minister who answers for the Canadian Wheat Board in the House. His previous answer causes great difficulty for farmers in western Canada because open market prices are so low. If the initial price is not increased directly, they will find that the profits they should be taking this year will not be there. I hope the Minister will say that he will act quickly in increasing the initial price so that western farmers can finally take advantage of some better markets.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I thought my answer clearly indicated our intention to take the Wheat Board proposal and act upon it with a recommendation to Cabinet as soon as I have had the opportunity to consult with the Minister responsible for the Canadian Wheat Board. I should point out at the same time that the Wheat Board has already extended the quota for feed barley on the export market, which provides a further delivery for farmers in that area. We are already taking action through the Wheat Board to respond to the improved conditions in the world market.

Mr. Schellenberger: It is important that that price increase come quickly.

FARMERS' CASH REQUIREMENTS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, since last year's barley pool is not closed yet, and since there will certainly be losses in that pool, will the Minister assure western farmers that they can in fact assume that the Government will fulfill its obligations under the Canadian Wheat Board Act to cover the loss so that they can get some desperately needed money into their hands from this year's better prices?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, there is no question that the opportunity to improve the financial position of farmers because of improved markets is one to which the Government will respond with a great deal of speed. The methods and techniques of doing it will be based upon the consultations I have and the recommendations we make to Cabinet, but there will be action in that area. I can assure the Hon. Member that it is a matter of extreme and critical importance to us, and that we will respond as soon as we possibly can.

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CONSUMER AND CORPORATE AFFAIRS

TEXACO OIL COMPANY'S INCREASE IN PRICE OF GASOLINE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the fact that Texaco, a major oil company, is reputed to be increasing the price for gasoline by between one cent and four cents per litre, or by as much as 18 cents per gallon, in the Ottawa area and throughout the Ottawa Valley. There are indications that other companies will likely follow suit. In fact, that is the history. Is the Minister aware of this? If not, will she make herself aware of it? Also, will she examine the question from the point of view of the Combines Act as to whether there is an offence and, as the protector for consumers, whether this increase is justified, as was done when examinations were made by her in other capacities?

• (1500)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I am sure the Hon. Member is aware that such an investigation is under way. Because of the circumstances I am unable to comment, but I can assure the Hon. Member that my Department is keeping a very close watch in this area.

COST TO CONSUMERS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I thank the Minister. I have a supplementary question with respect to her position as the protector of consumers. If the increase is justified by the companies because of circumstances with which they satisfy the Minister, will the Minister consider consulting with the Minister of Energy, Mines and Resources to see whether the surplus that exists in the Petroleum Compensation Fund, or the surplus which now exists in the Canadian Ownership Account with the Government, might be used to reduce the cost per litre to consumers of gasoline?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, of course I accept the Hon. Member's representation, but he is pre-supposing a judgment, and I am not in a position to make that judgment at the moment. Certainly, as the Minister of Consumer and Corporate Affairs, I am very concerned about the fluctuation of gasoline prices in this country.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, September 13, 1983, meet the requirements of the Standing Orders as to form.

Electoral Boundaries Readjustment Act

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION TO REPORT OF COMMISSION FOR ONTARIO

Madam Speaker: It is my duty to inform the House that an objection signed by the Hon. Members for Kitchener (Mr. Lang), London-Middlesex (Mr. Bloomfield), Guelph (Mr. Schroder), Lac-Saint-Jean (Mr. Gimaïel), Cochrane-Superior (Mr. Penner), Thunder Bay-Nipigon (Mr. Masters), Red Deer (Mr. Towers), Calgary North (Mr. Wright), Ontario (Mr. Fennell), and Scarborough Centre (Mr. Kelly) has been filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C. 1970, to the Report of the Electoral Boundaries Commission for the Province of Ontario.

I would like to apologize to the Hon. Members who signed this objection since, through an administrative error, this objection was not announced to the House when it resumed its sitting on Monday. However, I am assured by the Hon. Member for Kitchener that these objections were filed within the time limit. Therefore, with the permission of the House, we will proceed with filing these objections. If the House agrees, I would suggest that we follow past practice and print the text of the objections as an appendix to this day's *Votes and Proceedings*.

Mr. Nielsen: Madam Speaker, I am afraid that in the hubbub that followed the Question Period and while you were making that statement from the Chair, I did not hear it all. With the permission of the House, you might provide me the courtesy of reading what you said and providing any necessary consent or observations tomorrow.

Madam Speaker: These are objections signed by the Hon. Members for Kitchener, London-Middlesex, Guelph, Lac-Saint-Jean, Cochrane-Superior, Thunder Bay-Nipigon, Red Deer, Calgary North, Ontario and Scarborough Centre. They have been filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C. 1970 to the Report of the Electoral Boundaries Commission for the Province of Ontario.

I apologized to Hon. Members because these objections were not tabled in the House on the day that the House resumed its sitting. Apparently the objection was filed with the Clerk or with the Table, but for some reason that document was not seen by anyone. We were, therefore, not aware on the first day of the sitting that we had this particular document in our hands. The Hon. Member for Kitchener inquired about these objections. Upon research, we found the document.

The Hon. Member for Kitchener tells us that the document was filed on June 30. Therefore, as is customary, we take his word for that. I have therefore asked the House if I may file these objections and print the text in today's *Votes and Proceedings*.

Mr. Nielsen: Madam Speaker, I have not seen them. Permit me the courtesy of having a look at them and providing a response tomorrow.

Madam Speaker: As the Hon. Member wants.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ADMINISTRATION

TABLING OF MEMBERSHIP OF CABINET COMMITTEES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, under Standing Order 46(2), I would like to table the membership list for Cabinet committees. In accordance with recent practice, I also ask that this document be printed as an appendix to today's *Hansard*.

Madam Speaker: Shall we have this list of Cabinet committees appended to today's *Hansard?*

Mr. Baker (Nepean-Carleton): Madam Speaker, may I ask the President of the Privy Council (Mr. Pinard) whether there have been any changes as a result of Cabinet changes in the names of acting Ministers and second acting Ministers? If so, will the Minister be tabling that in the House of Commons?

Mr. Pinard: Madam Speaker, there have been changes in acting Ministers.

[*Translation*]

If I am not mistaken, we tabled the list in the House a few days ago. I will check. However, if we did not, I can give the Hon. Member the assurance that the list will be tabled as soon as possible. I think the list was tabled, however. I remember seeing it, and it did contain a number of changes.

[*English*]

Madam Speaker: Does the House agree?

Some Hon. Members: Agreed.

Madam Speaker: It is so ordered.

[*Editor's Note: For above document see Appendix A.*]

Mr. Paproski: Madam Speaker, I would like to ask the President of the Privy Council a question. Can the Minister please advise the House what Minister is in charge of the new sports pool, not Loto Canada or Super Loto but the new sports pool that we passed just before the recess?

Mr. Pinard: If the Hon. Member has a question on this subject, the new Minister of State for Fitness and Amateur Sport (Mrs. Hervieux-Payette) will be pleased to answer it.

Mr. Paproski: Is she in charge of the pool?

LAW REFORM COMMISSION

TABLING OF REPORT

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am pleased to lay upon the Table of the House in both official languages a copy of the report of the Law Reform Commission of Canada entitled "Writs of Assistance and Tele-warrants". I ask that this report be referred to the Standing Committee on Justice and Legal Affairs.

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PETITIONS

MR. SHIELDS—QUALITY OF SERVICES OF ALBERTA BROADCASTING CORPORATION

Mr. Jack Shields (Athabasca): Madam Speaker, I have the duty to present a petition on behalf of a number of my constituents in the riding of Athabasca. The purpose of the petition, signed by 169 residents of the City of Fort McMurray, is to register their dissatisfaction with the quality of service being offered by the Alberta Broadcasting Corporation. This company has removed the parliamentary channel from the lower band, as well as CBC North, to make room for the Pay-TV stations, which must be subscribed to. In addition, due to the increase in the tax on cablevision contained in the April, 1983 budget, the cablevision fees have gone up by 11 per cent. Therefore, not only are my constituents receiving less service, they must pay more for that reduced service.

The nature of this petition is to request that Parliament intervene by persuading cable TV stations to put the parliamentary debates on the lower band so that the citizens of Fort McMurray who do not have converters can continue to view them without being forced to pay for a converter.

The petitioners hope that in Madam Speaker's examination you will find the petition in order, sense the urgency of their plea and that you might use the discretionary powers vested in your office to allow discussion and referral of this petition to the Standing Committee on Communications at the earliest possible moment.

Mr. Pinard: Madam Speaker, I rise on a brief point of order. I just want to clarify and be more precise. I have checked, and in answer to the question posed by the Hon. Member for Nepean-Carleton (Mr. Baker) the list of acting Ministers was tabled last Monday. Therefore, it is in the public record. If the Hon. Member refers to *Hansard* the list is appended.

Mr. Baker (Nepean-Carleton): I thank the Minister.

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,599, to 4,614 inclusive.

[*Text*]

MINK CREEK MUNICIPAL DRAIN

Question No. 4,599—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Mink Green Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

Assistance to the Township of Bromley for the construction of the Mink Creek Municipal Drain was approved by the management committee for the Eastern Ontario Subsidiary Agreement on December 3, 1982 in the total amount of $64,110 to be cost-shared equally (50/50) by Canada and the Province of Ontario.

SNAKE RIVER MUNICIPAL DRAIN

Question No. 4,600—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Snake River Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

Assistance to the Township of Bromley for the construction of the Snake River North Tributary Municipal Drain was approved by the management committee for the Eastern Ontario Subsidiary Agreement on December 3, 1982 in the total amount of $46,544 to be cost-shared equally (50/50) by Canada and the Province of Ontario.

SNAKE RIVER UPPER HARRIS MUNICIPAL DRAIN

Question No. 4,601—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Snake River Upper Harris Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

Assistance to the Township of Bromley for the construction of the Snake River Upper Harris Municipal Drain was approved by the management committee for the Eastern Ontario Subsidiary Agreement on December 3, 1982 in the

total amount of $233,180 to be cost-shared equally (50/50) by Canada and the Province of Ontario.

SNAKE RIVER SOUTH FORK MUNICIPAL DRAIN

Question No. 4,602—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Snake River South Fork Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

Assistance to the Township of Bromley for the construction of the Snake River South Fork Municipal Drain was approved by the management committee for the Eastern Ontario Subsidiary Agreement on December 3, 1982 in the total amount of $160,760 to be cost-shared equally (50/50) by Canada and the Province of Ontario.

CULL-DONOHUE MUNICIPAL DRAIN

Question No. 4,603—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Cull-Donohue Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Cull-Donohue Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

RICE MUNICIPAL DRAIN

Question No. 4,604—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Rice Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Rice Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

READY-CAHILL MUNICIPAL DRAIN

Question No. 4,605—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Ready-Cahill Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Ready-Cahill Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

CAHILL MUNICIPAL DRAIN

Question No. 4,606—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Cahill Municipal Drain in the Township of Bromley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Cahill Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

GRAHAM McLEOD MUNICIPAL DRAIN

Question No. 4,607—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Graham McLeod Municipal Drain in the Township of Ross, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Graham McLeod Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

COTNAM MUNICIPAL DRAIN

Question No. 4,608—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Cotnam Municipal Drain in the Township of Cotnam, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Cotnam Municipal Drain, which is located in Pembroke Township will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

HEALY MacPHERSON MUNICIPAL DRAIN

Question No. 4,609—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the existing Healy MacPherson Municipal Drain in the Township of Elmsley, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Healy MacPherson Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

McNEELY-LIGHTBODY MUNICIPAL DRAIN

Question No. 4,610—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the McNeely-Lightbody Municipal Drain in the Township of Montague, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the McNeely-Lightbody Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

GLEN ELBE MUNICIPAL DRAIN

Question No. 4,611—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Glen Elbe Municipal Drain in the Township of Elizabethtown, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Glen Elbe Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

GREER MUNICIPAL DRAIN

Question No. 4,612—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Greer Municipal Drain in the Township of Elizabethtown, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Greer Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

LYN PETTEM MUNICIPAL DRAIN

Question No. 4,613—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Lyn Pettem Municipal Drain in the Township of Elizabethtown, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Lyn Pettem Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

Order Paper Questions

CREEK ROAD MUNICIPAL DRAIN

Question No. 4,614—**Mr. Dick:**

Will the Government be contributing more funds to the Eastern Ontario Subsidiary Agreement to assist in the construction of the Creek Road Municipal Drain in the Township of Front of Leeds and Lansdowne, which is urgently needed as it will be of great benefit to agriculture in the area, and, if so, on what date?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Regional Economic Expansion is concerned:

At this time, Canada is not considering an appropriation of supplementary funds and the Province has expressed, in writing, a similar position on this issue. Assistance for the Creek Road Municipal Drain will be subject to the availability of surplus funds within the present total funding limit of the Agreement.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 4,800 and 4,962 could be made orders for returns, these returns could be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that questions No. 4,800 and No. 4,962 be deemed to have been made orders for return?

Some Hon. Members: Agreed.

[*Text*]

COMMUNITY SERVICES CONTRIBUTION PROGRAM

Question No. 4,800—**Mr. Howie:**

1. For the program year (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 to date, what amount was expended under the provisions of the Community Services Contribution Program in (i) Fredericton (ii) New Brunswick?

2. For each year, what were the names of the projects supported and what was the amount awarded to each project?

Return tabled.

FARM CREDIT CORPORATION

Question No. 4,962—**Mr. Benjamin:**

1. With regard to the Farm Credit Corporation and its operations in the Province of (*a*) Manitoba (*b*) Saskatchewan (*c*) Alberta, for the required review of loan applications and/or loan agreements between farmers and, or through, the Corporation, which individuals and firms are authorized to perform legal services, give legal advice or opinions, review applications and/or agreements, or to act in any other legal or review capacity on behalf of and/or for (i) the Corporation (ii) clients of the Corporation (iii) individuals attempting to or actually negotiating loans or other agreements with or through the Corporation?

2. For each of the (*a*) individuals (*b*) firms (i) on what date did they first become eligible to do this work or perform this service (ii) for how long a term are they eligible?

3. Was the individual or firm appointed for a fixed term and, if so (*a*) what was the term (*b*) on what date and for how long has the term been renewed and, if not renewed, for what reason (*c*) how often and on what date has the eligibility been reviewed?

4. Was the individual or firm appointed for an indefinite term and, if so (*a*) for what reasons (*b*) are reviews made and (i) if so, how often and on what date (ii) if not, for what reason?

5. What are the (*a*) general (*b*) specific criteria for the selection of these individuals and/or firms for the performance of, or the eligibility to undertake, these duties?

6. What are the review criteria, if any?

7. Are reviews undertaken and (*a*) if not, for what reason (*b*) if so (i) how many individuals and firms have been reviewed (ii) as a percentage of total eligible and total reviewed, how many have not received renewals (*c*) how has each individual and firm met, failed to meet and/or surpassed the eligibility criteria?

8. For each individual and firm, broken down by (*a*) local area (*b*) town and/or city (*c*) region (*d*) FCC region (*e*) province (Manitoba, Saskatchewan, Alberta) (*f*) the three provinces in total and for (i) actual dollar amounts, and as a percentage of the total actual dollar amount, by grouping (ii) actual number of clients and/or transactions, and as a percentage of the total number of clients and/or transactions, by grouping, what was/is the amount of work carried out, worked on, and currently in progress?

Return tabled.

[*Translation*]

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

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

[*English*]

Mr. Stevens: Madam Speaker, as this is the third parliamentary secretary I have had to deal with, I would like to give him a challenge. Question No. 2,042 asked by myself on January 29, 1981, with respect to the total cost of the Prime Minister's December, 1980—January, 1981 world tour and what percentage of the total cost of the trip will be paid by Canadian taxpayers has not been answered to date. As this is information that every Canadian should be entitled to, I would implore the Parliamentary Secretary to do whatever has to be done to come clean with the Canadian public.

Mr. Evans: Madam Speaker, I realize the urgency of the Hon. Member's question and I certainly will look into that immediately. I should note, however, that to this date, 4,244 questions have been answered, it being almost 85 per cent of all of the questions that have been asked of the Government.

[*Translation*]

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I would ask, Madam Speaker, that all notices of motions for production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions for production of papers be allowed to stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Blaker): Shall all orders listed under Private Members' Public Bills preceding Order No. 207 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING CRUELTY TO ANIMALS

Mr. Bill Clarke (Vancouver Quadra) moved that Bill C-407, an Act to amend the Criminal Code (cruelty to animals), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it gives me great pleasure to stand at last and say a few words about this Bill to the House. It is one that had its first reading over three years ago on May 2, 1980, and I hope that it is not a measure of the esteem that the House has for our friends from the animal kingdom that it has taken over three years to arrive at this debate.

I should say at the outset, Mr. Speaker, that this Bill does not touch upon laboratory testing or experimentation with animals. Great advances have been made in medical research through the controlled laboratory testing of and experiments on animals. This important aspect of the situation was discussed in some detail this week by a well-known columnist, none other than Ann Landers. In reference to the alleged cruelty to animals in research laboratories, that well-known columnist observed, probably speaking about the United States of America, that 13 million dogs and cats alone were destroyed in shelters in that country last year because no one wanted them. As well, Mr. Speaker, she pointed out that:

> Animal experimentation made it possible to immunize millions of children, all over the world, against polio, diphtheria, mumps, measles, hepatitis, etc. Add to that list every person who receives an antibiotic to fight infection, insulin for diabetes, anti-inflammatory agents for arthritis, chemotherapy for cancer, medication to control hypertension and drugs for the treatment of mental illness.
>
> Every person who has undergone the replacement of a joint, or the reattachment of a severed finger or limb, kidney dialysis, heart surgery or organ transplantation owes a debt to animal experimentation.

Those procedures are carried out under controlled circumstances, and I point out again that they are not the subject of the debate today. We should recognize that the alternative to using animals in laboratories is of course the use of humans, which use I have not heard advocated. I quote now from the Bill:

> The purpose of this Bill is to enlarge the scope of subsection 402(1) of the *Criminal Code* prohibiting cruelty to animals. This is done in three ways; first, it expands the application of these provisions to anyone who causes wilful *or negligent* injury to an animal. Second, it provides that an owner cannot *permit* negligent or wilful damage to an animal or bird and, third, it imposes a duty on the part of owners and those in control of animals to provide them with suitable maintenance.

> This will mean that owners and others who are keeping animals will have to provide a standard of care such that the animals' health cannot be impaired by the actions of that person or of strangers. Moreover, this expansion of the subsection will make it more enforceable as it will clearly encompass negligent as well as wilful behaviour in regard to the care of animals or birds.

Now, the present Section 402(1) of the Criminal Code does list a number of offences, but some of the definitions are too skimpy. In order to detail the proposed changes, I would like to read the first three paragraphs of Subsection 402(1), which read as follows:

> Everyone commits an offence who
>
> (a) wilfully causes or, being the owner, wilfully permits to be caused unnecessary pain, suffering or injury to an animal or bird,
>
> (b) by wilful neglect causes damage or injury to animals or birds while they are being driven or conveyed,
>
> (c) being the owner or the person having the custody or control of a domestic animal or bird or an animal or bird wild by nature that is in captivity, abandons it in distress or wilfully neglects or fails to provide suitable and adequate food, water, shelter and care for it.

Those are the first three paragraphs, Mr. Speaker, of Subsection (1) of Section 402.

The proposal that I make in Bill C-407 is a very simple one and it is that those three paragraphs be repealed and be substituted by three subsections which would read as follows:

> (a) wilfully or negligently causes unnecessary hardship, privation, suffering or injury to any animal or bird,
>
> (b) being the owner or a person having custody or control of any animal or bird, wilfully or negligently permits unnecessary hardship, privation, suffering or injury to be caused to such animal or bird,
>
> (c) being the owner or a person having custody or control of any animal or bird, abandons it in distress or wilfully or negligently fails to provide suitable and adequate food, water, shelter and care for it.

● (1520)

To summarize, Mr. Speaker, the comparisons are that the old Code refers to pain, suffering or injury, whereas the clause I am proposing uses the terminology "hardship, privation, suffering or injury". After all, pain is a matter of subjective definition and hardship and privation would extend that definition.

The word "negligently" has been added in all three paragraphs because wilful action was the only provision made in the old wording. The original provision referred to wilful neglect while being driven or conveyed. That is now eliminated because it is included in the new definition of hardship, privation, suffering or injury.

Finally, Mr. Speaker, the new wording expands the definition of animal or bird by the use of the word "any". This means that now the animal concerned does not have to be a domestic or wild animal but would be any animal or bird.

I ask the support of the House for this Bill which will be to the benefit of our furred and feathered friends. I hope all Members of the House will feel as charitably about this as I do.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, I think we all appreciate the concern of the Hon. Member for

Vancouver-Quadra (Mr. Clarke) in bringing this Bill forward, and I should like to make a few comments on it.

The Bill under consideration proposes to make minor amendments to the Criminal Code provisions dealing with cruelty to animals. The proposal's key feature is to make a negligent act of cruelty to an animal a criminal offence. Very few negligent acts with respect to human beings are governed by the criminal law, so I do not see why we should afford more protection to animals than we do to people.

A criminal offence generally requires an *actus reus* and a *mens rea*. The act must be committed plus the person committing the act must have the required intention. Where a person does not intend the consequences of his act or does not have the necessary mental state to understand that the act is wrong, he is generally not punished by the criminal law. There are few exceptions to this rule.

The Criminal Code currently defines criminal negligence in Section 202(1). The Section states:

> Everyone is criminally negligent who
>
> (a) in doing anything, or
>
> (b) in omitting to do anything that it is his duty to do,
>
> shows wanton or reckless disregard for the lives or safety of other persons.

Subsection 202(2) adds:

> For the purposes of this section, "duty" means a duty imposed by law.

This same type of recklessness is contemplated by Section 402 dealing with cruelty to animals due to the application of Section 386.

Section 386(1) provides:

> Everyone who causes the occurrence of an event by doing an act or by omitting to do an act that it is his duty to do, knowing that the act or omission will probably cause the occurrence of the event and being reckless whether the event occurs or not, shall be deemed, for the purposes of this Part, wilfully to have caused the occurrence of the event.

If Section 402 is read completely and in the context of Part IX of the Code, it is apparent that advertent negligence or recklessness is already included. Further, by the operation of Subsections 402(3) and 386(1), proof of simple negligence is, in the absence of evidence to the contrary, proof of advertent negligence or recklessness.

Subsection 402(3) states:

> —evidence that a person failed to exercise reasonable care or supervision of an animal or bird thereby causing it pain, suffering, damage or injury is, in the absence of any evidence to the contrary, proof that such pain, suffering, damage or injury was caused or was permitted to be caused wilfully or was caused by wilful neglect, as the case may be.

Since negligence means the failure to exercise reasonable care, the current Subsection 402(3) would appear to accomplish the intended purpose of the proposed amendment.

The Hon. Member has mentioned that the Government's policy with respect to criminal law is to reserve its use for conduct for which other means of control are inadequate and inappropriate. The Provinces have enacted legislation with respect to cruelty to animals which focuses on protection and rehabilitation of the animal rather than punishment of the owner or custodian.

The Provinces have also enacted legislation imposing certain standards of care where animals are used for research.

The current Criminal Code provisions are more than adequate to deter and punish those who deliberately or recklessly harm animals. There is no need for amendment. The proposed amendments add little to the current law.

May I also point out that it is premature to consider any amendments to the Criminal Code at this time, especially unnecessary amendments. The Members of the House of Commons are well aware that the Minister of Justice (Mr. MacGuigan) is currently involved in a fundamental and comprehensive review of the Criminal Code, in the course of which Section 402 will be considered. The Criminal Code was originally enacted in 1892, and since that date there have been a continuous series of patchwork amendments. The criminal law review is aimed at the enactment of a modern, responsible and effective criminal law for Canada based on consistent and fundamental principles. This review has been undertaken in co-operation with the Ministry of the Solicitor General and in close consultation with the Provinces. The recommendations of the Law Reform Commission of Canada will be reviewed and a detailed examination of all substantive and procedural aspects of Canadian criminal law will be conducted.

Each section of the present Criminal Code will be examined in light of the principles stated in the Criminal Law in Canadian Society which were discussed by the Hon. Member. The sections will also be reviewed with regard to the numerous amendments that have been proposed but not adopted and their intended purpose.

The consideration of minor amendments to seldom used sections at this time is likely to lead to more patchwork legislation. The consideration of Section 402 will be thoroughly dealt with by the House when undertaking its analysis of proposed amendments resulting from the criminal law review process. I would therefore suggest that the proposed amendments be dealt with at that time.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have this opportunity to support the Hon. Member for Vancouver-Quadra (Mr. Clarke) who presented Bill C-407. I find it somewhat refreshing that after days, weeks, and months of debate on important economic issues, we set aside time for topics that some people may consider frivolous. The Bill before us shows some sensitivity for living creatures other than human beings.

As Parliamentarians we have shown our concern for a quality environment in various pieces of legislation that we have debated over the years. These indicate a genuine interest in the preservation of a quality environment.

There have also been some very strong statements on human rights from both sides of the House, so I find it refreshing that today we are attempting to make changes to the Criminal Code that would provide greater safety and better protection for the animal and bird kingdoms.

I want to use this occasion to extend this debate into an area that goes a bit beyond the intent of the Bill in some respects,

and that is the matter of laboratory testing and experimentation and the use of animals for this purpose. I think, perhaps, the most offending industry in this area would be the cosmetic industry. I was alerted, and I assume all Members of Parliament have been alerted many, many times, to what many people feel is a questionable use of animals in the testing of items such as cosmetics and toothpaste. I flag the attention of Parliament by mention of the Draize test, which is a test used on rabbits, animals which have no tear ducts. Perfumes of various kinds and various kinds of cosmetics are squirted in the eyes of rabbits to see the reaction over a period of time. I suppose this is to see what would happen if, for instance, Chanel No. 5 was squirted in someone's eyes, what they could expect in terms of some physiological reaction.

● (1530)

I simply use this, Mr. Speaker, as as example of the kind of tests through which we put various kinds of animals in our experimentation with all sorts of technologies and substances and the like. I would like to draw the attention of Parliament to the efforts of a particular group called, "The International Wildlife Protection Association". This is an international organization based here in Canada which takes this argument a little further, saying that if Parliamentarians are indeed concerned about protecting animals and birds from neglect, from various sorts of hardships, then perhaps we should give some attention to wildlife in that same vein. The International Wildlife Protection Association has for years raised the question with respect to the killing of wild animals for pleasure, such as trophy hunting, and it has written to Members of Parliament and has asked us on many occasions to question that kind of behaviour in a country such as ours.

I remember very distinctly, as a young man growing up in the Kamloops area as a hunter at the time, taking advantage of the abundance of wildlife in our area. We would go out hunting in the evenings and normally have occasion to encounter many, many deer. Yet as the years pass there are fewer and fewer wildlife of all sorts to be seen. I do not believe there is any question but that in many cases indiscriminate hunting practices have resulted in the reduction in many of our wildlife species. I simply flag this issue on their behalf for Parliamentarians, that indeed if we are as serious as this Bill would indicate about domestic animals and their protection, we should give that same consideration to wild animals and question the matter of hunting and killing of wild animals for pleasure only. I am not questioning the concept of taking the lives of wild animals for food by those who need it and use it in their traditional lifestyle, but I do want to question the matter of the killing of wild animals for pleasure, particularly as emphasized by the trophy hunter.

I would also like to mention, Mr. Speaker, that this Bill touches on a very critical question for those who are interested in the animal world and the need for their protection. There is one other aspect of this issue having to do with kangaroos. I know that kangaroos are not usually a topic we get into here in Canada, but we do import kangaroo products into our country, both in terms of hides and meat, as well as various decorations made, presumably, from kangaroo feet and ears, and the like. In Australia three million kangaroos are killed annually, legally. In other words, they are killed by using proper hunting techniques and in appropriate seasons. What I would like to flag, Mr. Speaker, is the fact that three million kangaroos are killed illegally in Australia and, to a large extent, I believe that Canada is a recipient of this illegal trade, the hides and paraphernalia associated with the killing of kangaroos.

I applaud the Hon. Member for Vancouver Quadra for bringing this Bill forward. I support it, together with my colleagues, and will say that perhaps this is just the beginning of a much longer debate around the topic of protecting both domestic and wild animals and birds.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I think the House owes a debt of gratitude to the Hon. Member for Vancouver Quadra (Mr. Clarke) for bringing this matter to our attention. I would like to think that there is a means whereby we could have this Bill, which some might consider defective in certain respects or with certain shortfalls, referred to an appropriate committee for study, improvement and adoption.

I was really quite astounded, Mr. Speaker, I did not believe my ears at first, when I heard the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) say that it was "inappropriate"—I believe that was the word he used—for Members of Parliament to bring forward proposals to amend the Criminal Code at this particular stage because, he went on, the Government was already revising the Criminal Code. Where else, Mr. Speaker, from which quarter, should proposals to amend the Criminal Code come if not from this House?

The Law Commission, I agree, should certainly make its proposals. However, to suggest that Members of Parliament should be muzzled or be told to sit down and be quiet because the Government is coming forward with a complete revision of the Criminal Code is, to my way of thinking, just typical of the arrogance of this Government! I listened in disbelief that anyone in this House would suggest that we should not bring forward matters of concern to us.

The date on this particular Bill is May 2, 1980. This Bill is three years old. How long has the Criminal Code been under revision? I venture to say it has been under revision for a long time, and if the comments made during this debate cannot contribute to the revision of the Criminal Code, Mr. Speaker, we are wasting our time here and we are receiving messages from the other side of the House that that is exactly what we are doing. This House has no relevance in the eyes of the Government, otherwise an Hon. Member would not stand up and read such a speech, which was prepared for him—because I cannot believe that that particular Member would have written that speech himself, honourable Member that he is. I cannot believe that he would put those words together in his own mind. It must have come from some official in the Public Service who wanted that message put across, "Don't worry us. We've got the Criminal Code under control. Now, don't you upset the Criminal Code cart because we are busy with it and

we will come up with the appropriate amendments when the time comes. You just sit back and think about something else."

An Hon. Member: "We will do what is good for you."

Mr. Munro (Esquimalt-Saanich): That is right. I did mention some of the shortcomings of this particular Bill. None of us are particularly keen, I am sure, about reptiles. There may be some who like lizards, some who like boa constrictors, and that kind of thing. However, I believe we should broaden the meaning of term "animal", because a reptile is not an animal according to the proper dictionary definition. We should, perhaps, broaden the meaning because I am sure this is what the Hon. Member for Vancouver Quadra had in mind. This is a humanitarian Bill for the animal world. I suppose that is about the best way I can put it at the moment. I am sure the Hon. Member would want the provision he is trying to have included in the law cover reptiles as well as birds and animals.

● (1540)

I think it is an excellent notion to include those who, through negligence, cause harm to animals, birds or reptiles. We have no provision within the rules, as I understand them, for proposing amendments to these Bills but I do feel that if it could be taken to committee, that particular amendment might be added.

I was very pleased to hear the comments of the Hon. Member for Kamloops-Shuswap (Mr. Riis). He revealed a completely new aspect of his attitude towards the living creatures of this world in his comments just a few minutes ago. I was delighted that he should think of those frightful experiments which are carried out on wild animals by the cosmetic profession.

I cannot let this occasion pass, Mr. Speaker, without making some comments about killer whales. There is a school of do-gooders, I guess you call them, who feel that no animal should be kept in captivity. No animal should be subjected to the spectacles that we all enjoy such as circuses. We enjoy watching trained horses, trained bears, and we enjoy learning about killer whales. They are amazing animals, Mr. Speaker, and we had one out in Victoria which suffered a fate too horrible to mention in ordinary circumstances, but I feel compelled to mention it now.

Some of these do-gooders, to the best of my knowledge, tried to release that killer whale from its pool in Sealand in Victoria. They went down as divers to cut the wires at the bottom of the pool so this killer whale could gain his freedom in the Strait of Juan de Fuca. Something seemed to have disturbed them or they did not get the dimensions of the killer whale right. The killer whale went down, nosed around, got his head caught in the wire and was unable to come up to the surface to breathe. That whale drowned because of the deliberate act of some vandals who claim to be concerned about the welfare of wild animals.

How can we know how to treat wild animals if we cannot study them and see what they can do in performances and how grateful they are for the care that is given to them? That there should be no wild animals in captivity is a nonsensical notion. They have to be properly cared for, and no zoo that I know of would dare open to the public without proper zoologists and people trained in animal care. We have a very special team of people at Sealand in Victoria who know how to deal with these sea mammals, and I cannot express too deeply the horror that struck me when I heard that that animal had been drowned. There was this great creature to which I had the good fortune to actually talk and to stroke and touch, it came up to see me when I was down by the side of the pool. It was a magnificent feeling, and some vandals had the audacity to cause that animal to drown.

Attempts are being made to restore that show at Sealand in Victoria and there has been a great furor about people getting killer whales from somewhere else and bringing them to Victoria.

I see the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) is here now. I hope he is blushing for having suggested that we should not even discuss amendments to the Criminal Code.

To come back to the killer whales, I do feel that when care and proper treatment of these wild animals is fully understood, and licensed if necessary, and registered trainers and caretakers of these animals are in place, then it is no offence whatsoever and should not be an offence to have them in captivity.

So, Mr. Speaker, if there is any possibility of making a motion on this particular Bill, with its strengths and defects, I would move, if I can without being out of order, that the subject matter of this Bill be referred to an appropriate committee of the House. If so, I so move.

The Acting Speaker (Mr. Blaker): The summer vacation causes me a problem in the sense of my memory as to the applicable rules. I think it is in order, but I would require a seconder. I see the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is so kind as to second the motion. That, I think, is going to be a votable motion. Under Private Members' hour this particular subject matter will continue until 4.13 p.m. Should there be a necessity to advise Hon. Members as to the procedure before that time, I will rise again after the next speaker. Otherwise, there seems to be no difficulty as to the procedure proposed by the Hon. Member.

Mr. Stanley Hudecki (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I, too, welcome this opportunity to speak on Bill C-407, a Private Members' Bill put forward by the Hon. Member for Vancouver-Quadra (Mr. Clarke). The intent of the Bill is most admirable. No one can argue against the need to protect animals from unnecessary suffering, and I congratulate the Hon. Member for raising this issue in the House.

I was particularly concerned that this was another attempt to downgrade and be critical of the work done on animals in experimental laboratories, and I called the Member to ask his feelings on this. I was particularly pleased to hear from him by telephone and in his remarks here today that he appreciated the role animals play in medical research and the contribution

they make to a better understanding of medical and surgical problems and the opportunities they give to make very positive contributions to our health and ability to fight disease. I can give personal assurance of that having taken part in a great deal of basic research work done on cardiac surgery at the Hospital for Sick Children. I worked there with Doctor William Mustard. A great deal of the duties of a resident is to carry out the various operative procedures on these animals, and I can assure you that the greater part of a resident's life at that time was to provide intensive care for these animals, and throughout the succeeding days after the operation these animals received the very best, most intensive and skilful care. This was to ensure that they would survive and be comfortable and, indeed, to show the efficacy of a number of these operative procedures which have now become standard and which contribute immensely to the welfare of many young patients, changing that aspect of surgery. I therefore congratulate the Hon. Member, the proposer of the Bill, for having had foresight and understanding as far as that particular role is concerned.

● (1550)

The Bill proposes to amend the Criminal Code provisions with respect to cruelty to animals, namely, Subsection 402. The alleged purpose of the amendments is to enlarge the scope of Subsection 402(1) by expanding its application to anyone who causes wilful or negligent injury to animals or birds. I am stressing "wilful or negligent". The amendments also provide that an owner cannot permit wilful or negligent damage to an animal or bird, and imposes a duty on owners or those having care or control of animals to provide them with suitable and adequate food, water, shelter and care.

In my own reading and study of the Bill as it was presented, I thoroughly agreed with the spirit that it represented. However, in studying the Bill with the help of the legal experts of the Department of Justice, I found that the legal implications placed certain problem before me. At the moment, taking into consideration the thoughts expressed by lawyers, I find that the amendments, in comparison with the present Criminal Code, should be considered unnecessary.

A close reading of the current Criminal Code provisions indicates that the type of conduct the Bill seeks to make criminal is already prohibited. For example, subsection 402(3) states that with respect to the present paragraphs, Subsection 402(1)(a) and Subsection 402(1)(b), "evidence that a person failed to exercise reasonable care or supervision of an animal or bird thereby causing it pain, suffering, damage or injury is, in the absence of evidence to the contrary, proof that such pain, suffering, damage or injury was caused or was permitted to be caused wilfully or was caused by wilful neglect, as the case may be". Negligence is the failure to exercise reasonable care. Thus, adding the words "negligently causes" to Subsection 402(1) would be redundant.

Although Section 402 currently uses the word "wilful", the word has a special meaning and is not limited to intentional acts. Section 402 is located in Part IX of the Criminal Code. Section 386, also in Part IX, provides that for the purposes of this Part of the Code, certain types of conduct are deemed to be "wilful". The Section provides that "everyone who causes the occurence of an event by doing an act or by omitting to do an act that it is his duty to do, knowing that the act or omission will probably cause the occurence of the event and being reckless whether the event occurs or not, shall be deemed, for the purposes of this Part, wilfully to have caused the occurrence of the event". Thus, recklessness is covered by the provision and "recklessness" means advertent negligence.

Very few crimes carry responsibility for simple or civil negligence. It is not clear what type of negligence is being proposed. Again, from a legal interpretation and legal study, one finds that the Criminal Code defines "criminal negligence" in Section 202 as follows: "(1) everyone is criminally negligent who (a) in doing anything or (b) in omitting to do anything that it is his duty to do, shows wanton or reckless disregard for the lives or safety of other persons". Subsection 202(2) states: "for the purposes of this Section, "duty" means a duty imposed by law". This duty must arise by virtue of a statute or a common law. There is no reason to impose a higher standard of care for animals than for human beings. Nevertheless, whether the negligence sought to be made criminal by the proposed amendments is advertent negligence, that is, recklessness, or simple inadvertent negligence, both types of conduct are already adequately covered by Sub-sections 386(1) and 402(3).

The proposed amendment also seeks to change the wording of paragraph 402(1)(a) from "unnecessary pain, suffering or injury" to "unnecessary hardship, privation, suffering or injury". It is impossible to determine what constitutes "hardship" for an animal by any objective standard. Of more importance, however, is that "privation" is defined in the Oxford dictionary as "want of the comforts or necessaries of life". How can we determine what the "comforts of life" are for an animal, as opposed to "necessaries"? There is no objective test.

Animals, by their very nature, can take care of themselves if left alone. We have raised the standard of life for animals by bringing them into our homes, feeding them, grooming them and taking them on family vacations. It cannot be said that a farmer who lets his dogs and cats run free and sleep outside is cruel. Animals and birds are equipped to provide themselves with the necessaries of life. People cannot be said to be negligent if they fail to do so. Furthermore, upon whom is the duty to provide the necessaries of life to animals imposed? Wild animals and stray domestic animals have no owner or custodian to be responsible for them. The question raised is: "Am I my neighbour's dogkeeper?"

Furthermore, do we wish to make it a crime punishable by a maximum fine of, say, $500 and/or six months' imprisonment for failing to provide "comforts" to an animal as opposed to "necessaries"? Not even in respect of humans is it a criminal offence to fail to provide the comforts of life. Under Section 197 of the Criminal Code, it is only an offence not to provide the "necessaries of life."

In any event, the current wording, "pain, suffering, or injury", should encompass the type of discomfort sought to be prohibited. In addition, Paragraph 402(1)(c) states that "everyone commits an offence who, being the owner or the person having the custody or control of a domestic animal or bird or an animal or bird wild by nature that is in captivity, abandons it in distress or wilfully neglects or fails to provide suitable and adequate food, water, shelter and care for it". Thus, it is already an offence to fail to provide the necessaries of life for an animal. There is no need to impose any higher standards.

● (1600)

The wording of the proposed amendments is very similar to many provincial statutes dealing with cruelty to animals. The provincial statutes are designed to prevent cruelty to animals and protect and relieve animals from such cruelty. The owners or custodians of animals can be ordered to change their practices or the animals can be taken from them. The purpose is to protect the animal and not necessarily to punish the owner or custodian. For example, the Ontario Society for the Prevention of Cruelty to Animals Act has as its object the prevention of cruelty to animals and their protection and relief therefrom. For the purpose of the enforcement of any law or statute in force pertaining to the welfare of or the prevention of cruelty to animals, every inspector and agent of the society or an affiliated society has the powers of a police officer. An inspector or agent of the society may obtain a warrant to search a building or place for animals in distress, or where he observes an animal in immediate distress he may enter without a warrant any premises or building or place other than a dwelling house. Other Provinces have similar legislation.

If our concern is for the animal, then the provincial provisions are sufficient. The Criminal Code should remain unchanged in focusing its concern upon the moral culpability of the actor. Therefore, the proposed amendment is considered unnecessary.

The Acting Speaker (Mr. Blaker): Before I recognize the Hon. Member to speak, may I indicate that the Hon. Member for Esquimalt-Saanich (Mr. Munro) has made a proposal, the effect of which is that the Bill be withdrawn and the subject matter be referred to a committee. I want to put that in the formal language of the House simply so that we can proceed in the proper fashion.

Accordingly, Mr. Munro, seconded by Mr. Kilgour moves an amendment thereto

That the motion be amended deleting all the words after the word "that" and substituting the following therefor: "Bill C-407, an Act to amend the Criminal Code, cruelty to animals, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice".

In the usual fashion I would ask the House whether it is the pleasure of the House to adopt the motion?

May I remind Hon. Members that at 4.13 p.m. this segment of Private Members' hour will be completed. Should debate on the amendment collapse between now and then, I will put the question. If, at 4.13 p.m. the Hon. Members are still pursuing debate on the subject of the amendment or on the main motion, there would then be no opportunity to put the question and we would proceed on to the next order of Private Members' Business.

Mr. Jim Schroder (Guelph): Mr. Speaker, as a person who has spent most of his working life concerned with the care and welfare of animals, I am pleased to have an opportunity to speak in this debate. I would like to compliment the Hon. Member for bringing to the attention of the House and therefore to the attention of the Canadian people the fact that there is a sensitivity to the welfare of all animals.

I would also like to bring to the attention of the Hon. Member who proposed this Bill when he said in his opening statement that the only alternative to using animals in testing and experimentation is to use the human that this is not exactly the case. There are many alternatives now being studied which would replace animals in experimentation. I am thinking of such things as tissue culture, microbial units and biochemical test. Of course, we now have the simulator and the computer.

I would like to point out to the House that experimental institutions which perform animal experimentation and various organizations which are concerned with animal welfare are vigorously pursuing the use of these kinds of alternatives. As a person who has spent quite a bit of my life doing and supervising animal experimentation, there is nothing that I, and I am sure many of my colleagues, would like better than to see the day when we would not have to use animals at all for experimentation. However, until such time I think we have to look at what is available to us and, up to this moment, we must use animals because they are the only biological model which we presently have. I would like to reiterate that there is nothing I would like to see more than the time when we can completely exclude living animals from experimentation.

I would also like to bring the thought forward to the House that it is man himself who demands safety tests, which makes it necessary for us to use animals at the present time. Of course, we look to the idea of replacing this with other kinds of models in the future.

For those in the House who are not familiar with what a simulator or a computer can do, it is now quite possible by way of computer to develop a model which is completely representative of the respiratory system or cardiovascular system. Therefore, instead of having to use innumerable live animals, it is quite possible to develop a computer program which allow us to make variations in our experimental design which could be measured on this simulator. For example, it is possible for medical students today to have a computer which they can program to determine what will happen if they use a certain drug. Previously, they would have to had to use a patient and decide to inject this drug into the patient or wait until a suitable patient with that certain cardiovascular defect came into the clinic before having the opportunity to treat that patient.

Computers can now be designed to simulate that patient. If the medical student's treatment does not work and he receives a signal that the patient died, it is only the program that did not work. One can imagine the possibilities for replacing animals by experimentation by this type of computer.

I would also bring to the attention of the House the fact that we are not allowing animal welfare to fall into disrepute without some kind of surveillance or control. There are two areas with which I am concerned. One is animal experimentation. Canada has the only volunteer organization which is composed of people who are controlling animal experimentation. It is called the Canadian Council on Animal Care. A question presently being asked is whether things should be regulated by law or whether people should be educated so that they recognize their responsibilities and do not need laws to guide them. I believe that if people are properly informed and can decide on that information, it is quite often evident that the rules they establish for themselves are at an even higher level than those established by the law. When laws are made it must be kept in mind that they must be enforceable. With respect to animal welfare, a law which was passed to control how animals are treated would have to be enforceable. People would simply abide by the minimums of the law. In my experience they have said that what they are trying to do requires a much higher level than that established by the law. This is the kind of surveillance we have with the Canadian Council of Animal Care in scientific institutions in Canada. I am quite convinced that this is working and will continue to work to the betterment of animal welfare.

● (1610)

Of course, the second group of animals with which we are concerned are domestic animals, pets, wild animals, animals in zoos; in other words, animals in general that are not covered by the group which controls animal experimentation in scientific institutions. At this point I would like to draw the Canadian Federation of Humane Societies to the attention of the House. It is an umbrella group with which other humane society units in the country are allied. Its major concern is to look after the welfare of animals. It has a very close relationship with the federal Government when it comes to looking after animals being slaughtered, animals in transit or any animal which falls under the control of the federal Government. It is also concerned with animals in exhibitions. It is interested in animals being slaughtered, what happens to them when they are being transported to slaughter houses and at the time they are being slaughtered.

What interests me about the Canadian Federation of Humane Societies is that it has a great interest in education, an area through which sensitivity can be developed starting in elementary schools and through the secondary school system. Certainly I remember in elementary school Humane Society Day which occurred once a year. We were given buttons to wear which read, "Be kind to animals". We were given pictures of animals, and very often someone visited our school to tell students about the need to care for animals. This is the basis for the development of sensitivity. All the laws in the world will not ensure that animals are properly cared for, but if we can develop such a sensitivity in young people in the early stages, by the time they reach the point where they own animals, view animals in zoos or, if they are professionals, use animals for experimentation purposes, they will have that sensitivity and laws will not be needed to govern their activities.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the Hon. Member, but as I indicated earlier, it is my duty pursuant to Standing Order 24(2) to interrupt the proceedings at the hour of 4.13 p.m.

Moving to the next order of Private Members' Business, shall all orders listed under Private Members' Public Bills preceding order No. 425 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING POWER TO TAKE BLOOD SAMPLES

Mr. Robert Wenman (Fraser Valley West) moved that Bill C-625, an Act to amend the Criminal Code (power to take blood samples), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this Bill is to allow for the testing of blood samples for blood alcohol levels in the case of motor vehicle accidents. Drivers are not now subject to blood alcohol testing when suspected of driving while impaired.

I would like to read the following excerpt from a letter of Mr. John Steward:

> My son is dead! Peter Graham Steward, aged 23 years, three months and 11 days has been killed. A boy entering adult life, a boy with a blameless life, hard working, reliable and essentially good right through. This lad, my youngest son, was murdered by an unthinking and totally uncaring man, a man who had so soused himself in whisky and beer that he had shed all vestige of manhood, amounting to an uncontrolled and dangerous state of mental awareness.
>
> The boy whom we had loved from the moment of birth, our youngest son, so full of promise and love himself for his Mum, Dad, brothers and sisters was no more, gone forever, gone to the world from which he came to us all, leaving behind broken hearts and numbed minds asking why, why? His fiancee and impending marriage plans destroyed, his brothers and sisters, hopelessly trying to find comfort in each other, Mum and Dad, with an ache that is beyond comprehension by those who have never suffered such a loss.

It continued:

> The police hands are tied, the doctors under threat of prosecution, and the guilty one, a host of lawyers will defend him, and without proof, clinical proof, the murderer goes free.
>
> The time has come that no government should tolerate such inequity in laws. Too many are dying on Canada's roads, and many are victims of protected murderers with large and terrible weapons of destruction on four wheels.
>
> I appeal to the Government to right this appalling injustice.

The murderer in this case has continued to drive freely on our highways ever since that tragic day in 1977.

I could quote figures from many jurisdictions throughout Canada, but I will just take one to indicate the volume, and scale of tragedy, sorrow, anger and pain. In the Province of British Columbia alone in 1982 there were 24,000 accidents with injury or death. There were 600 deaths and 34,000 injuries. In 20 per cent of all accidents with injury, one or more drivers were drinking. In 40 per cent of all accidents with death, one or more drivers were drinking, and 10 per cent to 20 per cent of all drivers injured in accidents had been drinking. Studies by the Attorney General's office showed that in the evenings 6 per cent of all drivers legally impaired had over .08 per cent blood alcohol levels and 6 per cent who had been drinking had between .05 per cent and .08 per cent blood alcohol levels.

When parents and families suffer such a loss, first comes the anger, then comes perhaps even revenge, but ultimately they say that above all they want justice and that anything which we enact must be enacted with that motive. They have indicated this to me, so it makes somewhat of a difference that justice be applied.

In 1980 a study of 1,500 cases involving drinking drivers showed an over-all conviction rate of 87 per cent. When blood alcohol testing was involved, 90 per cent admitted their crime and pleaded guilty. When no testing was involved, only 70 per cent pleaded guilty. We are talking about 20 per cent more people. It has been demonstrated that blood alcohol testing will, hopefully, save lives. It certainly saves time and brings these matters before our courts and through to justice.

● (1620)

Where does concern for this particular area start? I suppose we want to lay blame first of all. Maybe blame is where it does start. Certainly blame should first be placed on the social disease of drunken driving. Second, and equally important, there must be accountability and restitution. That should be the result and responsibility of the person who perpetrated the crime, who bent his arm one time too many.

As a result of this tragic incident, I drafted Bill C-625 before us today. I have named it the Steward amendment. I do not have a right to put a name on the Bill, but I am naming it that because it was his personal tragedy that struck me so deeply that I felt we must begin a course of action.

This is not just in Canada. It is also in the United States. President Reagan has declared war on drunken driving and has formed a presidential commission. Across Canada, citizens' groups have been provoked to action by their horror of such wanton carnage. They have been formed to lobby for such legislative changes, not just in this House of Commons, but in the Provinces across the country. One such group which many Members have heard from is Sally Gribble's MADD organization, "Mothers Against Drunk Drivers". On their behalf I presented this year a petition signed by 7,000 Canadians who want to see the law changed and see justice found in this area.

Since 1978 when the Bill in its first form was presented by me as Bill C-428, substantial and significant support has been building for it across the country. Many organizations have expressed support in principle for this Bill. As long ago as 1978 I received letters from the Attorneys-General of British Columbia, Saskatchewan, Manitoba and Ontario. Also in support have been the Canadian Association of Chiefs of Police, The Canadian Medical Association, the Australian Medical Association, the Salvation Army, Casabello Wines and the Canadian Automobile Association. Since that time many other groups have begun to express their opinions. They have been expressing concern over this Bill and its ramifications. Taking compulsory blood samples from drunken drivers who kill is a legal, moral and social problem with legal, civil libertarian and medical aspects. It is not an easy problem to legislate, but there are some small steps that we can take. This Bill is one of them. The Government of Canada's avowed policy on criminal law, as stated in its recent publication "The Criminal Law in Canadian Society" embraces the following, and I quote:

> The purpose of the criminal law is to contribute to the maintenance of a just, peaceful and safe society through the establishment of a system of prohibitions, sanctions and procedures to deal fairly and appropriately with culpable conduct that causes or threatens serious harm to individuals or society!

With this promise and commitment, a loophole in Canadian law exists that allows drunken drivers involved in accidents to escape detection by breathalyzer and thereby escape prosecution. Drivers often feign injury to avoid taking the breathalyzer. As the President of the Canadian Medical Association notes:

> It's becoming a common dodge. People who are in the know, know that they can feign injury and avoid the test.

If they feign injury in an accident, they are sent to hospital, thereby avoiding the drunken driving breathalyzer test.

The attitude of civil libertarians to this issue is that mandatory blood tests would be a violation of individual rights. That maybe so to some small extent. However, I feel strongly that the taking of an innocent human life is a far greater violation not only of an individual right but also of the most sacred principle of natural and positive law, the right to life of that person who died as a result of the actions of another person.

Legislators and the legal profession have recognized this fact. This study, which was begun in the mid-1970s, has resulted in the Law Reform Commission publishing working paper 29, "The General Part Liabilities and Practices", which included a proposal to change the Criminal Code to create a new category of offence called criminal intoxication.

Three years ago the Conservative Government of Manitoba actually enacted such a Bill. The Social Credit Government of British Columbia has legislation due to be proclaimed October 1 to institute mandatory blood alcohol tests for suspected drunk drivers involved in accidents. The Saskatchewan Conservative Government Vehicles Act, 1983, Section 168(1), provides that a medical practitioner, registered nurse or qualified lab technician may be allowed to take a sample of blood if the police officer, on reasonable and probable grounds, believes a person had consumed alcohol or drugs and was operating a motor vehicle within the preceding two hours.

It is not just our Provinces or this country which have been acting in this sphere in the last five years. The California vehicle act, Section 13353, provides that, and I quote:

—any person who drives a motor vehicle upon a highway shall be deemed to have given his consent to a chemical test of his blood, breath or urine for the purpose of determining the alcohol content of his blood if lawfully arrested for any offence allegedly committed while the person was driving a motor vehicle under the influence of intoxicating liquor.

Some people ask about the constitutional validity. The constitutional validity of taking blood samples to determine impairment was upheld in the Constitution of the United States in the case of *Schmerber v. California*. In Western Australia, the Road Traffic Act, Section 66 (2), provides that a patrolman can allow a medical practitioner to take a sample of the offender's blood for analysis.

In light of recent legislation by Provinces, increased public awareness, intensified legal interest and further study, I would like to recommend that it is well past time for action by this House of Commons on this subject.

This is not new. We are not plotting new ground. We are responding to a reality of lifestyle and a reality of tragedy. As I mentioned, in one Province alone there have been 600 deaths, 240 related to drunken driving. What is the delay in this legislation? Since I first proposed this legislation, which has sat around for a long time, I have received a lot of constructive advice. For example, I received from Ernie Hawrish, a lawyer friend in Saskatoon in whom I have great faith, a suggestion that perhaps this Bill needs further amendment and suggestions. He says that perhaps there needs to be a section for appropriate fines and imprisonment as well as an extension of the range of persons qualified to take such tests. Others have suggested that the question of the use of the material gained in such a test as evidence needs further discussion.

It is my request to this House of Commons today that this Bill, which is an idea, be referred to the standing committee. I would like to hear testimony. Let us hear from MADD and the Stewards about the tragedy of the victims. Let us hear from those who cannot have returned what has been taken. Why would the Government not grant this? Why would the Government not want this for Canadians? This is the initiative of a Private Member but it should have been an initiative of the House of Commons of Canada. This is not a bipartisan political issue, it is a human issue. Why does the Member on the Government side who is told to respond to this matter not get on to it right now? Do not delay it three months or six months or three years or five years while people die all over our highways.

● (1630)

Whoever has been assigned to respond to this Bill should stand up right now. Do not talk it out. That person knows how to make a simple reference of the subject matter now. He has the necessary information. He should make this reference now. Do not talk it out. No more talk is required, only action is required. It could be your son, it could be your daughter, it could be your family, it could be you.

Some Hon. Members: Hear, hear!

Blood Samples

Mr. Gilbert Parent (Welland): Mr. Speaker, one cannot help but be moved by the words of the Hon. Member for Fraser Valley West (Mr. Wenman). I may say that I too am struck by contradictory feelings as much as anyone else in the House. I can speak from the position of having suffered through a personal tragedy when my own son was killed in a car accident. I suppose in a sense it was fortunate that the driver of the car who killed my son was not impaired. I am no stranger to tragedy as it involves car accidents. I myself some 30 years ago was involved in a car accident which left me paralysed.

The Hon. Member said not to talk this Bill out, to do something about it now. Like him, my first reaction is, of course, to respond by saying: Yes, it should be done now; yes, it should be done quickly. I say to my dear colleague that my heart is with him in principle and that my heart is also with the Steward family and the many others that he mentioned during his discourse.

It would probably be appropriate to call this amendment the "Steward" amendment, and perhaps some place in the legislation that name could be mentioned as testimony to the tragedy that this family has suffered needlessly. How many other families are there like this across Canada?

To proceed right now in the light of the information that we have would be the expeditious things to do. It could very well be that this Private Member's Bill should go through immediately and that Parliament should act today.

Some Hon. Members: Let us do it.

Mr. Parent: I say that, Mr. Speaker, with full knowledge of what has gone on and what could continue to go on. Yet I truly wonder if all of the information that we could have has been gathered. We can study things until they virtually just dry up and go away, but this type of thing will not dry up and will not go away.

The Hon. Member mentioned some things that are happening in the different legislatures across the land as well as in different countries. During my brief remarks I hope that the information I bring forth will add weight to that information which he has already presented to the House.

In southern Ontario, there is a program called "RIDE". I wish that I knew the precise meaning of those four letters, but it means something to the effect of rid impaired drivers from the roads of our Province.

Mr. Darling: Maybe "entirely" is the last word.

Mr. Parent: That would be a good word to have there. From time to time we read in the newspapers that we will be infrining upon the individual rights of the people of Canada. I stand shoulder to shoulder with Hon. Members and say, what about the rights of the victims? What about the rights of the grieving families that are left behind? What about the young lives that are snuffed out because some men and women consider it more important to drink themselves into a stupor than to care for their fellow man?

The Minister has told us, Mr. Speaker, that it is his intention to introduce legislative changes dealing specifically with blood sampling and impaired driving in the very near future. I wish there could be a date upon that introduction. I am of the opinion that it would be wise to wait until we gather all of the information that is necessary so that we can proceed together to draft legislation dealing with this matter. One might say that this afternoon is the time to do this. I think perhaps we would get better legislation if it were indeed discussed in committee. I for one would be more than happy to take part in such discussions.

Let me address myself, Mr. Speaker, to some recent developments which have occurred at the provincial level regarding blood sampling. My colleague, the Hon. Member for Fraser Valley West, mentioned that to date some Provinces have introduced bills dealing with blood sampling. He mentioned Manitoba, British Columbia and I believe Saskatchewan. In the case of British Columbia, the provisions have been proclaimed and will come into force in a matter of a few weeks. I would like to quote directly from Section 220.2 of Bill 69 which provides that, where a peace officer on reasonable and probable grounds believes that a person has:

(a) within the preceding two hours driven a motor vehicle or had the care and control of a motor vehicle on a highway or industrial road, and

(b) consumed alcohol

he may require that a person provide a blood sample.

Section 220.3(1) provides that a person who without reasonable excuse fails or refuses to comply with a demand commits an offence.

My colleague, the Hon. Member for Fraser Valley West, suggested that one of his lawyer friends would like to add certain fines to that. I believe that that could possibly be a good way to proceed.

Section 220.2(2) states that where a person is incapable due to physical or mental trauma of comprehending the nature of a demand, a blood sample may be taken from that person without a demand being made. I agree with that. I agree that at the very least that should be done.

Public outcry in Saskatchewan has been sustained since the major traffic disaster at Webb in the summer of 1980 in which 22 lives were lost and breath samples could not be demanded from the dirver because of his physical condition. Bill 81 with the amendments to the Vehicle Act received third reading and Royal Assent by the Legislative Assembly of Saskatchewan on June 2, 1983. In many ways that law is the same as the law of British Columbia.

● (1640)

Section 168(3) makes provision for a case where a peace officer, on reasonable and probable grounds, believes that a person has consumed alcohol or drugs. The drugs that are being used today are not an entirely new phenomenon and perhaps this should be included in the proposed legislation. It also provides that where the officer believes that a person within the preceding two hours has driven or had the care and control of a motor vehicle and is incapable of providing a sample of his breath, the peace officer may, subject to Subsection (4), by demand made to that person, require him or her to provide sufficient sample of blood that, in the opinion of the person taking the sample, is necessary to enable a proper analysis to be made to determine the proportion, if any, of alcohol and/or drugs in the blood and to accompany the peace officer for the purpose of enabling the sample to be taken.

Section 168(4) states that where a person is, in the opinion of the peace officer, incapable of understanding the nature of a demand for a sample of his blood, the peace officer may cause a sample of his blood to be taken without a demand. I agree with that.

Section 168(5) makes it an offence for any person without reasonable excuse to fail to comply with a demand to provide a blood sample.

James Garner, Saskatchewan Minister of Highways and transportation, has stated that the Saskatchewan provisions would be proclaimed into force on October 1, 1983.

Both of these Bills raise questions—which could be answered if we had the information available—as to whether they are constitutional in light of the Canadian Charter of Rights and Freedoms.

Let us look at the situation in some other countries. The Hon. Member for Fraser Valley West dealt with the law in California where I believe he said that anyone who drives on the highways there, by the mere fact of driving an automobile, consents to having a blood test.

He also referred to Australia. Each of the Australian states has a provision for a screening test of blood alcohol concentration. The purpose of this test is the same as our roadside testing provision in Section 234(1) of the Criminal Code. Persons "passing" the test are generally released from the obligation to undergo breath analysis or a blood test, whichever may be appropriate, for evidentiary purposes. Each state law in Australia contains a provision for the determination of blood alcohol concentration by the use of a breath analysing instrument. It is the primary means of ascertaining blood alcohol concentration in each Australian state and territory. The police in each state may require a person to submit to a breath analysis if it appears from the screening test that the percentage of alcohol in blood exceeds, or in some cases equals, the prescribed limit. It may also be required if a person refuses or fails to provide a sample for a screening test. Although the primary means of ascertaining blood alcohol concentration throughout Australia is by breath analysis, there is provision in each state for blood tests in certain circumstances.

The Hon. Member did not mention that in the United Kingdom recent amendments were made as a result of the recommendations in the Blennerhassett Report in April, 1976. Breath tests are now accepted for evidentiary purposes as the principal means of determining the blood alcohol concentration of drivers. Prior to the amendments, breath samples could be required solely in connection with a preliminary screening

test; only the results of blood or urine analysis could be adduced as an evidentiary sample.

Enforcement of this legislation proved difficult, particularly as it related to the screening tests. Blood or urine tests of many accused were clearly over the limit, yet legislative loopholes allowed them to continue to drive undeterred. Changes sought effective enforcement and the whittling down of technical defences. The power of the police to require a breath test was extended to cover persons who had been in charge of a motor vehicle. In addition, it attacked the "hip flask"defence so that drinking after an accident could not be used to disguise impairment before the accident. It is almost incomprehensible to me in this day and age that people, having been in an accident where other individuals were maimed or killed, would have the effrontery or would be so heartless as to drink more alcohol so that it could not be proven whether they were drunk before or after the accident.

Their Road Traffic Act of 1972, as amended, makes provision for a constable to demand that a person submit to a breath, blood or urine test in addition to a preliminary breath screening test. Section 8(1) of the legislation provides that, in the course of an investigation whether a person has committed an offence under section 5, which is driving, attempting to drive or being in charge while under the influence of drink or drugs, or section 6, which is driving, attempting to drive, or being in charge with blood alcohol concentration above the prescribed limit, that is .08, a constable may require him to provide two specimens of breath for analysis by means of an appropriate device, or to provide a specimen of blood or urine for laboratory test.

The amendments permit the result of a breath test to be used for evidentiary purposes. When the roadside screening test proves positive, a second breath test, rather than a blood or urine sample, is the normal means of providing evidence at the police station. This change was supported by medical experts who proposed that blood or urine sampling should be replaced by breath analysis. The new breath-testing provisions enable police officers to determine the alcohol content of blood within minutes and removes the need to send for doctors to administer blood tests.

Section 8(4) of that legislation states that if the provision of a specimen other than a specimen of breath may be required, the question whether it is to be a specimen of blood or urine shall be decided by the constable, except that if a medical practitioner is of the opinion that for medical purposes a specimen of blood cannot or should not be taken, it shall be a specimen of urine. Section 8(7) provides that a person who, without reasonable excuse, fails to provide a specimen when required to do so, is guilty of an offence.

Section 8(8) provides that, on requiring any person to provide a specimen, a constable must warn him that failure to provide it may render him liable to imprisonment, a fine, and disqualification. That is precisely what the Hon. Member's lawyer friend said might be done. If the constable fails to give the warning, the court may direct an acquittal or dismiss the charge, the issue being whether prejudice had resulted from failure to give a warning. Some of our friends claim that individual rights are being trampled upon, but at least they have access to the courts which is more than the victims of the accident have.

The subsection obviously contemplates that a person may be convicted though no warning is given, so the warning cannot be a requirement of the offence. However, if a person is charged with failing to provide a specimen, absence of a warning is relevant to the issue of reasonable excuse.

Section 9 gives additional protection to hospitalized persons. It provides that, while a person is at hospital as a patient, he shall not be required to provide a specimen of breath for a breath test or to provide a specimen for a laboratory test unless the medical practitioner in immediate charge has been notified and that it shall be for the provision of a specimen at the hospital. However, if the medical practitioner objects on the ground that it would be prejudicial to the proper care and treatment of the patient, the requirement shall not be made.

● (1650)

It seems abundantly clear, Mr. Speaker, from what has been said by my colleague and myself, that there are a number of options available regarding the acquisition of blood, and this House and the Standing Committee on Justice and Legal Affairs should have the benefit of the comparative review of blood sampling legislation which is being carried out by the Minister of Justice (Mr. MacGuigan) and the officials within his Department before embarking upon proposals to amend the Criminal Code in this area.

It seems that Hon. Members on the other side are taken with the fact that we are taking time to discuss the Bill as it is now. I suggest to them that the proper place for discussion of this Bill and the principle of this Bill—and I say this with all respect to my colleague, the Hon. Member for Fraser Valley West—could best be done in committee. If it does go to committee I, for one, will gladly support it there.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I would like to begin by expressing my sympathy, through the Hon. Member for Fraser Valley West (Mr. Wenman), to the Steward family who so tragically lost their son through impaired driving. The slaughter on our highways by drunk drivers is a terrible thing and our laws are certainly not tough enough. I, like many Canadians, have lost a close family member through drunk driving. A cousin of mine at the age of 17, on his high school graduation, was killed in an accident caused by drunk driving, so I know very personally the tragedy which this causes to families.

We do know some of the very specific technical problems which result because of the loopholes in our current laws. There are drivers who are unconscious after an accident and avoid a breathalyzer test which would end up in their being convicted. This reduces the chance of obtaining convictions. There are also people who seek to evade criminal responsibility by faking unconsciousness. This is another loophole with which we have to deal. Our laws do need considerable revision. I take

this problem very, very seriously and I believe we do have to address some of the objections which have been raised by people who take a different approach. I do not agree with them all, as I will point out; however, I feel their objections have to be considered. Civil liberties associations, for example, have raised protests on grounds of self-incrimination through blood analysis. I do not accept this objection because I feel that driving is a privilege not a right. When one goes to get a driver's licence one does not receive the right to drive under all circumstances. You accept certain obligations and I believe one of them is, obviously, not to drink. Another is to subject yourself to laws which ensure that drunk drivers are kept off the highways.

That being said, it does not mean that a blood test is the best means of dealing with the problem which we have to face. There is a possibility of using different kinds of equipment, for example, new equipment which will enable a breathalyzer test to be taken from unconscious persons. There is a possibility that saliva and urine samples can be used to give adequate information. Certainly, if these means can be effectively developed, and there are technical questions about them, they would be a better means of dealing with the question than using blood samples. We have to consider the problems, for example, of hemophiliacs and of infection caused by taking blood samples. We do not want to add to the list of victims in our search for a solution.

I would agree, then, with the intent and the spirit of this Bill. However, to give it second reading as it now stands would be to give agreement in principle to a particular method of control, that is, with blood tests, and that would be to prejudge the technical question as to what is the best method of obtaining the necessary information. Blood tests may be the answer, and if that is shown I would be quite willing to support compulsory blood tests in those cases. I would agree, then, to reference of the subject matter to committee, but not the Bill itself. I believe this would be an effective thing to do.

Further, Mr. Speaker, I would like to argue that we need to take a more comprehensive approach to this problem. The Hon. Member's Bill deals with obtaining a conviction after the fact. Of course, we want justice to be done, but surely the more important problem is to get drunk drivers off the roads. We do have laws now. We do have punishments, although they are not tough enough. But there are other things we can do to see that the punishments we mete out are successful. Something we could be doing, for example, on conviction for impaired driving, would be to impound the motor vehicle, not just take away the licence. We have the problem of people who are convicted once and who, therefore, are identified as problem drivers, as drunk drivers, but they continue to go out and do it again.

There are other means which we really must be considering in dealing with the actual problem of getting impaired drivers off the road. To do that, Mr. Speaker, we need a whole array of amendments, not just this Bill. I do have some concrete proposals to make. I am studying this problem and I feel we must address it in a very serious way.

In conclusion, Mr. Speaker, I would support reference of the subject matter to committee, not the actual Bill itself. In the alternative, I look forward to dealing with it when the Minister of Justice (Mr. MacGuigan) brings in his amendments which will, of course, be referred to committee. He has promised amendments to the Criminal Code this fall on impaired driving.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I too salute the Hon. Member for Fraser Valley West (Mr. Wenman). I believe this is a Bill which is doing all Canadians a service and I feel we should all be very grateful to him for bringing it here today. The Hon. Member referred to some statistics, Mr. Speaker, but I do not believe he mentioned the figure of 18,000 Canadians killed by drunk drivers in the previous six years. Another figure is that 50 per cent of automobile accidents which occur involve a degree of liquor. The Hon. Member might well have indicated that the OECD has pointed out that Canada has the second highest fatality rate of the 24 member countries. We are exceeded only by France in that regard. The record in Canada is absolutely deplorable.

The Hon. Member gave us the case of the Steward family. May I very quickly mention a case of a constituent in an adjacent riding to mine whose daughter, aged 22, was riding in a vehicle on a divided highway. A car came down the wrong side of the divided highway and there was a head-on collision which killed this girl. The driver of the other vehicle was ultimately charged with impaired driving. The tragedy was that the girl's body was taken away for autopsy. This mother had no rights whatsoever with respect to her daughter's body. The man driving his car down the wrong side of the divided highway was not required to take a breathalyzer test.

Numerous speakers have referred to that type of situation and it seems to me this case, like the one mentioned by the Hon. Member for Fraser Valley West, underlines dramatically what is wrong with the law at present. I speak as somebody who has been involved with impaired driving cases, both as a Crown attorney and as defence counsel, on many, many occasions.

Up to 1976, Sir, we had essentially just the impaired driving section. The problem with that was that once 1976 came along and we brought in the breathalyzer sections, some, and to be fair not all, of the judges took the view that the impaired driving section had in effect become a "dead letter". There have been cases, I think it is fair to say, where people who have been falling down drunk have been found not to be impaired. Therefore, all of the problems have fallen back on the breathalyzer sections. As has been pointed out here today, those sections are inadequate because you simply get up after an accident and say you are sick or you banged your head. Without plugging this loophole the law will remain grossly defective, so I submit it is high time we did so.

● (1700)

Many references have been made to legislation in Saskatchewan, British Columbia, Ontario, Manitoba and Alberta. I

quote from the *Toronto Star* of August 26, where we have the Minister of Justice (Mr. MacGuigan) reported as saying:

> Some people are against it because they think it is an unwarranted interference with the human persons. But it's the only way we have, when a person is unconscious or perhaps feigning unconsciousness to avoid a (breath-analysis) test, of actually getting a reading of the blood-alcohol level.

He also indicated that he favours mandatory blood tests for drivers who refuse or are unable to give breath samples.

The question I would put to my good friend, the Hon. Member for Welland (Mr. Parent), is: Why is it that all of the information is not in? This Bill can, of course, be amended in committee, so why can it not be referred to the Standing Committee on Justice and Legal Affairs, which I remind him has nothing to do, at the moment at least. There is no reason why it could not take this reference, presumably starting next Tuesday; no reason why the matter could not be considered by them.

What is more important than this matter of impaired driving, in particular the defects in the present legislation? The Minister told us that we must waif for the department to study the matter. Sir, the Hon. Member for Fraser Valley West has been studying this matter for six years and there is probably not a Member in this House who has not had a victim of impaired driving come and see him or her. I submit that the matter has been studied to death and it is time to do something rather than continue to talk about it. This is absolutely crucial to people in all parts of Canada, to groups like Parents Against Impaired Drivers, MADD and many other organizations which have been formed recently because of the slaughter of Canadians as a result of impaired driving.

If the figure is correct, 64 per cent of Canadians think Parliament is unimportant. We can do no greater service for Canadians as a whole, and for the victims of impaired driving in particular, by actually doing something instead of talking and talking and talking about this problem.

So without further ado, Sir, bearing in mind that if someone gets up on the Liberal side after I am finished, knowing the time available, and talks this Bill out, then I think they will be doing a disservice to their fellow citizens, and bearing in mind the comments of the Hon. Member for Welland that we can refer the subject matter of the Bill to the committee, I therefore move:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> Bill C-625, an Act to amend the Criminal Code, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

I urge Members opposite, in particular the person who has been assigned to get up and talk the Bill out, to reflect on what they are doing and to refer the subject matter to the committee. They have nothing to lose, Mr. Speaker, and the Canadian people have everything to gain if they will do this on behalf of their fellow citizens.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Some Hon. Members: The Government said no.

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I find it interesting that my friends on the other side of the House, who constantly suggest the Government is somehow trying to muzzle them, would in turn suggest that a Member on this side of the House should not have an opportunity to speak after they have had the opportunity to do so.

Mr. Huntington: You are just talking out the Bill.

Mr. Daudlin: May I suggest through you, Mr. Speaker, that with respect to the motion which has been made, for all of those reasons which I know can or might be supported by Members on all sides of the House, I and many other Members of this chamber have been involved in another Private Member's Bill which was sent to a committee which I had the privilege of chairing. I refer to the Hon. Member who sponsored Bill C-653, the Farmers and Creditors Arrangements Act, which has the declared support of all Members of this House but which has given an enormous task to the committee because in fact we did not have the opportunity or the benefit of having a ministry do the kind of work-up that is done on all of these Bills in a totally non-partisan manner in order that we can reflect properly and carefully before we come up with legislation.

I am satisfied, Mr. Speaker, that all of us could emotionally support the urgent and pressing nature of the arguments which have been made by the Hon. Members who preceded me. But I would prefer, having had the kind of experience to which I allude, to have the benefit of all possible examination and work-up of legislation in advance of our giving it to committee as opposed to tying up Members almost *ad infinitum* in trying to do the kind of work done behind the scenes for us.

In addition, I might try to add a few words with respect to the comments made by my friend, the Hon. Member for Welland (Mr. Parent). He started to point out some of the difficulties in which we might find ourselves were we to proceed too quickly. Might I suggest that as far back as 1952 the United States Supreme Court, when dealing with the case of *Rochin v. California*, indicated that a search of a suspect's stomach for concealed narcotics by forcing an emetic agent down his throat, causing him to regurgitate, violated the due process clause of the fourteenth amendment. The court likened the search to a coerced confession, focusing on the police brutality evident in the search. The opinion cast doubt on the validity of any unconsented search extending below the surface of the body.

Because that happened in the U.S., Mr. Speaker, it can obviously have little authority, other than persuasive, in Canada. But it does commence to point out that in fact there

may be different ways and means of achieving the ends which the Hon. Member who commendably brought this Bill forward sought to achieve.

The State of New York passed the first implied consent statute in 1953. It was conceived as a means of facilitating the cause of chemical evidence in driving while intoxicated prosecutions and, at the same time, avoiding any constitutional limitation that might apply to the tests. The statute provided that anyone driving a motor vehicle in New York was deemed to have consented to a chemical test for intoxication at the direction of any police officer who had reasonable and probable cause to believe that the driver had been or was intoxicated. There was no requirement for arrest, and in the event that the driver refused to submit, his driving privilege would be revoked.

● (1710)

The new law tested in New York Supreme Court the following year in *Schutt v. MacDuff*. The facts were straightforward. The New York Commissioner of Motor Vehicles revoked the plaintiff's licence when he refused to submit to a blood test requested by a police officer following the arrest. After his acquittal on the drunk driving charge, the plaintiff brought an action challenging the revocation of his licence and the validity of the implied consent statute on four grounds: in the first instance, that it violated his right against self-incrimination; in the second, that it violated his right against unreasonable search and seizure; third, that it violated his right to due process of law; and finally, that it violated his right to equal protection. The last ground was rejected without hesitation, but the court held that the implied consent law did not infringe the plaintiff's privilege against self-incrimination. The court agreed with the legislature that the privilege or qualified right to drive could be conditioned upon waiver of the right against self-incrimination.

Since the statute permited the suspect to refuse testing, he could choose either to waive his privilege against self-incrimination or forfeit that privilege to continue driving in New York. Concerning the waiver by a person who is presumably drunk, the court held that the right against self-incrimination was inapplicable because the chemical evidence was non-testimonial.

The court further rejected the plaintiff's contention that the test constituted an unreasonable search under the fourth amendment. Since the officer had arrested him before directing the test, the search administered through the test would be reasonable as incidental to lawful arrest. The court further reasoned that any search conducted under the statute would be a consensual search because it permitted the driver to refuse. The ability to refuse obviated the need to inquire whether the test would be administered without actual consent.

The court did, however, uphold the plaintiff's claim that his driver's licence had been revoked without due process of law and found the statute to be unconstitutional on that ground. The finding of unconstitutionality rested, in effect, on two defects in the legislation: first, that it lacked the requirement that a person be under lawful arrest at the time he refused the test; and, second, that it lacked any provision for a hearing on the grounds for revocation.

The defects cited by the court were subsequently remedied and the following year the New York Supreme Court upheld the statute in *Anderson v. MacDuff*.

In 1954, the United States Supreme Court, in *Breithaupt v. Abraham*, held that a blood test conducted on an unconscious driver did not violate the due process clause of the fourteenth amendment despite the suspect's lack of consent. The court distinguished the stomach search in *Rochin* by noting that a blood test was a minor intrusion into the body to which many people voluntarily subjected themselves each day. Unlike the search in *Rochin*, the blood test was not brutal and offensive and did not constitute conduct that shocks the conscience. On the authority of *Breithaupt*, chemical tests were thought to be permissible as long as police did not use excessive force in administering them. Both those cases, *Rochin* and *Breithaupt*, were decided before the court held that the fourth and fifth amendments were applicable in respect of state proceedings. The court clarified the fourth and fifth amendment issues in *Schmerber v. California* in 1966, which is now the leading U.S. constitutional authority on chemical tests for intoxication.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please! Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

[*English*]

Mr. Dick: Mr. Speaker, I rise on a point of order. I believe that the third Bill which was to be discussed this evening has been withdrawn. If there is unanimous consent, I suppose this debate could be continued up until the hour of six o'clock p.m.

Mr. Evans: Mr. Speaker, there were discussions earlier among the three Parties as to what should happen at this point in time, given the fact that the Hon. Member for London West (Mr. Burghardt) has decided not to proceed with his Bill at this time. The agreement at that time was that the Chair should call it six o'clock.

Mr. Forrestall: I think, Mr. Speaker, that you will find consensus for calling it six o'clock at this time.

The Acting Speaker (Mr. Corbin): Order. Is the House disposed to call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It being six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX A

(*See p. 27106*)

MEMBERSHIP OF CABINET COMMITTEES

Communications

Chairman	Mr. J. Roberts
Vice-Chairman	Mr. S. Joyal
Members	Mr. A. J. MacEachen Sen. H. A. Olson Mr. A. Ouellet Mr. R. LeBlanc Mr. G. Regan Mr. M. MacGuigan Mr. D. Johnston Mrs. J. Erola Sen. J. Austin Mme C. Hervieux-Payette

Economic and Regional Development

Chairman	Mr. D. Johnston
Vice-Chairman	Mr. J. Chrétien Mrs. J. Erola
Members	Mr. E. F. Whelan Mr. A. Ouellet Mr. F. Fox Mr. P. De Bané Sen. H. R. Argue Mr. G. Regan Mr. E. Lumley Mr. L. Axworthy Mr. C. Caccia Mr. D. Smith

Foreign and Defence Policy

Chairman	Mr. A. J. MacEachen
Vice-Chairman	Mr. G. Regan Mr. J.-J. Blais
Members	Mr. J.-L. Pepin Mr. E. F. Whelan Mr. F. Fox Mr. P. De Bané Mr. R. P. Kaplan Mr. C. Lapointe Mr. E. Lumley Mr. L. Axworthy Mr. C. Caccia Mr. D. Collenette

Government Operations

Chairman	Mr. Y. Pinard
Vice-Chairman	Sen. H. A. Olson
Members	Mr. A. Ouellet Mr. R. LeBlanc Mr. J.-J. Blais Mr. M. MacGuigan Mr. P. Bussières Mr. C. Lapointe Mr. S. Joyal Mr. B. Campbell Mr. R. MacLaren

Labour Relations

Chairman	Mr. Y. Pinard
Vice-Chairman	Sen. H. A. Olson
Members	Mr. J. C. Munro Mr. H. Gray Mr. A. Ouellet Mr. R. LeBlanc Mr. J. Roberts Sen. H. R. Argue Mr. L. Axworthy Mrs. J. Erola Sen. J. Austin Mr. S. Joyal Mr. R. MacLaren

Legislation and House Planning

Chairman	Mr. Y. Pinard
Vice-Chairman	Mr. M. MacGuigan
Members	Mr. J. C. Munro Mr. E. F. Whelan Mme M. Bégin Mr. P. De Bané Mr. G. Regan Mr. R. P. Kaplan Mr. E. Lumley Mr. S. Joyal Mme C. Hervieux-Payette Mr. D. Smith

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

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Priorities and Planning

Chairman	Mr. P. E. Trudeau
Vice-Chairman	Mr. A. J. MacEachen
Members	Mr. J. Chrétien Mr. H. E. Gray Mr. M. Lalonde Mr. R. LeBlanc Mr. J. Roberts Mr. G. Regan Mr. Y. Pinard Mr. D. Johnston Mr. L. Axworthy Mrs. J. Erola Sen. J. Austin

Public Service

Chairman	Mr. P. E. Trudeau
Vice-Chairman	Mr. Y. Pinard
Members	Mr. A. J. MacEachen Mr. J.-L. Pepin Mr. H. E. Gray Mr. M. Lalonde Mr. D. Johnston Mr. S. Joyal

Security and Intelligence

Chairman	Mr. P. E. Trudeau
Vice-Chairman	Mr. A. J. MacEachen
Members	Mr. J. Chrétien Mr. M. Lalonde Mr. J. Roberts Mr. J.-J. Blais Mr. M. MacGuigan Mr. R. P. Kaplan Mr. Y. Pinard Sen. J. Austin

Social Development

Chairman	Sen. J. Austin
Vice-Chairman	Mr. J. C. Munro Mr. M. MacGuigan
Members	Mr. J.-L. Pepin Mr. R. LeBlanc Mr. J. Roberts Mme M. Bégin Mr. F. Fox Mr. R. P. Kaplan Mrs. J. Erola Mr. C. Caccia Mr. S. Joyal Mr. B. Campbell Mr. D. Collenette Mme C. Hervieux-Payette

Special Committee of Council

Chairman	Mr. Y. Pinard
Vice-Chairman	Sen. H. A. Olson
Members	Sen. H. R. Argue Mr. M. MacGuigan Mr. P. Bussières Mr. C. Lapointe Mr. B. Campbell Mr. D. Collenette Mme C. Hervieux-Payette Mr. D. Smith Mr. R. MacLaren

Treasury Board

Chairman	Mr. H. E. Gray
Vice-Chairman	Mr. M. Lalonde
Members	Mr. J.-L. Pepin Sen. H. A. Olson Mr. A. Ouellet Mr. B. Campbell
Alternates	Mr. C. Lapointe 1st Alternate Mr. R. MacLaren Sen. H. R. Argue Mr. P. Bussières Mr. D. Collenette Mr. J.-J. Blais

Western Affairs

Chairman	Mr. L. Axworthy
Members	Mr. J. Chrétien Mr. J. C. Munro Sen. H. A. Olson Mr. E. F. Whelan Mr. J. Roberts Mr. P. De Bané Sen. H. R. Argue Mr. G. Regan Mr. E. Lumley Mr. D. Johnston Sen. J. Austin Mr. D. Collenette

HOUSE OF COMMONS

Thursday, September 15, 1983

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, September 13, consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Corbin): Hon. Members will remember that Motion No. 2 and Motion No. 4 were ruled out of order last Tuesday. The House will now proceed to Motion No. 3 and Motion No. 5 which are grouped for debate but will be voted on separately.

● (1110)

Mr. Don Blenkarn (Mississauga South) moved:

Motion No. 3.

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 5 by striking out lines 23 to 26 at page 3 and substituting the following therefor:

"11.(1) The authorized capital of the Corporation is one billion one hundred dollars divided into ten million and one shares with a par value of one hundred dollars each."

Motion No. 5.

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 7 by striking out lines 39 to 41 at page 3 and lines 1 and 2 at page 4 and substituting the following therefor:

"14. The aggregate amount of borrowings of the Corporation pursuant to sections 12 and 13 shall not exceed the amount equal to ten times the aggregate of the paid in capital and earned surplus in the accounts of the Corporation."

He said: The effect of the amendments before us today, Mr. Speaker, is to control the borrowing authority of this corporation. The House will recall that when we considered this Bill on Tuesday last, we dealt with the question of whether the corporation should be controlled by independent, private enterprise people on its board of directors. That, apparently, was not the real wish of the Government.

Now we have a worse situation the question of control over the corporation. In the Export Development Bill there is a provision that the corporation have an authorized capital of $1 billion. Then Clause 11 of the Bill provides that the corporation can borrow ten times its authorized capital, so at the present time the corporation could borrow on its own account, without ever coming to Parliament, an amount of $10 billion. It does not matter how much money is subscribed to the corporation by the Government; the essence of the problem is that if the Government gives the corporation the authority to have authorized capitalization, from then on the borrowing of the corporation is not tied to the money in its bank account. It is not tied to the capital and surplus actually paid into the corporation but is tied only to its authorized capital. That is the most ridiculous situation one could ever imagine, Mr. Speaker. The reason for the amendment is to ensure that under no circumstances are we going to allow borrowing against just authorized capital. What we must insist upon, if we are going to have any sense of direction in this corporation at all, is borrowing against subscribed capital or earned surplus.

The borrowing or leverage arrangements of trust companies, banks and the like are tied to the subscribed capital and surplus. For example, we will allow a trust company to borrow 20 times against its paid-in capital and surplus but we will not allow a trust company to borrow against its authorized capital. The point is that you can incorporate a company for $1 million but you do not have to put the total, incorporated, authorized amount into the company till. When I began practising law these used to be called $3 companies; now they should be called $1 companies—you just put in enough to buy one share.

Essentially the Bill provides that you can borrow not ten times what you have in the company but ten times what the authority of the company is, no matter whether any money is paid into the treasury or any shares are subscribed. The only way that the House of Commons can responsibly control the borrowing activities of the Export Development Corporation is to control its authorized capital.

The House will recall that the Chair ruled Motion No. 4 out of order. I want to say to the Chair that I agree that the motion should have been ruled out of order. It was placed on the Order Paper only to point out to people reading it and understanding the Bill that what we really want is some sort of control over the borrowing of this corporation. The way to have that control is by the percentage of leverage against the paid-in capital and earned surplus of the corporation. We would be satisfied with ten times paid-in capital and earned surplus.

● (1115)

However, the Government does not want any controls on this corporation. The Government wants to be able to borrow without ever coming to Parliament for approval. The Government wants to be able to borrow against authorized capital

and to give itself $10 billion additional borrowing authority, to borrow against the credit of the people of Canada, the taxpayers of Canada. This Government says: "Just increase the capitalization of the Export Development Corporation by increasing the authorized capital from $1 billion to $2 billion, and we get $10 billion more borrowing authority". Without ever coming to Parliament again, without this House ever having an aye, yea or nay as to how the Government borrows money, it receives the right to borrow $10 billion. That, Sir, is totally unacceptable.

We were elected to this place to control the borrowings, the taxing, the public purse, yet this Government in this legislation wants to take away that control and give it to a board of directors, largely civil servants, to do what it damned well feels like. That is unacceptable. No Member of Parliament can accept this provision in this Bill. The only way the amendment could be put is to alter the demand of the Government, and we have altered that demand. We have said: "Whereas you have $1 billion of authorized capital, pass this amendment and we will give you $1 billion plus $100, and that will control your borrowing. That will keep you in line, and that will show some discipline". This cannot continue. Parliament must have control over the money borrowed on the credit of Canada, and unless Parliament has that control, what is the point of Parliament?

The Minister may say: "Well, Parliament has control. If Parliament votes this $2 billion authorization, then Parliament in effect is authorizing $20 billion of borrowing authority in total, and, therefore, Parliament has the right to vote on $20 billion of borrowing authority". That is what we are asked to vote on. The trouble is that that borrowing authority goes on forever until it is used up and never again, until the corporation has borrowed its $20 billion, will we ever see any report or have any right to control the activities of this corporation.

This corporation has a tremendous lobby going for it. We all want to make sure that Canada exports goods, capital goods, because the export of goods means jobs. Heaven knows, Canadians are looking for places to work, worth-while work, good work, and exports of goods mean jobs for Canadians. But what jobs are created for Canadians if the resources of Canada are squandered and wasted? While we might be able to finance at low rates goods for export to other countries, it is we Canadians who must use our work and effort to pay for those subsidized rates.

● (1120)

Somewhere along the line there has to be a balance and there is no evidence presented in any of the committee reports to indicate how competent the directors of this corporation have been in financing and building up Canada's trade. Indeed, not long ago we had nearly 6 per cent of world trade; we are now approaching 3 per cent.

The Government says this money is needed to finance the export of capital goods. Sir, this corporation lent money to 62 companies in Canada last year to finance sales of trade goods overseas. Half the money went to two companies. In its analysis of where we should be going, the Economic Council of Canada made some serious criticisms of this corporation and how it operates. Professor André Raynauld, who was head of the Economic Council of Canada at one point, has said that this corporation is out of control. What we have to do, Sir, is put some parliamentary control back in place. We cannot go on any longer allowing a board of directors to borrow almost any amount against authorized capital without any control by Parliament.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise with some enthusiasm to support this motion before the House. I believe what we are talking about here is absolutely critical to the future of Canada's export trade and whether or not we are going to become active players on the world trading stage.

I must say that past performance of the EDC does not encourage one to be enthusiastic about the future role of Canada in the international marketplace. As my friend has pointed out, the funds from the EDC which were to assist Canadian firms to enter the international marketplace have not been handed out in a fair and equitable fashion. In other words, when 50 per cent of all the funds go to two large Canadian companies, and we all know of dozens and dozens of Canadian firms who would enjoy getting involved in the export marketplace and are unable to access those funds, I say that the EDC is not fulfilling the mandate originally given to it to encourage Canadian firms to operate in the international marketplace.

I like this particular motion, Mr. Speaker, because it brings some accountability to this Crown corporation. I believe it is crucial that the EDC become more active because I can recall a number of contracts where the Canadian firm has been the lowest bidder and these contracts could have provided hundreds and hundreds of jobs to certain parts of Canada; yet we lost those contracts because of the financing arrangements other bidders were able to produce that were better than what Canada could produce through the EDC.

I believe the EDC must appear before the appropriate committee of Parliament on a regular basis to explain its behaviour during these critical times. It has now lost any real sense of what is required of it. It has become very much unaccountable for its deeds. I believe the time has come when Members of Parliament must not only request but indeed demand more accountability from Crown corporations and Government departments per se. The reason I say that is that all of us have numerous examples where Government departments and bureaucrats have really lost sight of what their role is.

I want to use a typical but specific example in this context. The middle of July, 1983 saw a major washout of the Trans-Canada Highway in the Rogers Pass area of British Columbia. That is to be expected in the mountain passes of Canada, in that very rugged part of our country, but because of a closure which lasted for many days, businesses that depend upon the movement of travellers through this country for only a few weeks of the year saw that livelihood fall away around them as

travellers going east and west simply stopped for too many days.

There were accusations hurled about at the time that the officials in Parks Canada did not have an action plan to put into place to create a bridge which would stop this closure. The co-operation between provincial and federal authorities could have been considerably better. As a result, so many people in tourist and hospitality businesses as well as related small businesses providing the necessary infrastructure, the restaurants, the laundries, the entertainment facilities and so on, lost that crucial piece of business during that important season, at this critical time in Canada's economic history, so that today there is evidence of number of bankruptcies that would not normally have occurred.

• (1125)

Of more importance is the fact that this situation need not have occurred had officials representing Parks Canada acted more appropriately and with more haste with regard to the concerns of those surrounding businesses, and if the people that they employ had kept these concerns more in the forefront of their decision-making.

I raise this matter because I raised it with the Minister responsible. Of course, there was no response; he just simply ignored this Member of Parliament from western Canada who is speaking out on behalf of hundreds of businesses that have been devastated in that particular area of the country.

The Acting Speaker (Mr. Corbin): Order. I regret the necessity of interrupting the Hon. Member. The point he is making is interesting, but perhaps he could indicate to the Chair in what way it is related to the two motions now before the House.

Mr. Riis: You bet, Mr. Speaker, I certainly will do just that. What we are discussing in this particular motion concerns bringing some accountability to Canada's Crown corporations. I say that because, unquestionably, a situation has developed in our country that has resulted in Government per se being too far removed from the real world. Here we are asking to control the borrowing authority. We are simply asking, as Members of Parliament concerned about export trade, about the Export Development Corporation, that if that corporation, in the best interests of Canadians, wishes to have more funds at its disposal to assist Canadian firms and workers, that it come to Parliament and make its case. That is all we are asking, that this Crown corporation, which is critical to Canada's future, come to Canada's Parliament and make a case for more funds. If it made the case, its request would be granted.

Over the years we have seen the Export Development Corporation of Canada becoming rather arrogant. We have seen this corporation losing sight of its real mandate. When one hears that in the last year the Export Development Corporation assisted only some 60 firms in this country, then I believe that in terms of Canada playing its role on the overseas economic stage, one realizes that we have missed that opportunity. If there is one thing that we must do in this country, it is to bolster up that Crown corporation, to give it support as a Parliament.

When I hear the Minister of Industry, Trade and Commerce (Mr. Lumley) telling me that we will open our floodgates and encourage more relationships between Canada and the U.S. in the field of foreign trade, I begin to worry. To add even more foreign trade to what is already going to the United States is essentially putting more of our eggs in that single basket. It is in Canada's interest to open up overseas markets in Europe, Southeast Asia and the Middle East and not necessarily to increase trade with the United States.

• (1130)

Another point which I believe needs to be made while talking about the Export Development Corporation is that if freer trade with the United States is opened up, there will be a migration of American branch plants out of this country. In other words, rather than create more jobs and more opportunities in this country, we will see a net job loss in Canada as a result of liberalizing trade with the United States. Many American subsidiaries are operating in Canada now simply to get around our existing tariff walls and the like. We will see at net loss of jobs perhaps at a level that would astound most Canadians.

In closing, I suggest that there is no shortage of examples of the necessity of Government departments—Crown corporations more specifically—becoming more accountable to the people of Canada through Canada's Parliament. This motion simply asks for more accountability. I do not believe there are many Members of the House of Commons who do not feel that so many of our Crown corporations are out of control and not necessarily acting in the best interests of Canadians and Canadian workers. There is very little difference between the Crown corporation and the corporation next door. Surely if we are going to have Crown corporations there must be more reason for their existence than simply creating a corporation to compete with fellow corporations in both the national and international marketplace. Therefore, I support this motion which is before the House today because it attempts to bring more accountability to Canada's Crown corporations.

The Acting Speaker (Mr. Corbin): Order. Before I recognize the next speaker, the Chair feels that this is a good time at the resumption of our session to remind Hon. Members that they should not cross the floor between the Member speaking and the Chair. I assume this is meant as a courtesy to the Member who is speaking so that he can command the undivided attention of the Chair.

Mr. Scott Fennell (Ontario): Mr. Speaker, I wish to speak on Motion No. 3. Having spent the morning reading "The Rocky Road to the 1990s", I suggest that the Government is putting the cart before the horse. It is asking Parliament to increase its borrowings by approximately 2.5 times before it sets forth an economic policy which indicates what we will be trading. Our objection through Motion No. 3 is that the Government is asking for too much on a carte blanche basis.

The Government is trying to use its letters of comfort which it has used in the past when going ahead to issue funds out of the treasury without ever coming to this Parliament. This is the same procedure.

The Hon. Member for Mississauga South (Mr. Blenkarn) has simply requested that, instead of proceeding with $2 billion paid-in capital, to go to $1 billion and $100. The reason for this is that Crown corporations presently have adequate funds for all potential trades. We are simply requesting, as we have on a number of Bills, that appropriations come before the House of Commons. This is too global in approach; we want more specific terms of reference. We want to know what the Government has done with what we have allowed it to spend before it proceeds to spend on a carte blanche basis money of which we are not aware and which even the Auditor General has difficulty finding. I do not refer to the Export Development Corporation in this regard.

Before continuing I would like to commend the Export Development Corporation. I recently had a case in my riding where a small company was having difficulty arranging financing. If the bank took on the finance it came out of the owner's credit loan from that bank. A senior vice-president of the Export Development Corporation stepped in at my request and has resolved the problem to his satisfaction. I appreciate that type of co-operation extended by Government departments to the Opposition.

Furthermore, I believe this is an area where the Export Development Corporation can be of great benefit to this country. While there is little likelihood of large corporations being developed, there is greater potential for the development of smaller corporations. Due to today's global trading, a small corporation can exist only when a large portion of its output goes to international trade. The problem does not lie so much with the Government but with many people in the country who are not aware of what is available to assist them in merchandising their products.

I would also point out that many small organizations have difficulty arranging loans because they do not have the lobby groups representing them or large corporate sectors acting on their behalf. Therefore they must be assisted through the Department of DRIE, formerly Industry, Trade and Commerce.

With respect to Motion No. 3, I believe the Government is going too far when asking for this much of an increase at this time. We are losing track of what $1 billion is. A billion dollars is $1,000 million. This increase which permits the Government to go $10,000 million into debt is a tremendous amount of money for the House to give carte blanche. The entire Bill permits the Government to borrow up to $60 billion. That is approximately one-third of our total national debt according to the latest figures. I believe that rapidly increasing these amounts for the benefit of one sector will leave nothing for other sectors.

These increases should be made on an annual or semi-annual basis. Perhaps we could discuss it in a limited debate, so that if there is a reasonable amount being requested and we understand its purpose and what the corporation will do, it could be acceptable. However, we object to increases in 2.5 multiples in order to assist the Minister so that he will not have to return to the House.

He did make a point to me which I can acknowledge. He said: "When you are in Government you will not have to come in front of the House". He is a Member who realizes that they are in their dying days of Government and that this will be of benefit to Canadians through a great Party, the Progressive Conservative Party of Canada.

Let me talk about Motion No. 5 for a moment. This method is logical, reasonable and used in every financial institution in Canada. They not only take their paid-in capital; it is based on paid-in capital together with earned surplus. This gives them an even broader base on which to borrow funds. It goes beyond $20 billion if we allow this provision, which we are not going to. It gives EDC the right to borrow ten times $1 billion plus ten times the earned surplus.

● (1140)

I have to speak in favour of the Hon. Member's motion. It is economically sound. I believe the Auditor General would approve of this approach. I believe all of Canada will approve of this approach. I know the Provinces feel we have gone too far. Let us take a look at this particular allegation. Have the Provinces been brought into the discussion? My Province accounts for approximately 50 per cent of the funds required by EDC. Has Ontario been brought in? Has the matter been discussed with the Deputy Minister or the Minister of Industry and Trade for the Province of Ontario? I am sure this Province would agree that this is asking too much at one time.

We have to stop running and start walking. We have to start analysing. We have to start looking at where we have been. What has got us into this mess today? The paper to which I have referred this morning "The Rocky Road to the 1990s" written by the Minister of State for Economic Development (Mr. Johnston), has brought it all out. He said that FIRA has been a stumbling block. He said the National Energy Program has been a stumbling block. He enumerates all the things this Government has done in the last 15 years which have caused this severe recession and severe unemployment.

The Government is putting the cart before the horse. The Government must present to this Parliament an economic policy that will broaden international trade. The Government must show this Parliament how it will create jobs. The Government has not yet done anything despite its statements and suggestions from the opposition.

We must defeat this Bill because of this section. The Minister should be reasonable. He should reduce the amount requested and ask for a reasonable amount, the amount required at this time. When he requires more, he should come back to this House of Commons and make his request.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would say that the Bill before the House today suffers from a

disease that has become part and parcel of the philosophy of this administration, namely, inflation.

[*English*]

This is not a new Bill. When this Bill was drafted Cabinet approved the proposals with regard to changes to the Export Development Act. Inflation was rushing along rampant at a rate between 10 per cent and 12 per cent per annum. If that had continued then, of course, in five or eight years it blows totals all out of proportion.

That is why we have this proposal for $2 billion in authorized capital. There is no need for that. Who is going to take up that capitalization? Will it be farmed out to CDIC as well for operation? I am sorry I do not have last year's annual statement here to see if there is an accumulated surplus, but we should see the leverage that is available to the EDC for its borrowings. My colleagues the Hon. Members from Mississauga South (Mr. Blenkarn) and Ontario (Mr. Fennell) have said that if these proposals ultimately go through it is conceivable that the Export Development Agency could borrow up to $60 billion or even, if you want to cut it back, $50 billion. If you have one corporation able to do that, there goes parliamentary control immediately. There is no control whatsoever.

What about considering the annual report? That is hindsight on operations two years ago. There is a psychosis in the bureaucracy of this Government that it should not be accountable to Parliament. This administration supinely follows that dictum. Parliament represents the people of Canada and has the ultimate authority. The way legislation has been brought forward, and this particular piece of legislation is a case in point, it removes from Parliament one more area of control. The general taxpayers of the country are not aware of that. Polls say that Parliament, to them, is of no great concern. First, most people do not understand Parliament. Second, as long as nobody has a Bunsen burner, or to put it another way, to put an old matchstick on their soul, they are not concerned. Nobody is borrowing their particular odds. But on the whole, when people ask about the expenditures and the demands of Government upon the average taxpayer, is it realized that almost 50 cents out of every dollar earned in Canada goes to Government at some level?

The recipients of Government largesse are not the ones who will complain. But the ones who are producing, the salaried people, the hourly-rated people—I do not care where they are—are being squeezed and squeezed beyond all reason. This Bill is part of that philosophy. It is Government, big Government. EDA is just part of the apparatus; it is just one of the Crown corporations.

We can go through the list of Crown corporations. There is no control. They do not want control. They are bureaucrats of the Government's own making and they tell Government what should be done and the public be damned. I have a classic example. I know a number of officials in this corporation, many of them very able men. I am not being patronizing when I say that. However, the corporation does not require this authorization. It does not require this power. It should come to Parliament and explain the situation if it needs more authority. With this Bill, the corporation will not have to come back to Parliament for authorization or accountability until the year 2050, if ever.

• (1150)

This is one of the most glaring and outrageous examples of bureaucratic gall. My colleague's amendment states $100 more, one more share. This is a procedural tactic so that we can debate this section. I attended the committee hearings but I have not yet seen the case made for an increase in capital. Right now there is unissued capital. There is authority in subsequent clauses to borrow. In his other amendments, my colleague has given a balance. He states ten times leverage, which is what was asked, but we have added surplus to the outstanding capital which is not included in the government's proposal.

I implore Hon. Members, if there is any time when we can be serious and come back down to earth, it is to accept my colleague's amendment. The Government's proposals with regard to the share structure and the potential volume of borrowings by the EDC are just not acceptable. They are ludicrous.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise with some concern regarding what is being asked by the Government as far as the Export Development Corporation is concerned. The Hon. Member for Edmonton West (Mr. Lambert) made an excellent argument regarding our concern about what is being asked for in this Bill.

The Hon. Member for Mississauga South (Mr. Blenkarn) has put forward very reasoned and reasonable amendments. According to the 1982 annual report, the corporation has substantial retained earnings. In 1982 it accounted for $186.1 million of shareholders' equity, which I presume can be re-borrowed. The Government of Canada increased its budget for share capital during that year by $115 million, bringing the total to $465 million. During that year, EDC borrowed $787 million through a mix of public issues and private placements in the international marketplace.

Given its present authority, it does not need anywhere near the amount being asked for in this Bill. It is as if the Minister is saying to Members of Parliament: "Gee, we don't want to bother you too much, you are too busy; as a result, we will ask for sufficient capital for years and years into the future".

Having been a Member of Parliament for a number of years, I would like to be bothered more. Members have lost control over Crown corporations which have been created in abundance in the last number of years and, as mentioned by my colleague, we have lost control over the public purse.

The deficit is incomprehensible, not only to those in my constituency but I am sure to constituents all across the country. We are getting into the $30 billion range. Last year it was over $20 billion. In his budget the Minister of Finance (Mr. Lalonde) said in a very optimistic fashion that if this Government is allowed to continue, it will be over $20 billion for the next five years.

Why should we be concerned when in this Bill the Government is just asking for authority to increase the authorized capital of the corporation from $1 billion to $2 billion? It is because when we look deeper we find there is the opportunity to borrow ten times that authorized capital. In effect, we are adding $10 billion to the borrowing authority of this corporation, something that it has shown it does not require.

It would be nice if the officials of the corporation could come before Parliament when the estimates are being considered. They could tell us whether the authority is inadequate. If that was the case, it would mean that exports from this country were moving at a very rapid rate and that businesses, large and small, require that kind of financing being made available to this corporation in order to get into world markets.

We all recognize that world trade is very difficult, particularly in a recession. Many countries have a high rate of advanced manufacturing capabilities. They compete with us in the world markets. Many of those countries have substantially more amounts of capital available than we do and can move into those markets. Therefore, we require a very efficient and capable corporation to assist businesses in this country to move up into those markets.

The value of EDC is not being questioned. What is being questioned is the authority of Parliament to have that corporation come before us and give us the reasons why we ought to move more of the taxpayers' money into that account. That is what is being questioned.

When we look at the statistics for world trade, it is depressing to note that we are not advancing our percentage of world trade as we should be. We are falling behind our traditional proportion, dropping from 6 per cent to 3 per cent. This is very noticeable in the agricultural sector. We used to have a large share of the world market, well over 25 per cent of the world grain market in exports. That has dropped substantially and is now well under 20 per cent. At the same time the Americans, one of our chief competitors, have increased their share of world trade from something in the neighbourhood of 25 per cent to well over 50 per cent. That has been accomplished by very hard-nosed selling, bargaining and the use of export credit.

We in the agricultural sector have pleaded with the Export Development Corporation to assist us in that area, but very little assistance has been forthcoming. If you look at the record for last year, only 62 companies were assisted, with most of the money going to the manufacturing sector. What, then, do we have? We have now created another Crown corporation to deal with agriculture, Canagrex. Looking at the statement of this corporation, one finds that it had 613 employees to contract 62 loans last year. There were one and a half employees for each insurance account. It seems to me, looking at those statistics, that there would be sufficient employees to allow for expansion and that we would not need another corporation with another $12 billion worth of capital from Government assigned to it to create another group of employees to do exactly what this corporation should be doing.

• (1200)

That is why the amendment that is before us is so important. It is important so that we as Members of Parliament, the stewards of the taxpayers' money, can ask in-depth questions dealing with how these corporations are operating, why they require the staff levels they do have and why this corporation requires offices in five cities across the country to do so little business—although the value of the business it does do is great; and why, with all that capital, they showed only about $1 million profit last year.

Perhaps the answer to some of these questions can be found in the way those corporations operate. The requirement for efficiency in a Crown corporation does not seem to be as great as the requirement for efficiency in the private sector. That is why the amendment that was lost on Tuesday was so important. It proposed having the private sector more involved in the operation of this corporation because the private sector has learned how to be lean and efficient and to operate in a proper business manner.

We are saying that this corporation should be the vehicle to assist us in international trade. We would like to see the private sector more involved. We believe that this corporation ought to come to Parliament once in a while when it is asking for refuelling in order that we can decide whether it needs its oil changed or whether we should just tune it up a little bit.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, what we are dealing with and what we are not dealing with needs to be established lest there be any misunderstanding.

Mr. Keeper: That is a good idea.

Mr. Malone: Obviously, what we are not dealing with is the question of whether or not export is of value.

Mr. Keeper: It is.

Mr. Malone: What is not at issue is that particular question.

You will note, Mr. Speaker, that over the weekend the members of this caucus met at Mont Ste-Marie. The members of the NDP caucus, of course, met at Mount St. Helen's and they are now continuing to blow their top.

What is at issue is the question of accountability and the question of control. Essentially, that is all that is at issue. That issue is of such magnitude that it raises the hackles of the Auditor General of Canada to the point where three Auditor Generals have worked on the theory that the Government has lost or is near losing control of the public purse.

Control of the public purse is the reason for Parliament's existence. That reason dates back to the time of King Charles and the debates that then took place and the referendums thereafter dealing with who would have control of the purse of Parliament. The question of parliamentary control and where this fundamental power exists is central to the whole issue. If power is to reside in the people of a democracy, then they must exercise their power through their representatives in Parliament. If any sum of money, Mr. Speaker, irrespective of its

size, is out of the public eye and out of the control of the people's representatives, then democracy has been diminished and Parliament has been thwarted.

According to Auditor General Kenneth Dye, what exists today is a situation in which the massive growth of corporations owned by the federal Government has created a $34 billion layer of Government that is largely hidden from public view and not properly accountable to Parliament. In the particular amendment before the House of Commons today, we are essentially attempting to make it impossible for one more Crown corporation to borrow without telling the people of Canada why it needs some $10 billion.

The other issue that must be stressed is that need has not been established. The amount of borrowing power that is available today to the Export Development Corporation has not been utilized to its fullest extent. It does not spend the amount it asks for, yet if the amendment is not accepted, we are allowing it to borrow twice as much. Surely no corporation should be given a blank cheque for borrowing to the maximum of $10 billion unless it comes to the people's representatives to demonstrate need. If need cannot be demonstrated, blank cheques up to $10 billion should not be granted.

One of the great difficulties that we face in a democracy today is that people have become insulated and shockproofed through ignorance of what numbers actually mean. Numeral names without relationships remain mere names. What is a billion? What is a trillion?

The very first experience I had as a Member of Parliament in 1974 in a House of Commons committee was when I was on the energy committee and Dome Petroleum were arguing that they could not advance certain projects on the northern Arctic coast because there was not a large enough volume of gas present. At that time I asked what the known reserves were. The witness said that it was 16 trillion cubic feet. I asked him how large reserves had to be before he could develop them, and he said 20 trillion cubic feet. Using simple mathematics, 16 from 20 means that he was only four short. The fundamental question was, what is a trillion?

We ask that question today. Pieces of paper are covered with notations showing how many billions of dollars we are in debt, and the public is insulated. It really does not matter to the average Canadian whether we are $34 billion, $10 billion or $134 billion in debt because the numbers are meaningless.

A million dollars in $1 bills laid end to end will go from where you are, Mr. Speaker, to a community 80 miles away. A billion dollars in $1 bills laid end to end will go from Vancouver to Halifax and back two and a half times. We are allowing the Export Development Corporation to ask for ten times that amount without once demonstrating need.

Surely if Parliament is to discharge its responsibility to the people, then control must be exercised. As reported in an article in *The Globe and Mail:*

> Mr. Dye said that, this year, he had been able to get all of the information he required for his audit but that some of it was obtained only with great difficulty. Information on the purchase of Petrofina by Petro-Canada was not easily obtained for his audit of the Energy Department or on CN Marine for his audit of Transport Canada, he said.

● (1210)

As another Member mentioned earlier, when it comes to Crown corporations there is a feeling that it is the money of the Canadian people that is involved. In more than one audit of the Government of Canada, the Auditor General has said that he has great difficulty finding out the spending of various departments and that extends through Crown corporations. Surely it is the obligation of Parliament, the principal court of the land, to make sure that there is a visible accounting of the people's money. The Auditor General should not have a difficult time but, rather, should have an easy time identifying the need and ensuring that there is control and accountability.

The report in *The Globe and Mail* of Wednesday, December 8, 1982 went on to say:

> Even when Parliamentary safeguards are in place, Crown corporations do not always follow them, the report said. In 1981, for instance, Air Canada was required to tell the federal Treasury Board, which watches over public spending, of any plans to make a major investment.
>
> On Sept. 4, Air Canada spent $4.5 million to buy into another aviation company. It notified the Treasury Board, the report said, on Sept. 3.

According to the rules, the relevant department must be informed in advance, yet $4.5 million was spent in one day, less than 24 hours' notice having been given.

With assets of approximately $67 billion, liabilities of over $57 billion, annual expenses of over $30 billion and with more employees than Government departments, the Auditor General came to the conclusion that Crown corporations require an improved framework to make them accountable to Parliament and to the Government.

What my colleague is asking is that a measure of the accountability requested by the Auditor General be required. Whether the average Canadian understands what a billion dollars is or not, he knows that the country is spending foolishly and beyond its capacity. That accountability must be provided, and to that end I submit that the amendment should be passed.

I see that you are making some gesture toward me, Mr. Speaker. Are you telling me that my time is nigh? That is too bad, because I have only dealt with the first few dollars and we have a billion or ten to go.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, the authorized capital of the Export Development Corporation will increase from $1 billion to $2 billion as stated in Bill C-110. The ceiling for loans and insurance written under the authority of the EDC, the corporate account, will rise to $20 billion from $10 billion.

Whenever the Minister of Finance (Mr. Lalonde) concurs in a recommendation from the board, the Government can contribute capital to the corporation. There is no parliamentary control on contributions; the Government just puts up the money. The Minister of Finance has the absolute right to subscribe to the capital of the Export Development Corporation. The Government can make loan advances that are

deemed not to be of a commercial or proper risk by the board of directors. The Government will, if these amendments are passed the way they are, be entitled to up to $10 billion for unacceptable loans. This kind of accountability cannot be allowed to continue. Parliament and Parliament alone should have control of the public purse.

Crown corporations are not well received by the Canadian public. Lack of praise is not unfounded. Prime examples are Canadair and de Havilland. Canadians associate Crown corporations with the glaring problem of accountability to Parliament for expenditures, which, of course, are funded by taxpayers' dollars.

An extensive study done by the Economic Council of Canada strongly criticized the corporations. Many improvements need to be made. The Export Development Corporation must be made accountable for its actions, funds and liabilities. When the Government wants to put capital in the corporation the Government should produce a new estimate and money vote allowing it to purchase shares in the corporation. At the present time, capital is injected into the corporation by the Minister of Finance approving a request from the board of directors, without a parliamentary aye, yes or no.

The provision in the existing Act allowing for a special fund where the Government can take up loans and advances that do not meet EDC specifications should either be abolished or, in the alternative, no Governor in Council advance should be made without the approval of Parliament. The amendments increasing the fund available for Governor in Council advances to $10 billion should be eliminated. The present provisions of the Act allow for $2.5 billion of Governor in Council advances of which roughly $700 million of the authority is used.

At the present time EDC has borrowing authority of $10 billion. As of December 31, 1982 it had used only approximately $4.5 billion of its authority.

Mr. Speaker, the Government should support Motions Nos. 3 and 5 as tabled by the Member for Mississauga South (Mr. Blenkarn) so that there will be proper accountability in this Crown corporation.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is incomprehensible that a so-called responsible Government should present legislation such as this to Parliament. I well remember when I first came to the House of Commons that the ceiling on the UIC fund was $800 million. We encouraged the Government of the day to put a ceiling on the fund so that there would be some form of accountability to Parliament but it did not see fit to do so. As a result, after 11 years the UIC fund now spends $12 billion. That is why it is so important that somehow or other we hold the Government accountable for a Crown corporation. This is of fundamental importance to our democratic way of life. If we do not accomplish that, then the whole parliamentary system will break down. Economic freedom will be lost if corporations like this are not held accountable for their actions. It is this sort of thing that makes Canadians very apprehensive.

Years ago Canadians never asked: "What are we going to do about our national debt or about our Crown corporations?" Today, however, they find that governments are allowing the situation to develop where Crown corporations can borrow money in the markets of the world, perhaps at a favourable rate, and they use that money in a way that the Canadian people object to.

● (1220)

Perhaps the best example I can give is that last summer the Export Development Corporation was borrowing money at 9.875 per cent. At the present time the proposed requirements of the Farm Credit Corporation have been cut back by the Minister of Finance (Mr. Lalonde). He did this unilaterally. Legislation was passed in this House in the spring which would allow the Farm Credit Corporation to borrow up to $600 million on the money markets of the world. However, the Minister of Finance cut back that amount to $250 million. If ever there was a time in Canadian history in which the farmers require money, it is now; yet there has been a cutback by the Minister of Finance. Here we have the Government allowing a Crown corporation to enter into, shall we say, dubious loans without the scrutiny of Parliament. This is what this exercise is all about. We have to be able to hold the Government responsible, and the only way in which the Canadian taxpayer or the Canadian citizen can hold the Government at bay on any of these issues is through the Parliament of Canada.

Through this legislation which is being proposed we are losing that control. We do have a medium of control if this amendment presented by my hon. colleague is accepted and it is important that Parliament has that control. I am not speaking just as a member of the opposition; I am speaking as a member of a political party which feels it is a government in waiting and that within several months, possibly, it will be taking power. We anticipate that we can live within those restraints, and in bringing in that kind of legislation we are going to give confidence to the Canadian taxpayer, confidence in the system which is not there at the present time.

Yesterday, an individual from the farm survival group who is living in Ontario told me he had lost faith in Canada, in the parliamentary system and in politicians. The only way, Mr. Speaker, that we are going to re-establish that faith in the minds of the Canadian electorate is to bring in responsible legislation so that Canadians know that what is being done is done for their benefit. We are not talking about exporting. The importance to Canada of exporting has been emphasized time and time again, Mr. Speaker. However, we must have a degree of fairness in these deals. We have the right to know what has been happening. We have to know what actually is taking place. We have to know that the Export Development Corporation is going to be held responsible.

There is a human characteristic which possibly is evident in all of us, whether we be Parliamentarians or otherwise; we all like to build empires. I have a feeling that within the Export Development Corporation there is a great deal of empire building taking place. Why would one need 613 employees to

deal with approximately 62 applications last year? That is ten individuals for one application all year. Does this really make sense to you, Mr. Speaker? It certainly does not to me. There were applications for 900 insurance policies last year. That is one and one half insurance policies for each individual all year. This is not just for the current period of time spent working on them, but this is for all year. I believe, Mr. Speaker, we should be able to see just exactly what is happening there. If ever we are going to have a frugal government, if ever we are going to have a frugal operation within our way of life, then we have to be able to hold these Crown corporations accountable to the Canadian people. Otherwise, we find the system is taking too much out of the public purse and there is not enough left for private business and the people in private enterprise.

I mentioned earlier that the Export Development Corporation was able to borrow money last summer for 9.875 per cent. I would like to know how it was done. I commend them for it. But why today, if the Export Development Corporation can borrow money at that percentage rate, has the interest rate for the Farm Credit Corporation gone up to 13.5 per cent? I feel that in a great many cases our own private businesses and our own Canadian people are suffering as a consequence of what the Crown corporation is doing.

We have to recognize that the Government in its wisdom can enter into agreements which the Export Development Corporation cannot do, and the best example I can give is the $295 million which was really loaned to New York City by the Crown corporation. It was not enough; it fell short of the Bombardier contract. The Government of Canada guaranteed another $627 million to finance LRC in the City of New York. If we can do that for the City of New York—this is all done at 9 per cent interest—why can we not do something like that for our own people in small business? Why can we not do it for the farmers? Why did this individual who was in my office yesterday have to pay 13.5 per cent for his financing while at the same time this situation is happening? These are things which I believe the Canadian people should have an opportunity to take a look at. We have to know exactly whether or not we are getting value for our money with the operation of EDC.

I see, Mr. Speaker, my time is up. I thank you for the opportunity to be able to present my case before you at this time.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have been listening to the debate today and I support the lack of necessity for increasing the capital of the Export Development Corporation to any great extent. The argument advanced by the Hon. Member for Kamloops-Shuswap (Mr. Riis) that the corporation should be more accountable to Parliament makes sense to me. I agree with the arguments advanced by several Hon. Members in my own party to the effect that one gets more efficiency in other ways than just simply by having a large board of directors and making available all this money.

When I spoke on one of the earlier motions I made the argument that the only real competition today between trading nations is in the field of the cost of capital or the lending rate. We have the ridiculous situation, when one is operating a government-run development corporation, of having that development corporation borrow from the treasury of Canada, which has to go into the markets of Canada and collect the money at 11 per cent and 12 per cent. Then in order to compete with the other trading nations of the world the corporation must provide concessional interest rates. It has to do this to stay in business.

I spoke the other day of the necessity of matching other countries on the interest rate, but going out in Canada in a way which will provide money at half the current interest rates. We have made clear here in the House over the last two or three years how it can be done, and which we made clear in the budget for 1980 can be done by enunciating the principle of the Small Business Development Bond. What I am going to do today is to refer to some practical experience which I have had and which deals with this very subject.

• (1230)

One of the great opportunities that exists for Canadians today is in the field of trade. We are good at it. For one reason or another very few nations of the world have any political hostility to us, and this gives us a great advantage. But more than that is required. Modern trade is a new subject for governments and for most of our businesses. We need an approach different from what we had in the past. For instance, the approach to a socialist nation is vastly different than that to a private enterprise nation. All our thinking here is to simply set up a development corporation that can only think of competing by lending money. I am saying there is a much cheaper and more effective way of achieving this goal.

Let me put on the record again what I think everyone in Canada knows who follows these matters, that our nation pioneered a new concept in 1960 by going out to a nation which had no money and saying: "Buy our products and we will give you three years to pay the money back; the interest rate will be the same as we have to pay in Canada".

But there was another ingredient of that policy which no one noticed. On behalf of the Canadian people and the then Canadian Government I gave my word to the Chinese Government that we in Canada would put all our efforts into helping the Chinese sell their goods around the world so they would have enough money to pay for our wheat. At first we dealt through correspondence and so on, but this was so slow that eventually I got an invitation to go there and talk to their minister directly about these techniques in 1964. I announced in the House, Mr. Speaker, that I was going at their invitation to discuss these matters. Out of these discussions came the idea that the best way to get around their difficulties was that there should be privately-run international trading companies set up in Canada and other countries which will come into China and find out what they could produce and go out and sell it for them. At the beginning there were just a few of those companies, mostly Japanese, but Canadian companies did get into it. I got the support of the banks to set up one here in Canada, but it was set up under such conditions that it was

impossible to carry on. They simply wanted a "name" man at the head of these companies.

These are international trading companies, Mr. Speaker, and for efficiency they have to be very small, just a few people. Now, what big "name" man in Canada is going to come into a company which has to wait three or four years before they get any income? There is always a negative cash flow in the first three or four years of a private trading company. So eventually I set up a company based in the United States and we spent $400,000 running schools for Chinese technocrats and civil servants on how to utilize the products they wanted to buy. We spent time going all over the world trying to make arrangements to sell Chinese goods. The $400,000 was spent running the school in Peking for their technocrats and then they had the right to pick the product from which country they liked.

I do not have to tell you, Mr. Speaker, that when I started this business with China the total trade in and out was $400 million a year. Today it is $70 billion. This was done with almost no capital at all. I had estimated $1 million was required to carry us through but we did it for $400,000. I will not tell you what the income has been since, but the sales amount to billions of dollars every year and this company takes a very small fee which is very remunerative in the long run.

I give you this background because the idea is that it must be of mutual advantage to both sides. As a private company you can deal directly with that Government agency without thought of any political consequences either way. But if you have a Government agency dealing with it, you have to meet the political situation on both sides. What I am trying to get at here is that, sure, there are some political parts to play in this training operation, but that company succeeded way beyond my wildest expectations and did very well until Government began interfering. I do not want to tell you what the interference was, but it was as funny as Sam Hill.

If you are trying to develop trade in Canada, Mr. Speaker, use the technique of using your money in the development corporation to back up the fellows with ideas on how to do it. They will then bring more money back in than you can ever get trying to compete in this interest rate competition around the world.

As an example of what I want to suggest, you will find out very soon in international trade that if you follow the principle of mutual advantage and you are dealing with nations which have a long way to go on know-how, you have to spend a good deal of time and effort getting their know-how up to a level where they can make the right decision. You have to know a good deal about the needs of every nation. The needs of China, as an example, are well known. They are desperately short of fibre. Well, who can produce fibre? We can here in Canada. Brazil can. We can get it all over the world. The Chinese can produce it themselves. So any person dealing with a country like that which needs fibre has to think in terms of how their own people develop that fibre most efficiently and look for new markets. China still needs fibre in many forms and there is no one really making it in Canada. We have all this know-how in fibre to go out and develop the capacity in that country and at the same time help meet their needs and their shortage of fibre right now. Increasingly western countries are going into China and doing this.

We have tremendous know-how in many fields. The greatest and most pressing need in China today is for water to drink and to wash themselves with in the cities. The water table below Peking has dropped six metres in the last 20 years. They are frightened. You do not go there with the idea of selling billions of dollars of some product; with one billion Chinese, one widget a piece makes a big deal. You go there with the idea of how you can help them make money. The way they can make money is by taking the tremendous know-how that Canada has and making sure that the amount of water they have can be used several times. Canada leads the world in its knowledge of recycling pure water. Take that knowledge, give them the ability to deliver a good standard of living and to go out and make money, and then just look at the opportunities for trade with all countries of the world, including Canada.

I want to conclude, Mr. Speaker, by saying that it is not the amount of money this corporation has; it is what this group of people do with it that counts. I am putting forward some practical advice in the hope that the Minister will make sure that his staff reads about this type of thing, and I will be glad to provide them with any details they want to know. If I cannot provide it, there are a thousand other guys who can.

• (1240)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the discussion today is centring on amendments to the Export Development Act. This is not an attack on exports. No one questions the need to increase Canada's exports. Canada is capable of producing a great deal beyond its own needs. Canada thrives on exports. Canada must have exports. What we are discussing today is parliamentary responsibility, the responsibility of Parliament and Parliamentarians, over the expenditure of public funds. That is the discussion, despite the designation of the Bill.

My comments today are of a variety of sorts, but the first thing I would like to say relates to the form of the Bill as reprinted following the committee consideration. It is defective in a way which makes it rather complicated to deal with.

The original Bill, as brought forward at first reading on April 30, 1982 contained the text of the original Act face to face with the amendments thereto. I know that on page 1a of this Bill it states that the Bill as distributed in first reading form may be used for purposes of comparison. I would be happy to send the original text up to Your Honour so that you may see it, and I suggest that with all the automated equipment at our disposal, the amendments in the original text ought to be included in the Bill as amended, having gone through the committee. It is much simpler to have on the right-hand side of a bill the text of the section of the original Act that is being amended. Therefore, I think the procedure of not including the original text in the form as it comes from the

committee ought not to be continued. I think we should have that before us.

My second comment is as to language, unfortunately, dealing specifically with the amendment that we have before us. I am delighted to see that the proposed amendment as put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), does not contain the bad English found in the original Act. The amendments that we have before us merely carry forward that bad English from the original text. Reading from the original text, referring to Clause 7, we find that Section 14 at present reads:

The aggregate amount of borrowings of the Coporation pursuant to sections 12 and 13 and outstanding shall not exceed an amount—

I am concerned about the words "and outstanding". I am sure that if Your Honour were to compare that with the French version, you would agree that the French text is comprehensible. It is understandable. The words "and oustanding" in English, because of their improper placing, make that particular Section idiotic. The French version is:

[*Translation*]

Le total non remboursé des emprunts de la Société faits en application des articles 12 et 13—

That I can understand, but I certainly cannot make head or tail of this blunder in the English version.

[*English*]

The aggregate amount of borrowings of the Corporation pursuant to sections 12 and 13 and outstanding—

Why, in good sense, in ordinary Oxford English, does it not state, "the aggregate amount of outstanding borrowings"? It is as simple as that. That damned silly "and outstanding" is ridiculous. That was my second comment and I do hope that somewhere along the line the English version will conform more closely to the French text.

The Export Development Act was intended to create a corporation which would basically assist by insuring loans in order to enhance the opportunities of Canadians to export. It was an insurance scheme. I knew of its application while serving in Central America, where I had a fair amount of involvement with the Export Development Corporation in connection with a bid being made by what is now Northern Telecom to instal a microwave system of telecommunications from Panama right into Mexico. I will not mention the difficulties the company faced in dealing with the Export Development Corporation at that time concerning the underwriting of bids being put forward. That is a story in itself. However, at that particular time the Export Development Corporation was designed to insure against losses of loans made privately by the corporation. Advance of funds, that is loaning, was another matter. Now the Export Development Corporation has gone into the business of financing. Why, in the name of all decency and sensible business practice, is it not possible for a corporation that wants to export to go to the bank to borrow and then be allowed a tax concession for having taken that risk? That is the proper way to carry out business, not to run to the Government for another $1 billion at, as someone has said, 9.875 per cent when money elsewhere is at 11.75 per cent. We all remember what happened to Bombardier. It nearly lost the contract in New York because there was just a chance—and the anti-dumping tribunal of the United States, or whatever it is called, had to examine the matter very carefully—that Bombardier was gaining an advantage over an American corporation. It was the American corporation that raised the matter involving the installation of the system in New York. Bombardier could easily have gone to the private lending institutions in Canada, had its loan insured under the EDC and been able to write off its payments of interests, if you like, or make some sort of deal in the tax system. Bombardier could have stood up on its own feet and said: "We got that contract, we will fulfil it, and there is no danger whatsoever of anyone contesting it. The Canadian people, furthermore, are not financing it."

In Canada we must return to the situation where private corporations are proud to stand behind their product, to go out and sell it, to instal it and to have coverage of insurance for their loans at the bank and tax write-offs, if you like, for the interest that they may have to pay. Or some other formula; but I am not trying to rewrite the Tax Act. That is an approach which is completely forgotten in this particular Bill.

Another of our worries, returning to the matter of the responsibility of Parliament and Parliamentarians, concerns the expenditure of public funds. We have run into this matter all too often. It is time that we restored the responsibility of Parliament by putting a very firm cap on borrowings and a requirement that the Export Development Corporation return to Parliament from time to time in order to justify its expenditures. It should not become an autonomous creature in this country through Government action so that it can impose and load debts upon the next two, three or four generations, debts for which we ought to be ashamed.

● (1250)

Mr. Gordon Taylor (Bow River): Mr. Speaker, today we are discussing the amendment of a section in the Export Development Act that touches the very root of democracy. Instead of making the authorized capital $2 billion, as in the Bill, this amendment reduces it to $1 billion and $100. While the amendment does not cure the Bill of a very bad precedent, it does make it better than it otherwise would have been.

I want to commend the Hon. Member for Mississauga South (Mr. Blenkarn) for bringing in this amendment because it touches the very heart of Parliament, which is accountability, responsibility and control of the public purse.

When Parliament was first brought about, everyone appeared to speak there. That was probably the truest Parliament possible since there was direct representation from the people. As societies and populations grew, a method of sending the representative of a number of people was devised, but the basic principle of representing the thinking of the people to the greatest possible degree still remained. We now have one Member representing 50,000, 100,000 and in some places

300,000 people. There is a responsibility for that Member to secure the thinking of the people he represents.

This is done in a number of ways. It is sometimes done through the election process when a Member stands for certain principles and the people support him. But that is not the whole story. I believe it is necessary to go to the people periodically to secure their thinking in order that their wishes might be expounded on the floor of the House.

This particular section of the Bill does just the opposite. It gives a group of appointed people the authority to spend money that has not been authorized by the representatives of the people. I say that is basically wrong. We are becoming too far removed from the entire concept of actual parliamentary representation. Many Members now say that they will give leadership and tell the people what is good for them, but that is not democracy. That is what we see in Moscow where the people are told what is good for them whether they like it or not.

Our country has a parliamentary system under which the Government should be reflecting the thinking of the people. I want to tell the Hon. Members of the Government that this section does not reflect the thinking of Canadians. The polls have shown that Canadians are heartsore over what has been happening. The present Government is no longer representing what the people want. It has been telling the people what is good for them for a number of years and this Bill is a typical example of where the Government has given authority to a group of appointed people to spend money that has not been authorized by the House of Commons or the Senate. That is basically wrong. That is why I say the Hon. Member for Mississauga South should be commended not only for doing a service to the people who sent him here but to the people of Canada who, in a true democracy, have control of the purse.

It may be asked how this unauthorized borrowing takes place under this section. According to the Bill, the authorized capital is $2 billion. Another section which we are also discussing authorizes the Export Development Corporation to borrow ten times that amount, or $20 billion. That is $20 billion in expenditures which are not authorized by the representatives in Parliament. I feel very strongly about this issue because it is at the very heart of Parliament.

A few months ago I was at the Commonwealth Conference along with the Hon. Member for Ottawa Centre (Mr. Evans). It was an excellent conference. One Sunday the organizers of that conference decided to take us to Runnymede where King John signed the Magna Carta. I was thrilled to have the opportunity to stand on the very ground where King John signed that Magna Carta, the basis of British liberty, and I took pictures of the statue and the actual Magna Carta.

The Magna Carta signing was not in a building as many people believed but out in the open. King John was too smart to let people enclose him in a building. He stayed out in the open where he would have an opportunity to get away. The Government is also leaving an opening to get away, because while the $2 billion must be authorized by Parliament, what about the $20 billion? The Government is just as devious as King John was in trying to leave a loophole to get away from parliamentary procedure which has made this country great. This Bill goes to the very heart of Parliament.

At Runnymede the barons confronted King John, saying that they did not want him spending money unless he had the representation from the people whose money he was taking. Today, the Government should not be spending money unless it has authorization from the people to whom the money belongs. They or their children will have to pay the debt for generations. I do not know what we can do for those who have not yet been born, but we who are here have the responsibility to make sure that we make the Government accountable. The purpose of this amendment is to make sure that the Government is accountable and that we have control of the public purse.

We have much to do to regain complete control of the public purse. I ask the Minister to let us take this important step in honour of the people of Canada and the Magna Carta, so that we may carry on the thinking of our forefathers who wanted a parliamentary system in this country where the people's views are represented. They did not want a government which tells the people what is good for them, as King John was doing. They did not want a government which said it would spend money that it was not authorized to spend. No matter for what purpose it is, the principle is wrong. All moneys expended by a government should be authorized by the people because it goes to the very heart of Parliament. It is control of the purse that we want and which the Hon. Member for Mississauga South seeks in proposing this amendment.

I see that it is now one o'clock.

The Acting Speaker (Mr. Corbin): Order. I should inform the Hon. Member that his allotted time has expired, and the Chair will recognize the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) when we resume debate after three o'clock.

[*Translation*]

Order, please!

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

At 1:00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

CROWSNEST PASS RATE—CHANGE IN POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Gaston Gourde (Lévis): Madam Speaker, the new leader of the Progressive Conservative Party, the Member for Central Nova (Mr. Mulroney), has a very peculiar vision of the Crowsnest Pass rate. In fact, his position changes from day to day—not necessarily for the better—and this applies to the positions taken by his colleagues as well. During the last race for the leadership of the Progressive Conservative Party, some candidates expressed opinions they must be hard pressed to maintain today, since the Progressive Conservative Party has now taken the position that the Crow's Nest Pass rate must not be changed. For instance, the Member for St. John's West (Mr. Crosbie) said during the leadership campaign: We cannot upgrade railway transportation in western Canada if we leave the Crow rate intact. The users' share in the cost of transportation must be increased. As for the newly-elected leader, he also maintained that the Government was on the right track. He said repeatedly that although the then Minister of Transport should be a little more flexible, he was on the right track with Bill C-155. He said that farmers were prepared to pay for improved transportation and that this legislation was gaining acceptance. I would ask them to read again a release from *Canadian Press* dated May 31 and to explain to Canadians why, although the arguments remain the same, their position has changed. The new leader has shown he has little to offer Canadians in the way of consistency.

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[*English*]

SMALL BUSINESS

RATE OF BANKRUPTCIES

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I would like to express my deep concern for the small business community of this nation which has been hardest hit by the Government's economic mismanagement.

If small business is expected to remain a dynamic and innovative sector of our economy, the serious problems facing small-businessmen must be addressed. They continue to be taxation, government regulations and paperwork, high interest rates, and access to capital.

The record tells all. In the first seven months of 1983, 6,122 businesses were forced into bankruptcy. More jobs have been lost in the small business sector in the last two years than in all other sectors combined. Something must be done to reverse this trend as small business is, and will remain, the lifeline of our economy.

S.O. 21

HUMAN RIGHTS

U.S.S.R.—CALL FOR RELEASE OF ANATOLY SHCHARANSKY

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I rise on behalf of the parliamentary group on Soviet Jewry. Conditions for the Jewish community in the Soviet Union deteriorate further. Emigration has slowed to a trickle. Those refused exit visas are harassed, and anti-Semitism is the daily fare of Soviet propaganda.

Our parliamentary group will continue to monitor the plight of Soviet Jews, to work directly with them and, on their behalf, to report on developments and to press the Soviet Government to respect basic principles of human rights.

Today, September 15, marks the halfway point in the prison sentence of Anatoly Shcharansky. He was arrested on March 15, 1978, and falsely and unjustly convicted of alleged spying. He was sentenced to 13 years in prison. Shcharansky's only desire is to be reunited with his wife in his homeland. He is the victim of Soviet efforts to suppress and eradicate all vestiges of Jewish communal life.

Recent events have again heightened distrust of the U.S.S.R. We call on the Soviets to show that they can live by the standards of the international community. We call on the Soviets to free Shcharansky. We pledge our efforts so that Shcharansky and all others like him may enjoy fundamental human rights.

Mr. Bosley: Madam Speaker, before I read my statement, may I congratulate the Hon. Member for Willowdale (Mr. Peterson). I am sure all Members of the House welcome his appointment as chairman of the parliamentary group.

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EXTERNAL AFFAIRS

ISRAEL—RESIGNATION OF PRIME MINISTER

Mr. John Bosley (Don Valley West): The resignation yesterday of Prime Minister Begin of Israel marks the passing of an era. Mr. Begin has lead his Government through a turbulent period in the history of the young State of Israel. Many of us in Canada, like many Israelis, have not always agreed with all of his policies, but we have also noted his many accomplishments. In domestic affairs, for example, he has been instrumental in creating the circumstances in which the Sephardic population of Israel has been able to find its political voice.

Without question, however, Mr. Begin's major accomplishment was to achieve peace with Israel's largest and most important Arab neighbour, Egypt. At Camp David, he, together with the late President Sadat and United States President Carter, persevered in difficulty, lengthy negotiations because they knew that the future of their people and their countries lay in peace, and they were prepared to take the risks and pay the price which peace entailed. Their commitment to

peace in the face of obstructions and condemnations led to the signing of a peace treaty after decades of conflict. This historic breakthrough, Madam Speaker, was a gift from Mr. Begin and Mr. Sadat not merely to their own citizens but to the cause of world stability.

Let us salute Mr. Begin, wish him well, and express our hope that his successors will have the strength and the necessary response from their neighbouring countries to carry forward the peace process which Mr. Begin, on Israel's part, began.

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FOOD AND DRUGS

SIDE EFFECTS OF BIRTH CONTROL PILLS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, in April, 1983, a 20-year-old Toronto woman died of complications from the birth control pills she was taking. The complications which led to her death were neither new or unusual. Past experience with the pills indicated that side effects like those which killed this woman were likely to occur in a certain number of users. No one, it seems, told Carol Rosenberg, or perhaps she would be alive today.

It is not enough to expect that doctors and pharmacists will provide patients with adequate information about the possible side effects of the drugs they are given. This would be ideal, but experience has shown that it simply does not work. A recent study found that nearly half of all patients misunderstood the verbal instructions they received about their medications.

The Canadian Pharmaceutical Association produces detailed information sheets about the effects and possible side effects of virtually every drug sold in Canada, but distribution of these sheets by pharmacists is voluntary and more the exception than the rule. The Consumers' Association of Canada has been asking for four years that pharmacists be required to provide this information with each and every prescription they fill. I think it is about time the Government acted on this recommendation.

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OFFICIAL REPORT

WORDS USED BY LEADER OF THE OPPOSITION

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I chose not to raise a point of order or a question of privilege on some discourteous comments made by the Leader of the Opposition (Mr. Mulroney) to the Minister of National Health and Welfare (Miss Bégin), because the Leader of the Opposition has been quoted as saying that he wants to bring civility to politics and because, as a new Member, he may not understand the rules and practices of this House.

During the Question Period on Tuesday he made some comments to the Minister of National Health and Welfare which were heard by Members on this side and seen on TV by many Canadians. Those who heard the hon. gentleman's remarks and subsequently saw the "blues", the informal *Hansard* record, it was clear that what was said in the House was changed in the official record. Whether it was changed by the Leader of the Opposition, or his staff, or by *Hansard* itself, is for Madam Speaker to determine. But one way or the other someone tampered with the words.

Also, the remarks of the Leader of the Opposition could only be described as ill chosen and discourteous. This may be the stuff of politics in a public hall, but most Members try to avoid it in this House.

Some Hon. Members: Order.

Mr. McGrath: Madam Speaker, I wish to rise—

Madam Speaker: The Hon. Member may raise his point of order at three o'clock. The Hon. Member for Sarnia-Lambton (Mr. Cullen).

Mr. Cullen: Madam Speaker, the remarks of the Leader of the Opposition could only be described as ill-chosen and discourteous.

Mr. McGrath: You are not going to allow him to continue, surely? Madam Speaker, we have no chance to reply.

Mr. Cullen: This may be the stuff of politics in a public hall, but most Members try to avoid it in this House.

I would suggest to the Leader of the Opposition that he owes the Minister an apology or, at the very least, an explanation for his intemperate remarks.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN MISSION-PORT MOODY CONSTITUENCY

Mr. Gerry St. Germain (Mission-Port Moody): Madam Speaker, my constituents in Mission-Port Moody regard the unemployment problem as the number one issue in Canada today, and so they should. Some 14,000 people received unemployment insurance benefits in my riding during August. Hundreds more have exhausted their benefits, and many have given up looking for work.

● (1410)

This situation is tearing at the very fabric of our society. Families are suffering, young people are becoming restless, and human discontent is growing. The Government simply continues to dream up band-aid programs. These billion dollar band-aids only mask the real severity of the problem. People do not want short-term jobs just so they can requalify for unemployment insurance. They want long-term work and real pay cheques.

The Canada Works Program announced recently will provide about 15 to 20 jobs in Mission-Port Moody. This is little

comfort for the 14,000 unemployed people in my riding. The Canadian people want this Government to call an election so that they can elect a new Government that will stimulate confidence and allow the private sector to create long-lasting jobs.

Some Hon. Members: Hear, hear!

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE—COST OF REMOVAL FROM HOMES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I wish to raise in this House once again the matter of urea formaldehyde foam and call the attention of the House to the fact that the National Home Owners Advisory Council is meeting today in Ottawa.

In spite of the assurances and glib statements of the previous Minister of Consumer and Corporate Affairs concerning amenities and improvements for people who have urea formaldehyde foam in their homes, the Government has failed in a number of areas to provide a remedy for those suffering from this problem.

The Government promised to pay home owners who had UFFI removed from their homes an additional $500 grant under the Canadian Home Insulation Program, by the end of 1983. To date, although applications are moving forward, no money has been put up by the Government to cover these applications. It is time that happened.

The second serious omission is that the Government committed itself to providing removal procedures for brick homes, in many of which it cost an exhorbitant amount to remove the material. It has failed to provide any remedy in that area. The last item is that in many homes it is costing far more than the money available, the measly $500 grant, to remove that material. In many homes it is a matter of a health problem, and it is time the Government provided an opportunity under the Income Tax Act to deduct the balance for income tax purposes. It is time the Government fulfilled the commitment it made earlier this year to people with urea formaldehyde foam in their homes, and acted on this very important issue.

* * *

INCOME TAX

REQUIREMENT THAT SENIOR CITIZENS PAY QUARTERLY INSTALMENTS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, it is a matter of concern that senior citizens of this nation are expected to pay quarterly instalments of their income tax to Revenue Canada. I am referring particularly to that group of senior citizens with an income that at most generates marginal income tax payable to the federal and provincial Governments. It is known that those who continue to have an income in which employers deduct their taxes at source are spared this quarterly exercise of calculating their income and estimating their income tax.

I recommend to the Minister of National Revenue (Mr. Bussières) and the Minister of Finance (Mr. Lalonde) that they ask their officials to review this system of quarterly tax instalments to see if another method of reporting income can be arranged for Canada's seniors, perhaps with a basic ceiling of income below which, regardless of the source of income, income tax returns may be submitted only once each year.

Some Hon. Members: Hear, hear!

* * *

FINANCE

CALL FOR WITHDRAWAL OF TOBACCO TAX

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, effective September 1, 1983, the federal Government increased taxation on cigarettes by 15.8 per cent. In 1982 more than 60 per cent of the price of a package of cigarettes was made up of federal and provincial taxes. In 1982, here in Ontario, for example, federal and provincial taxes on the manufacturers' wholesale trade price of 36.8 cents were 365 per cent. In 1982 the federal Government received $1.15 billion in cigarette tax. Why a further 15.8 per cent now?

I can tell you why not. First, the tobacco growers receive only six cents of the price for a package of 20. Tax increases will seriously damage the industry and force bankruptcies in this area of agriculture. Second, this increase, along with last year's increase, will cost Canadians upwards of 2,500 jobs at harvest time because of a reduction in sales. Third, personal wages in Canada are now increasing slower than inflation. Fourth, six and five. Where does this 15.8 per cent increase relate to six and five? Lalonde's elastic rule.

I call on the Government to reconsider this latest tax, look at the detrimental effect on the tobacco industry and employment, and then withdraw it.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

WOMEN'S ACCESS TO TRAINING PROGRAMS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns his Department's training and retraining programs which are designed, I would say, more to perpetuate unemployment than to provide jobs. For instance, there is a new program called PATH, for women,

which is to lead to careers in non-traditional areas. In the Kingston area, where there are at the moment 3,000 unemployed women, the PATH Program has just been reduced from 20 to 15 places because only women with a grade 12 or better education can qualify. Similarly, in word processing courses, a woman has to have a 50-word per minute typing speed before she can qualify. Neither of these qualifications is necessary.

When will the Government remove these completely unnecessarily restrictive requirements so that the benefits of retraining and training in these new technologies will not be limited to a chosen few, but made available to the majority of people who will otherwise be condemned to long-term unemployment?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the Hon. Member is incorrect in her general assertion at the beginning of her question. The purpose of these training programs is indeed to train people in skills which will provide them with useful and continuing employment. I am happy to have her representations about specific criteria which she feels are being applied in the Kingston area in a way which is retrogressive. I will be happy to look into those allegations, check to see if there have been changes in the criteria which have been applied, and see whether they are constructively directed. I thank her for her representation.

RETURN OF FUNDS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, what is happening in Kingston as a community is happening in every community right across the country. The Government's attitude seems to be that if it can just throw a lump of money at retraining, suddenly all of the problems of the unemployed are going to be resolved. Last year, for example, the Government committed approximately $50 million to industrial retraining in Ontario, and $27 million was returned unused. At a time when unemployment is running at half a million in Ontario, only 20,000 people were able to take advantage of that program. Does that not prove to the Minister that the program simply is not working? Why was that $27 million returned unused? Why was it not applied to more people? Has the Minister looked into it? What are the reasons for not taking up that money?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I am a bit puzzled by the Hon. Member's attitude. With one breath she suggests we are not doing enough, and then with another breath she says that our approach seems to be to place money in response to the problem. Of course we are directing funds to the problem because it is an extraordinarily important problem for Canadians.

The Hon. Member asked specifically about the fact that certain funds have not been taken up. The reason, and this has been a factor particularly in Ontario, is because many of the job-training programs require the participation and co-operation of private sector employers to give the training that is required. Having just come out of the recession, many employers find themselves in a constrained financial position and are not able to devote the overhead resources to that kind of training, in their view. Therefore, the reason for the lack of pickup is the reluctance on the part of some people in the private sector to take advantage of the programs at the present time. I very much hope that some of the recent publicity which has been focused on that problem will lead other employers to come forward with proposals and take up the programs that provide the kind of training that is needed.

BRITISH AND JAPANESE TRAINING SCHEMES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, what the Minister does not seem to realize is that the approach of the Government is not working in the field of retraining, no matter what he does. What is needed is a total re-examination of the whole issue.

● (1420)

Other countries are doing much better than Canada in this regard. They seem to be much more imaginative in coming to grips with retraining to meet the challenges of the technological age. I would like to ask the Minister, since I understand that the Cabinet committee on social policy is looking at the British scheme for training and retraining youth, whether or not that program will be introduced here in Canada, and when. Second, has the Minister also looked at the joint industry-government model in Japan to see whether or not their system of industrial workers being allocated 50 days each year for training and retraining could possibly be utilized in Canada?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I do not think it is the case that whatever we do will not work. I do think it is true that the Hon. Member will say that whatever we do is not working. The fact is that we are looking at the British example, as she has suggested. I would also point out to her that under the Career Access Program there already are job-subsidy programs which assist young people by providing work and training at the same time. That program is already in place under the Access Program and can be utilized for that purpose.

We are, as well, looking at the experience of other countries such as Japan, as she has suggested. I am not entirely sure that the Japanese experience can be transported to the Canadian environment. We are looking for ideas and possible programs in every environment, not only the United Kingdom and Japan.

TRANSPORT

REVIEW OF MARITIME FREIGHT RATE ASSISTANCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Prime Minister. Has the Prime Minister responded to a letter dated August 17, 1983, from Premier Hatfield, sent on behalf of the Council of Maritime Premiers, in which the Council condemns the unilateral federal freight rate assistance review which, in the Council's words, "jeopardizes the continuing operation of many companies and therefore the many thousands of jobs dependent on Canadian markets"? If the Prime Minister is aware of this communique from the Council of Premiers, what has been his response to this very serious concern of the Maritime Premiers?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, in response to the Hon. Member's question I would like to point out to him that that study was commissioned purely to determine some objective facts about the important economic impact that freight rate subsidies have provided over many years. We believe that the Maritime freight rate subsidies have been a very important tool for helping the development of business in the Atlantic region. The study was commissioned simply to examine the facts relating to that in order to determine what the future might hold and how that economic impact could be continued.

Both the Prime Minister and myself have received the communique from the Premier of New Brunswick. My office has been in touch with his office in an attempt to meet. I myself hope to be in the Atlantic region next week to hold meetings on this very important issue. If the Hon. Member could use his good offices to have Mr. Hatfield respond to the request we have made of him, I am quite prepared to meet with him next week when I am in New Brunswick, to discuss this very important matter.

Mr. Nowlan: Madam Speaker, I thank the reshuffled Minister for part of the answer to that question.

REQUEST THAT REPORT BE MADE PUBLIC

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, may I ask the Minister of Transport if he himself has received the Hickling study? If so, did he in fact receive it last Friday, has he had a chance to review it, when does he intend to make it public, and can he assure the House that, regardless of what is in the study, there will be no further unilateral federal moves in this matter which would adversely affect the fragile economy of Atlantic Canada and, perhaps even more important, destroy hope for future growth?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as I pointed out in my response to the Hon. Member's question, it is this Government which has strongly supported and endorsed the application of the freight rate program in the Atlantic region as a major measure for economic development. We do not intend to change our position on that.

Some Hon. Members: Hear, hear!

Mr. Axworthy: As to the second part of the Hon. Member's question, yes, I have received the draft of the report. I am now reviewing it and giving it the serious consideration that it deserves. The reason I am going to the Maritimes next week is to talk to the people of the Atlantic Provinces, where this matter should be talked about.

* * *

CULTURAL AFFAIRS

RECOMMENDATION THAT LIBRARIES SHOULD COMPENSATE AUTHORS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister of Communications who knows, I am sure, that there were demonstrations organized by Canadian authors in a number of cities today. I am sure the Minister knows that the average income earned by professional writers in Canada is only $3,000 a year and that many of them are living in poverty. A number of countries in Europe have implemented systems that provide for compensation to authors when public users borrow books from public libraries. This idea has been endorsed by the Applebaum-Hébert Commission and by the Canada Council, and in a speech to the authors made by the Minister, some 16 months ago, he indicated support for that idea as well. I wonder if the Minister could tell us when he will do more than talk about it and will begin to implement that policy.

Hon. Francis Fox (Minister of Communications): Madam Speaker, as the Hon. Member has indicated, this is a question that is of interest to me personally. I have indicated my interest, not only to the Writers' Union some months ago, but also to the Federal Cultural Policy Review Committee and to the Provinces.

The Federal Cultural Policy Review Committee has come up with a solution that differs markedly from the proposal made by the Canada Council. As far as the Provinces are concerned, since the Provinces do have jurisdiction over libraries, provincial officials feel that it is a question of importance to them and they have indicated that any scheme that is implemented should only be implemented with the full consent and co-operation of the provincial Governments.

In the meantime the Standing Committee on Communications and Culture has before it the Applebaum-Hébert review committee report with the solution that was propsoed by Applebaum and Hébert. I have sought that committee's advice on how we should go about implementing its report. The committee have indeed favoured me with their recommendations regarding broadcasting, and I am very much looking forward to their favouring me with their recommendations regarding the specific plan of fair payment to authors.

I should point out to the hon. gentleman that this is part of the more general problem of ensuring that creators of all kinds, be they authors, sculptors, painters, or producers of

cultural products, be treated fairly in the marketplace and receive a fair return for their creative activities.

Mr. Orlikow: Madam Speaker, it is unfortunate that when representatives of the Writers' Union met with one of the Minister's very senior officials a few days ago, they got the impression that they were being stonewalled and that very little if anything had been done by the Minister or his Department to put some program in place. The Minister has said that libraries fall under the jurisdiction of the Provinces, but I cannot imagine that any provincial Government would object if the federal Government would fund a program to provide money for authors each time a consumer borrows a book.

REQUEST FOR MINISTERIAL ACTION

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would again ask the Minister when the Writers' Union may expect something definite, rather than the kind of runaround and talk which they have been getting from the Minister.

Hon. Francis Fox (Minister of Communications): Madam Speaker, I think it is very easy for the hon. gentleman to suggest that the federal Government should simply rush in and put up some additional funds. There are a number of problems involved with that.

As far as the Canada Council is concerned, it has full liberty of action in dispensing its funds in the way that it sees fit. If the Canada Council feels that this is the priority, it can indeed on its own motion set up a fund to pay to the writers. On the other hand, if I were to give funds to the Canada Council and earmark them for this plan, there would be an immediate reaction on the part of the cultural community, and quite properly, to the effect that I was giving policy directions to the Canada Council, something which I obviously ought not be doing.

I am suggesting to the Hon. Member that a number of groups have come up with different solutions to this problem. The Writers' Union has come up with one solution, the Canada Council has come up with a different set of proposals, and the Applebaum-Hébert Report, which is presently in front of the Standing Committee on Communications and Culture, has come up with a different solution.

I would suggest to the Hon. Member that the Standing Committee on Communications and Culture get on with the work of examining that chapter of the Applebaum-Hébert Committee Report, that they examine and analyse the different proposals that have been put before the committee and, having done so, that they make recommendations that the Government will indeed consider.

WRITERS' UNION PROPOSAL

Hon. David Crombie (Rosedale): Madam Speaker, my question is also directed to the Minister of Communications and concerns the same subject. The Minister has indicated that, in his view, there are a number of schemes which need to be clarified, understood, and decided upon. Surely the Minister is aware, is he not, that the Canada Council, virtually all of the arts and cultural communities in the country, the library associations and everyone who is associated with this proposal, agree that the Minister should implement the proposal put forward by the Union? Is that not true? After ten years of discussion and two years of personal commitment, why is the Minister still stonewalling these people who make, on the average, $1,000 per year?

• (1430)

Hon. Francis Fox (Minister of Communications): Madam Speaker, indeed, I am very interested in learning the position of the Hon. Member. As I told him before, I brought this whole matter up at the federal-provincial conference. There is an obvious interest on the part of the Provinces. If I could implement a scheme which would affect the National Library of Canada, I do not think it would be a solution to the problem. The main users and those responsible for libraries are the Provinces.

If a scheme is to be introduced, it should obviously take the provincial interest into account. Obviously the Provinces, which put money into the libraries, ought to make a contribution to setting up the scheme. That is why I brought the matter to the attention of my provincial colleagues in May, 1982, when I asked for their opinion on how such a scheme should be implemented. I am willing to pursue the matter with them.

I would also suggest that it is not good enough to say that a scheme ought to be implemented; I say to the Hon. Member that he and his colleagues who were Members of the Standing Committee on Culture and Communications should look at the scheme proposed by the Writers' Union of Canada, the proposal of the Canada Council, and the proposal of the Applebaum-Hébert Commission. If I were to go ahead and implement a proposal that differed from them in some way, I am sure the Hon. Member would be the first to say that I had not consulted Parliament before devising a scheme, that I had complete disregard for the Applebaum-Hébert Commission report. That report is presently before the committee of which the Hon. Member, as critic for his Party, is a member.

APPLEBAUM-HÉBERT COMMISSION RECOMMENDATION

Hon. David Crombie (Rosedale): Madam Speaker, the Minister hid behind the Applebaum-Hébert Commission report for two years without implementing the proposal. If he refers to page 207 of that report he will see that the Commission is on record as urging him to implement any proposal rather than no proposal.

It is not my position that these people are interested in; it is the Minister's position. That is why they allege the Minister reneged on his commitment. The Applebaum-Hébert Commission wants the Minister to do this; why doesn't he?

Hon. Francis Fox (Minister of Communications): Madam Speaker, it is basically because a number of options are open to us. The copyright legislation is an option. It is one that

many people wish to cast aside, however, because if this right were put in the copyright legislation, payment would be made to all authors, independent of nationality. Our interest is in devising a scheme which will bring greater returns to Canadian writers. That is the objective of the exercise.

The Hon. Member suggests that I implement any proposal—that any proposal is better than no proposal. I suggest to the Hon. Member that a reasonable proposal would obviously require provincial participation. A proposal that does not include provincial participation is not, to my mind, a reasonable proposal.

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THE ADMINISTRATION

APPOINTMENT OF FORMER MINISTER OF STATE (MINES)

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister, and it is in two parts. Specifically, did the Prime Minister, prior to the appointment of the Hon. Member for Burin-St. George's, specifically ask him whether there was anything in his past that would be an impediment to his joining Cabinet?

Second, as a general policy matter is it the Prime Minister's position that the onus is on the individual to come forward and disclose anything in his past that may be detrimental to his joining Cabinet and that there is, therefore, no obligation on the part of the Prime Minister to make inquiries in that regard?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe I answered a question in about the same terms, that was put to me on Tuesday of this week.

Mr. Crosbie: No, you did not.

Mr. Trudeau: Also, Madam Speaker, if this is a period in which to ask questions of urgent and pressing necessity, then, if the question is urgent, I wonder why it was not asked in the past two or three days.

Third, there are questions on the Order Paper which ask more or less the same thing. Therefore I take it that members of the Opposition want questions answered on the Order Paper rather than in this way.

Miss MacDonald: What are you afraid of?

Mr. Hnatyshyn: And fourth, Madam Speaker, the Prime Minister is playing the clown, as usual. This is a matter of some urgency and I think the people of Canada are entitled to expect a high standard of conduct from Members who serve in Cabinet, whether he thinks so or not.

ROLE OF PRIME MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): As far as all Members of the Cabinet are concerned, has the Prime Minister satisfied himself that there is nothing in their past that would bring discredit on the Government or cause it embarrassment? Has the Prime Minister assured himself of that? If he has not done that to this point, is he prepared to make inquiries and make sure that such is the case?

Mr. Crosbie: Or does he care?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a new question and the answer is yes. I have assured myself of that.

I repeat the first answer, that this is no longer a matter of urgent necessity.

* * *

AGRICULTURE

RATE OF FARM BANKRUPTCIES

Mr. Lee Clark (Brandon-Souris): Madam Speaker, my question is for the Minister of Agriculture. Many of us who represent agricultural constituencies have been besieged by phone calls from local farmers who fear that they may lose their farms in the near future. Does the Minister agree that far too many farmers in Canada are experiencing a severe financial crisis; that the number of farm bankruptcies has reached and surpassed an acceptable level; that the indications are that the number of those farm bankruptcies will continue to grow this autumn?

Furthermore, would the Minister indicate whether he feels that Canadian farmers are now in a better or worse financial position than they were a year ago?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, you have heard all those questions, but if I were to answer them all it would take up the rest of the Question Period.

First of all, one only has to check the commodity markets for Canola seed, barley, soybeans, corn and all these crops, to see that the price has increased by nearly $100 per tonne in the last three months, and more so in the last few weeks.

Those farmers who have taken care of themselves through the proper use of marketing agencies and so on, do not find themselves in financial difficulty. They are doing all right. From his past experience the Hon. Member knows full well what I am talking about.

In general, farmers will find that they are better off financially at the end of the year, although there are some whom neither the Hon. Member nor I can do anything to help. Some need financial help and it will be given to them.

If the Hon. Member would ask the great banking institutions of this nation to come forward and assist, instead of asking that, the great Crown corporation, the Farm Credit Corporation, to take over the obligations from the private lending institutions, it would be better. They have the jurisdiction and they have a duty to help these people.

When I compare agriculture in Canada to any other country in the world, it is the best off—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

FARM CREDIT CORPORATION

LEVEL OF FUNDING

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I have a supplementary question for the Minister of Agriculture. He will know that since he reassumed his portfolio in agriculture, farm bankruptcies have increased by 400 per cent, and that last year alone net farm income decreased by 25 per cent.

In view of the fact that the Minister has no legislation before the House to deal with this matter, is he prepared to increase the necessary funding to the Farm Credit Corporation so that some of these situations can be looked after? An additional $300 million at least is needed.

Is the Minister prepared to bring in agribonds as he promised? Also, is he prepared to ask the Chairman of the Subcommittee on Agriculture to reinstitute committee meetings on Bill C-653?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member well knows what the rights of Members of the House are. It is beyond the authority of a Minister to say to a member of a committee what he shall or shall not do. It is up to Members to do what they want to do in Committee.

The Hon. Member knows my stand on Bill C-653. I support the principle of the Bill; I have said that publicly, and I have said it in the House.

The Hon. Member said that $300 million extra is needed for the Farm Credit Corporation. I met the Chairman of the Corporation this morning to discuss the applications he has received, where the money is going, what is being done with it, and how it is being lent to farmers at the present time. The Hon. Member knows as well as I do that it you loaned some farmers $1 million you would not be doing them a favour. That is because of the position they find themselves in with the product they are marketing. That is mainly the case in the beef industry and the pork industry. These are in a distressed position and have been for many years. This is also the case in the United States. Because of commodity prices, farmers are finding themselves in a bind.

If the Hon. Member has any suggestions about how they can be financed without resorting to a straight welfare operation, I should like to know.

• (1440)

AGRICULTURE

STABILIZATION PROGRAM SOUGHT FOR BEEF INDUSTRY

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Agriculture. In view of the continuing depressed state of beef prices and the beef industry, generally, with low returns for their cattle this fall, as well as the continuing increases in input costs, could the Minister report on the progress he made with the provincial ministers this past summer? I understand they have met two or three times with the officials. Could the Minister tell us what the prospects are of establishing a very meaningful and effective national stabilization program for this hard-pressed industry which is so important to the whole economic vitality of the rural areas of Canada?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, in answer to the Hon. Member, I received a report from my Deputy Minister who attended the last meeting, I believe, on September 9 in Winnipeg. There were four Provinces which seemed to be in favour of some kind of a plan, but they are not in agreement on what kind of plan it should be. We will have to come forward and submit a plan, because they said if I did not develop a plan, they would develop one. So four out of ten is not a very good batting average even though it includes the vast area of Canada where the majority of beef is produced. They are not any closer to forming that kind of national program for pork, either. They want a different kind of plan, but they had not come to any kind of agreement as of September 9.

* * *

BANKS AND BANKING

PROFITS OF CHARTERED BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance who will know that at the moment nearly 1.5 million Canadian workers and their families are living on UIC or welfare. Many more are being asked to take wage cuts, or very modest increases. Those small businesses and farmers and fishermen who are still operating are literally on the edge of bankruptcy in many, many cases. Yet we know that the chartered banks of Canada are in a position where their profits are likely to increase beyond 1981, the most successful year ever. These embarrassingly high profits now have placed Canadian banks with a return on assets of 200 per cent greater than the average banking industry.

On June 15 the Minister of Finance said what we need is even more profits. Does he stand on that, or how high do the profit margins of Canada's banks have to go, at the expense of the consumers and the small business sector, before the Minister of Finance takes some kind of action?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member seems to forget the fact that there was a drop in profits last year and that this year's increase in profits should be seen in relation to the losses suffered last year in the industrial, manufacturing and financial sectors. I made it quite clear when I brought down the budget that if we wanted to have a steady economic recovery in this country, it was essential that private sector profits in Canada should be allowed to rise to their historic levels and thus become far more subtantial than they were last year, otherwise the recession would continue. Profits have continued their upward trend and risen considerably this year, I am happy to say, because this is going to mean job creation and a stimulus for the Canadian economy, as we have been able to observe for a number of months. With the increase in profits, there has also been an increase in the employment rate across Canada, and today, more jobs are being created in Canada than in any other country in the world. I may also point out that in the past few days, the banks have adjusted their rates to their customers' advantage, for instance, a number of banks have lowered their mortgage rates.

[*English*]

Mr. Riis: Madam Speaker, with all due respect to the Minister, he is absolutely incorrect. If one looks carefully one will see that what is happening is that the banks of Canada, during their grab for profits, are retarding any real recovery in this country. As small entrepreneurs and individuals struggle to play their rightful role in Canada's recovery, the chartered banks are not providing the necessary funds to those groups.

REQUEST THAT MINISTER MEET REPRESENTATIVES OF BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): My supplementary question is directed to the Minister of Finance. The banks themselves have said that the reason for their embarrassingly high profits this year is the excessive spreads in interest rates, which are higher today than they have been for many, many years. Is it not time for the Minister of Finance to meet with the banks and ask them to be less "grabby" when it comes to profit margins, in order to provide some needy capital on which to build Canada's recovery?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I believe it would be important for the Hon. Member to stress that, in spite of his assertion, Canada has known, since last November, the largest economic turnaround of any industrialized country.

Some Hon. Members: Oh, oh!

Mr. Lalonde: That is a fact. Canada this year will have known a rate of growth in real terms of 7.4 per cent, according to current forecasts, and that is again a record rate of growth in this country. The Canadian economy is advancing extremely well at the present time. Consumer confidence is higher today than it has been for the last 18 years. We have seen today the latest figures on retail sales, and these figures have shown the consumer confidence which we have noticed in the surveys. Retail sales have increased quite significantly over last year. The economy is, therefore, moving extremely well, we are creating jobs, and we must keep on doing so.

As far as the specific question of the Hon. Member is concerned, I was due to meet with the presidents of the banks this week. Unfortunately, I was unable to do so. I will, however, have an opportunity to do so soon.

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FARMERS' CREDITORS ARRANGEMENT ACT

PASSAGE OF AMENDING LEGISLATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, while the banks really continue to refuse to co-operate with the small business sector, one specific sector which has already been mentioned as being particularly hard hit, that is, the agricultural sector—the small farmer, rancher, orchardist and fruit producer—is having a very difficult time obtaining the necessary funds from Canada's banks. If the Minister of Finance is serious, and other Hon. Members of this House are serious, they will do whatever they can to ensure that Bill C-653 is introduced into this House for passage as quickly as possible—and the Tories should stop holding up this Bill in committee—

Madam Speaker: Order, please. I am sure the House appreciates this enjoiner, but this is not the time for it. The Hon. Member should be asking a question.

Mr. Riis: Madam Speaker, my question is for the Minister of Finance. Is his government prepared to provide speedy passage for Bill C-653? And what action is he, as Finance Minister, with some responsibility to the farmers of Canada, prepared to take in this respect?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like again to repeat that we have provided this year, for instance, to the Farm Credit Corporation, a larger amount than at any time in its history be several hundred millions of dollars. The Hon. Member refers to Bill C-653. The Minister of Agriculture has very ably answered this question. It is in the hands of the committee, and I remind my hon. friend that it was a Liberal Member of Parliament from this side of the House who has been sponsoring this Bill—

Some Hon. Members: Oh, oh!

Mr. Lalonde: —and who has been supporting it. We have supported this Bill ourselves.

Some Hon. Members: Hear, hear!

[*Translation*]

EMPLOYMENT

PARTICIPATION OF QUEBEC MUNICIPALITIES IN FEDERAL JOB-CREATION PROGRAMS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Right Hon. Prime Minister.

On August 11 of this year, the Prime Minister wrote to his Quebec counterpart, on behalf, and expressing the wishes, of the municipal governments of Quebec, to confirm that the Government of Canada was prepared to conclude an agreement with the Government of Quebec on the conditions for participation by Quebec municipalities in federal job creation programs. Could the Minister inform the House today whether he has received a reply to this proposal from the Government of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if there was one, I did not hear about it, but I will find out and will give the Hon. Member his answer tomorrow.

Mr. La Salle: I have a supplementary, Madam Speaker.

Since the legislature in Quebec will start its new session within a few weeks, and since it will probably be asked to legislate on direct or indirect grants from the federal Government, can the Prime Minister at least give us the assurance that, in the interest of all concerned, he will publicly announce the federal grant proposals that might help Quebec get back on the road to economic recovery?

Mr. Trudeau: Madam Speaker, I think the main points of our position on the subject are known. When the Hon. Member refers to provincial legislation, I think there is some misunderstanding. We do not need the permission of the provincial government to allocate funds in the Province of Quebec or anywhere else. However, certain institutions, including municipal governments, come under provincial jurisdiction, and I think the situation was created when the provincial government threatened to penalize municipalities that dared to accept funds from the federal government for job creation. The problem is not a matter of legislation but of justice. The province should let us give funds for job creation directly to the municipalities. If it refuses to do so, it will be just too bad for the municipalities, but not for Quebecers, because we will find other ways of spending these funds. That being said, Madam Speaker, if the Quebec Government wants to know what kind of applications are being made by the municipalities, we have no objection to discussing them with the Government of the Province of Quebec, but once again, although these municipalities come under provincial jurisdiction, Quebec citizens are also Canadian citizens, and we intend to exercise our right to allocate funds as we see fit.

● (1450)

[*English*]

GARRISON DIVERSION

UNITED STATES CONTRACT TO CONSTRUCT LONETREE DAM

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Prime Minister. A U.S. Environmental Protection Agency study has been highly critical of the Garrison Diversion Project, but the U.S. Government has just ordered a contract to start construction on the Lonetree Dam which, if completed, could damage Manitoba fish and hurt commercial fishing. What action is the Government taking on this latest development?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the U.S. Government is fully aware of the Canadian Government's position in relation to the Garrison project. It is the position of this Government that it is unfortunate that the U.S. has undertaken the action with reference to that specific dam without the whole question of the Garrison matter being settled with Canada.

NON-CONSULTATION BETWEEN GOVERNMENTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, Canadian Government officials state they were not fully consulted and they feel the U.S. is determined to complete the project. Can the Minister find out why we were not consulted, and will he have the Prime Minister contact President Reagan to find out why we ware not being consulted, as the U.S. policy is to build first and consult later?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, it is true that the Canadian Government was surprised to learn of the U.S. plan for the awarding of the Lonetree Dam contract but we have, as I have already said, indicated to the United States in the past our concern on this matter. We continue to believe that consultations are the most effective means of resolving Canadian concerns, and I can assure the Hon. Member that Canada's firm position on this matter will continue to be communicated to the United States.

MINISTER'S DISCUSSIONS WITH UNITED STATES SECRETARY OF THE INTERIOR

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I would like to direct a question on the same topic to the Minister of the Environment, and I would also like to wish him well in his new portfolio.

Last week the Minister was in Washington to discuss various issues with his American counterparts. During those discussions the topic of the Garrison Diversion Project in North Dakota was brought up. Could the Minister tell the House the gist of the conversation and whether he was able, in the course of those discussions with the Secretary of the Interior, James

Watt, to obtain commitments from the Americans regarding protection of Canadian waters?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, yes, we did have an opportunity to meet with the Secretary of the Interior in Washington and took that opportunity to register, as clearly and as strongly as possible, the concern of Manitobans and of the Government of Canada in this particular issue. The Secretary of the Interior did indicate that, as long as he holds that position, the extent of the American inititative would be limited to the construction of the Lonetree Dam. That is the extent of the commitment he was willing to give.

POSSIBLE DANGER TO MANITOBA WATERS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, given the fact, as the Minister has pointed out, that contracts for the construction of the Lonetree reservoir portion of the Garrison Diversion Project were awarded in late August, can he tell us what steps he and his Department are taking to ensure that our neighbours to the south will not proceed beyond phase one of the current design? More important, will he tell us what steps he is taking to get the U.S. to agree that this giant water project should be redesigned and re-authorized so that it will have no adverse effect on the waters and fisheries of Manitoba?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, the Hon. Member has outlined exactly the representations I made to the Secretary of the Interior and which have repeatedly been made by our Ambassador in Washington. It is my intention to continue in this line of representations, as already indicated by the Secretary of State for External Affairs.

* * *

THE PRIME MINISTER

INQUIRY RESPECTING FUTURE PLANS

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Prime Minister. As a considerable number of his colleagues have been spending a great deal of time combing the bushes for delegates for the convention which they believe to be just around the corner, I was wondering if the Prime Minister would outline to the House whether his plans for the months ahead include leading his Party in the next election, so that his colleagues can either make a flat-out push for delegates, or get back to the job of looking after the affairs of the country as they should be doing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know that question is inspired by the cordial and friendly relations I entertain with the Hon. Member. I know nothing about people on this side combing the bushes, Madam Speaker.

Mr. Crosbie: Read the papers.

Mr. Trudeau: But I would point out to him that the Leader he supported went into the taverns, high schools and junior schools to get delegates to vote for him.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Well, Madam Speaker, this is known as a fact; I am not quite sure why the Tories are ashamed of it. It is their Leader who got people from the taverns, young people from the recreation centres—

Mr. Epp: Jean Chrétien was contacted.

Mr. Chrétien: I am here, ask me a question.

Mr. Trudeau: —so that they could vote.

Mr. Crosbie: The question is about you.

Mr. Trudeau: Madam Speaker—

Some Hon. Members: Hear, hear!

Mr. Trudeau: What is the nervousness on the other side? I have been asked—

Mr. Beatty: We are afraid you will go.

Mr. Trudeau: I have been asked a question by a member of their own Party who happens to be also the Chairman, I believe, of Chairmen, and they should show some respect for his concern.

Mr. Hees: Madam Speaker, is the Prime Minister not aware that it was often very difficult for our new Leader to get into the taverns and the schools because there were so many Liberal Cabinet Ministers pushing their way in to try and get delegates from those who were assembled? No one came to the Liberal meetings; they went to the Conservative meetings to try to convince them to vote for them at the next convention.

Madam Speaker, does the Prime Minister not realize that the result of that campaign produced a magnificent Leader which his Party would give anything in the world to have today—

Some Hon. Members: Hear, hear!

Some Hon. Members: Where is he?

Madam Speaker: Order, please.

Mr. Hees: —and he is the reason why the Prime Minister will be moving out of 24 Sussex Drive in the near future?

Mr. Trudeau: Madam Speaker, on this I would agree with the Hon. Member. The result of that campaign was to produce a magnificent Leader.

Some Hon. Members: Hear, hear!

Mr. Trudeau: I hope the Hon. Member is not implying that the preceding Leader was not magnificent.

Some Hon. Members: Oh, oh!

Mr. Hees: I certainly was not.

Mr. Trudeau: But, Madam Speaker, we only hope that this magnificent Leader will be able to tell us, for instance, what policy he is taking on medicare, on the Crow, on Manitoba school rights, and all these various subjects. He is magnificent to look at, but we hope he will be magnificent to hear.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

SOVIET AIRCRAFT INTRUSIONS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is directed to the Minister of National Defence. Soviet military aircraft have violated NORAD air space 77 times this year, including three Soviet military aircraft which have been intercepted off the eastern coast of Canada.

The United States Government has recently established a $650 million active contract with Mitre Corporation of Boston to evaluate and enhance the DEW Line. Is it the Government's intention to increase Canada's capacity for surveillance and reconnaissance along our boundaries and, specifically, to enter into a bilateral program with the United States to update the efficacy of a northern warning program to ensure that Canada is adequately protected from such violations?

● (1500)

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I thank the hon. gentleman for his question and congratulate him on his recent elevation within his own Party's caucus. I might indicate to the hon. gentleman that the premise of his question is not accurate. There has not been any entry within Canadian airspace by any Russian aircraft. Indeed, there have been some incursions within an area called the Canadian Air Defence Identification Zone. Those were incursions that were identified by Canadian aircraft, and the individual aircraft were escorted from that particular Canadian Air Defence Identification Zone. Indeed, that is not Canadian sovereign airspace.

In terms of our participation in the improvement of the Distant Early Warning System, the hon. gentleman knows that my predecessor last year identified the fact that the Government of Canada and the Government of the United States are presently in negotiations relating to Canadian participation in the modernization of the Dew Line. Those are negotiations that I am following very closely, but at this time I would not care to comment any further on that.

MEETING OF INTERNATIONAL CIVIL AVIATION ORGANIZATION

Mr. Robert Wenman (Fraser Valley West): As a result of the tragic destruction of a Korean Airlines 747 by a Soviet fighter jet, the world now knows that we can have the capacity to monitor radio conversations of both commercial and military aircraft as well as to track their flight paths. In order to warn any commercial airliner that strays into Soviet airspace in sensitive zones, will the Government initiate measures at the International Civil Aviation Organization emergency meeting in Montreal to establish new international agreement on procedures regarding sovereign airspace incursions, including mandatory visual identification and central command control, before action by the sovereign nation, and also a ground-to-air communication and warning system by allied agencies to prevent further loss of life and further destabilization of an already tense international climate?

Hon. J.-J. Blais (Minister of National Defence): As the hon. gentleman knows, Madam Speaker, there are presently rules of engagement that we have negotiated with the Americans under the NORAD arrangement, and those rules are presently in place and are effective. In terms of our dealings with civilian aircraft, I have listened to the hon. gentleman's representations. I will be pleased to discuss them with the Minister of Transport and other Ministers involved on this side of the House relating to those issues in order to review those representations, both in light of the system that presently exists and any improvements that might be brought forward.

* * *

[*Translation*]

PETITIONS

MR. SHIELDS—QUALITY OF SERVICES OF ALBERTA BROADCASTING CORPORATION

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Athabasca (Mr. Shields) on Wednesday, September 14, 1983, meets the requirements of the Standing Orders as to form.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, I would like to raise three points of order with which I can deal very quickly. The first relates to the objection filed under the provisions of the Electoral Boundaries Readjustment Act by the Hon. Member for Kitchener (Mr. Lang) and which the Chair raised yesterday. Having had the opportunity to review the matter, we gladly provide our consent to the acceptance of the objection, notwithstanding the apparent irregularity attendant upon it.

Madam Speaker: Does the House give unanimous consent that these objections be printed in *Votes and Proceedings?*

Some Hon. Members: Agreed.

POINT OF ORDER

MR. NIELSEN—S.O. 21 STATEMENT OF MR. CULLEN

Hon. Erik Nielsen (Yukon): Madam Speaker, my second point of order relates to the rather ungentlemanly and intemperate remarks of the Hon. Member for Sarnia-Lambton (Mr. Cullen) in the unavoidable absence of the Leader of the Opposition (Mr. Mulroney). I can inform that normally docile and ovinelike Member that I will carefully look at the blues, draw his remarks to the attention of the Leader of the Opposition, and if any response is necessary, it will be made when he returns to the House.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: My third point of order relates to House business. I would ask the Government House Leader to lay on us the business for the remainder of this week and as far into next week as he can take us.

While he is dealing with House business, will he explain to the House why the chairman of the Agricultural Committee, who is the Hon. Member for Rimouski-Témiscouata, (Mrs. Côté), I believe, or the vice-chairman of the Agricultural Committee of the House, the Hon. Member for Essex-Kent, refused to call a meeting of that standing committee to deal with Bill C-653, to which reference was given by the Hon. Member for Kamloops-Shuswap who, in dealing with it, represented the position of this Party in a totally false fashion? He knows or should know that it is the Government chairmen of that committee refusing to call meetings that is the real reason for our being prevented from dealing with Bill C-653.

[*Translation*]

Mr. Pinard: Madam Speaker, as far as the last part of the question is concerned, I shall look into the matter. Regarding the Business of the House, today we shall resume consideration of Bill C-110, postponing debate on Bill C-91 and Bill C-12. Tomorrow, we will consider all objections regarding the reports of the Electoral Boundary Commissions for the provinces of Quebec, Ontario, British Columbia, Newfoundland and the Northwest Territories. All objections will be considered tomorrow after Oral Question Period, which means that the debate on these objections will start tomorrow at noon, after Oral Question Period, and will be interrupted at 3:00 p.m. tomorrow afternoon. The Parliamentary House Leaders have agreed to ask the Chair not to report to the Chief Electoral Officer until the debate is terminated, at a later date to be determined by your humble servant.

Regarding the Business of the House for next week, on Monday, we shall resume debate on the Export Development Bill, assuming that debate on the Bill will not have been completed, and I am referring to Bill C-110, to be followed by debate on the Public Works Bill, that is, Bill C-91. The House is aware that debate on second reading of this Bill has already started. Later next week, if we finish the second reading stage of Bill C-91, we shall resume second reading of Bill C-12, the Bankruptcy Bill. This will probably keep us busy until Wednesday, when we shall be considering private members' business. Next Thursday we should be able to complete consideration of one of the three pieces of legislation I have just mentioned. If we have done so before then, I shall advise my colleagues opposite of the Business of the House for next week Thursday at the appropriate time.

[*English*]

Mr. Deans: Madam Speaker, with regard to the question of Bill C-653, the Minister of Agriculture (Mr. Whelan) noted during the Question Period that he was in support of the principle of the Bill. Given the fact that the Minister of Agriculture supports the principle of the Bill, the New Democratic Party supports the principle of the Bill, and it is now apparent that the Conservatives are prepared to support the principle of the Bill, although belatedly, would it be possible to have the Bill returned from committee and dealt with in Committee of the Whole in order that we might expedite its final passage?

[*Translation*]

Mr. Pinard: Madam Speaker, I shall consider the Hon. Member's suggestion.

[*English*]

Madam Speaker: I need an order of the House so that the debate on the electoral boundaries objections could be terminated at three o'clock, I believe the President of the Privy Council said. Does the House agree to this particular proposal?

Some Hon. Members: Agreed.

Mr. Nielsen: Under the law, as the Chair is fully aware, I am sure, the debate must be commenced on those objections. However, it will certainly not be terminated by three o'clock. It will be subject to further debate, after having complied with the law.

Madam Speaker: Therefore, the House agrees, and it is so ordered, that the debate will be adjourned—I am sorry for the bad use of that word—at three o'clock.

• (1510)

Mr. Munro (Esquimalt-Saanich): Madam Speaker, my point of order is about the debate on the objections to the electoral boundaries. The President of the Privy Council mentioned the objections from a variety of Provinces, including Quebec and British Columbia. There were probably others. It is not clear to me, however, whether we will be dealing with them seriatim or whether they will be mixed and anyone can rise having objections under Quebec, then British Columbia and then Ontario. I think clarification on that is required.

[*Translation*]

Mr. Pinard: Yes, Madam Speaker. As soon as they are recognized, Hon. Members will be able to express their views and speak to the objections of their choice, whatever the province. That is why we do not want the debate to be terminated at 3:00 p.m., since we realize that not all Hon. Members will be able to speak tomorrow, considering the number of provinces involved. However, as the Member for Yukon (Mr. Nielsen), pointed out, by law, we have no choice but to start the debate, and we want it to cover all the provinces and territories I mentioned earlier, but, as the Hon. Member pointed out, when a Member is recognized, he is free to speak to the electoral boundaries of a constituency in any of the four or five provinces and territories I mentioned before.

Madam Speaker, you are entirely correct when you said that the debate will be adjourned at 3:00 p.m. tomorrow, with unanimous consent. However, I want to make it clear that no report will be made to the Chief Electoral Officer before the debate is terminated in the House.

* * *

[*English*]

POINT OF ORDER

MR. McGRATH—S.O. 21 STATEMENT OF MR. CULLEN

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order. I raised a point of order during that part of our proceedings which is set aside for 90-second statements by Members. You did not permit me to proceed and said that you would hear me at three o'clock.

I raised the point because the hon. gentleman, the Member for Sarnia, it seems to me, was violating the rules and should know better because he was a member of the special committee which drafted that rule, which is very successful and is now in use.

Will the Chair permit that part of our Standing Orders to be used for Members to sneak in what legitimately should be a question of privilege or a point of order, and thereby deprive the person involved the opportunity to reply? I think that is a very serious matter. If that is allowed it will destroy that provision, just as Standing Order 43 was destroyed by abuses.

Hon. Erik Nielsen (Yukon): Madam Speaker, I will be very brief. I did not raise that point in my observations previously because I felt that the Hon. Member for St. John's East (Mr. McGrath) would be doing so. However, I agree that it is an abuse not only for the reasons stated by himself but in this case compounded by the unavoidable absence of the Leader of the Opposition (Mr. Mulroney).

However, past precedents will show that when any allegations or charges of changes to *Hansard* are made in the House, they are invariably made either as a question of privilege affecting the rights of all Members concerning the accuracy of *Hansard* or, more properly so, as a point of order. But they are certainly not smuggled in under the experimental rule permitting statements.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, Opposition Members may suggest all they want about the contents of statements made on this side of the House, but our Members are free to say what they please about the subjects they wish to raise. If the Leader of the Opposition is not happy about this, he is perfectly free to make a similar statement. Where is he hiding? We have not seen him here today. I hope he will come back and take advantage of the provisions of the Standing Orders which allow him, not only to ask questions but also to make his position known and to express his views, and perhaps the 90-second statement would be a good way for the new Leader of the Opposition to let the country know where he stands on certain issues. Therefore, instead of telling us what to say during those 90 seconds, perhaps Hon. Members opposite should urge the new Leader of the Opposition to take advantage of this opportunity to let Canadians know where he stands on certain issues.

Madam Speaker: I must say to the House that as I listened to the statement made by the Member for Sarnia-Lambton (Mr. Cullen), it did not seem to me that his statement was out of order. I felt that the Hon. Member was commenting on words he heard spoken in the House, but I will look at the statement in question to find out whether it reflects the objections raised by the Hon. Member for St. John's East (Mr. McGrath). I must say it is sometimes difficult for me to interrupt an Hon. Member. Today, for instance, the Hon. Member for Don Valley West (Mr. Bosley) used his 90 seconds to praise Mr. Begin, which is entirely admirable in itself, but, strictly speaking, is not allowed according to our interpretation of the kind of statements that may be made between 2:00 p.m. and 2:15.

As I listened I thought that after his eulogy of Mr. Begin, he might make some kind of statement or express an opinion or comment on the situation in Israel, but he still had not done so when his 90 seconds had expired. In a way, the Hon. Member's statement was entirely out of order, but it was difficult for the Chair to interrupt the Hon. Member, because I did not know whether he was going to go on to something else or not. Nevertheless, I shall look into the matter. Up to now, the 15-minute period has been put to very good use by Hon. Members, and I think they will agree that the Chair must continue to enforce the rules applying to such statements as strictly as possible.

[*English*]

Mr. Arnold Malone (Crowfoot): Madam Speaker, bearing on your last words, I want to make it clear that I am one who does not believe that statements serve any use at all in this Parliament. I think they are nothing short of empty words with no motions attached. Members of Parliament are elected to ask questions, speak to motions or to make motions. Giving

speeches that are as effective as speaking on a platform from the back of a caboose that is going from Frobisher Bay to Sachs Harbour in the middle of the night while the cactuses are growing in Arizona, about females, eradicating poverty in the world and doing the things that we all know, such as kissing the flag and hugging Canada, is of no use at all if Members of Parliament cannot have a vote and then be accountable for their actions.

One simple way to look at this is that we continue to do things to which we can put motions, or instal electronic voting in the House, such that we can then be accountable in a much faster way for what we do as individual Members from wherever we are elected. We should stop giving empty speeches that do not mean anything at all.

Madam Speaker: I am sure the Hon. Member's views will be studied but perhaps they would be more welcome in the committee studying procedure.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,646, 4,728, 4,895, and 5,001.

[*Text*]

ADVISORY COMMITTEE ON PRICE MEASUREMENT

Question No. 4,647—**Mr. Mazankowski:**

1. Was an Advisory Committee on Price Measurement set up to advise Statistics Canada on its review of the concepts, methods and priorities being used by Statistics Canada to measure price changes and, if so (a) who are the members (b) what expertise does each member have in the area of price measurement (c) does the Committee have a fixed time frame or will it continue to meet indefinitely (d) what were the specific terms of reference (e) what is the budget for the committee and how will it be spent?

2. Does Statistics Canada have an in-house committee which examines similar issues on an on-going basis?

Hon. Charles Lapointe (Minister of Supply and Services): Statistics Canada reports:

1. Statistics Canada has established a Price Measurement Advisory Committee whose prime function will be to advise and consult with the agency on price measurement related issues, of both a conceptual and technical nature.

(a) and (b) The members of this Committee were selected because of their expertise in the measurement of prices and/or the measurement of economic variables. They are: John Bossons: Head, Institute for Policy Analysis, University of Toronto; Erwin Diewert: Professor, University of British Columbia; Michael McCraken: President, Informetrica Ltd; Claude Montmarquette: Directeur, Centre de recherches en développement économique, Université de Montréal; Gilles Paquet: Dean, Faculty of Administration, University of Ottawa.

(c) The Committee has been set up for an indefinite period of time. It has a rotating membership with one-third of the members being substituted annually.

(d) The specific terms of reference were as follows (i) To advise and consult with Statistics Canada in price measurement issues of both a conceptual and technical nature; (ii) to advise Statistics Canada on research priorities in the area of price measurement;

(e) The budget for the operation of the committee for the fiscal year 1983-84 amounts to $12,500. It will be spent as follows: honoraria, $2,500; travel, $10,000.

In addition, the Reseach Committee could initiate research projects up to a total budget of $50,000 for the fiscal year 1983-1984.

2. Statistics Canada has established an in-house review committee whose function is to examine the 25 research papers presented at the Price Measurement Review Conference held November 22-24, 1982. This committee is reviewing the recommendation contained in the research papers and evaluating their validity and feasibility of implementation. This review process will be completed by December, 1983.

PARKS CANADA—TRENT SEVERN WATERWAY

Question No. 4,728—**Mr. Scott (Victoria-Haliburton):**

1. Were any capital projects cancelled by Parks Canada in the Trent Severn Waterway (CORTS) to reduce the current spending estimates by $12,312,000 and, if so, which projects?

2. Which projects remain after this spending cut?

3. Was the money reallocated and, if so, to where?

Hon. Chas. L. Caccia (Minister of the Environment): 1. No.

2. Not applicable.

3. No.

MERRYFIELD HAY CO. LTD.

Question No. 4,895—**Mr. Riis:**

What was the status of the annual lease payments from the Merryfield Hay Co. Ltd. to the Deadman Creek Indian Band for the leasing of hay land for each year from 1976 to 1982?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): The Merryfield Cattle Co. Ltd. holds separate leases on the Deadman's Creek Indian Reserve for Parcel C and Parcel D. The status of the rental payments made for each lease follows:

Parcel C—Annual rental in the amount of $2,410 per annum was received for the years 1976, 1977 and 1978. We have no record of having received any rent for the years 1979 to 1983 inclusive but understand that some rent during this period was paid directly to the Deadman's Creek Indian Band.

The Department does not have a record of payments which were made directly to the Band.

Parcel D—The Department received rent of $4,500 for 1976, $4,650 for 1977 and $4,550 for 1978. We have no record of having received rent for the following years but understand that some rent was paid during this period directly to the Deadman's Creek Indian Band.

We understand that the Merryfield Cattle Co. Ltd. is now in receivership and that the Deadman's Creek Band Council is considering alternatives for the future of Parcel C and Parcel D.

DELIVERY OF NUMISMATIC COINS

Question No. 5,001—**Mr. Blenkarn:**

1. Is it the policy of the Royal Canadian Mint to entrust valuable Mint coins to Canada Post Corporation regular delivery?

2. Were losses sustained by the Mint in the past year and, if so, what were such losses?

3. How does the Mint ensure that the intended recipient receives the coins?

Hon. Charles Lapointe (Minister of Supply and Services): 1. The Royal Canadian Mint has been delivering its regular numismatic coins by parcel post since April, 1981 in the U.S.A. and since August, 1982 in Canada. Prior to August, 1982, all shipments in Canada were via registered mail. Gold numismatic coins are delivered by money packet.

2. In 1982, the Mint wrote-off $6,798 for replacement of 1982 regular numismatic coins. By using parcel post in 1982, from January for U.S. orders and from August for Canadian orders, the Mint saved $305,200 in postage which more than offset its losses.

3. Clients report to the Mint coins which are not received. Replacements are sent by registered mail. All claims are monitored.

[*English*]

Mr. Evans: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: Questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. McKinnon: Madam Speaker, I would like to compliment the Parliamentary Secretary on his new appointment. I am sure he will be an improvement on the previous one.

Question No. 4,336 was placed on the Order Paper by myself on May 19, 1982, a year and four months ago. It is a fairly simple request to the Department of National Defence to explain why they have been so prejudiced against one Lieutenant Geoff Wright. There must be an answer available after 16 months of pondering. I would like to know why the Government does not produce it.

Mr. Evans: Madam Speaker, I had discussions earlier with the Hon. Member on this particular question. I promised to pursue the matter with the Minister of National Defence and I will get back to him as soon as I can.

The Acting Speaker (Mr. Blaker): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

● (1520)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

The Acting Speaker (Mr. Blaker): I believe the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) has the floor.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, to refresh Members's memories, let me read Motion No. 3:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 5 by striking out lines 23 to 26 at page 3 and substituting the following therefor:

11.(1) The authorized capital of the Corporation is one billion one hundred dollars divided into ten million and one shares with a par value of one hundred dollars each.

Motion No. 5 reads:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 7 by striking out lines 39 to 41 at page 3 and lines 1 and 2 at page 4 and substituting the following therefor:

14. The aggregate amount of borrowings of the Corporation pursuant to sections 12 and 13 shall not exceed the amount equal to ten times the aggregate of the paid in capital and earned surplus in the accounts of the Corporation.

The explanation of this, as I see it, may be stated quite simply. The Government proposes, as you will know, Sir, that there be $2 billion in authorized capital for the corporation and that the aggregate amount of borrowing of the corporation shall "not exceed an amount equal to ten times the authorized capital of the corporation". Therefore, if you put the Government's proposal against our amendments, the Government proposes to allow the corporation to borrow $20 billion without further parliamentary authorization. That is the basis of our strong objection, the objection taken by other Members in the debate—

[*Translation*]

—and that is the essence of my speech. The position taken by our caucus, Mr. Speaker, is that the authority to allow expen-

ditures as vast as those we are discussing today should remain with Parliament. It is up to us, as elected representatives of the Canadian people, to vote on the monies that are to be spent as proposed in this Bill.

[*English*]

The fundamental objection which the Hon. Member for Mississauga South (Mr. Blenkarn) has made is that there is no parliamentary control on contributions. The Government just puts in money, any amount of money up to $2 billion, and then it has the absolute right to subscribe to the capital of the EDC and there will be no further voting upon it. Whether or not the EDC receives the money from the Government without our amendment—that is up to the $2 billion—this measure would give the EDC the right to borrow on the credit of our country to the extent of $20 billion. We say—

[*Translation*]

—this kind of accounting, if you will, cannot be tolerated if our country's finances are to be at all sound.

[*English*]

We say that if we pass this Bill the EDC—I do not think there is a Member in this House who has anything but support for the EDC in its concept of assisting the exporting of goods—can borrow $20 billion to finance any sort of project. In passing, let me mention the Algerian project which was the subject at a television program shown last week, CTV'S W5. The project, as I understand it, is basically a monument to the Algerian revolution financed by the Canadian taxpayers through the EDC by an enormous subsidy in terms of interest rates. I wish every Canadian could have seen W5 and heard the comments made by the EDC spokesman. It is an example for each and every one of us that instead of giving $2 billion carte blanche we should be showing greater parliamentary control over what the EDC will be doing in the years ahead.

Let me also cite in support of this amendment a study done by the Economic Council of Canada in 1982 entitled "A Study of Government Credit and Credit Guarantees to the Private Sector". On page 60 the conclusion in the relevant section reads:

> We have noted that there are in general few deficiencies in the markets for these instruments.

Speaking about credit insurance and the like:

> The private sector, however, could be encouraged to fill the remaining gaps through a reorientation of EDC activities towards reinsurance and refinancing. Disregarding the support accorded by foreign countries to their own exports, more appropriate instruments than subsidized export credit could be used to achieve the government's macroeconomic objectives. Although it would be desirable for all countries to abandon simultaneously their export subsidy program, this seems improbable at the moment and Canada must continue to offer export subsidies for strategic reasons.

Mr. Evans: Where is the complication?

Mr. Kilgour: Also in support of the amendment, for the information of the temporary Member for Ottawa Centre (Mr. Evans), is the study done—

Mr. Evans: I will be here a lot longer than you are in Edmonton-Strathcona.

Mr. Kilgour: —by Professor Andre Raynauld who I see is the president-elect of that professional body of economists, the Economic Association of Canada. He is a former Chairman of the Economic Council of Canada and a former Liberal MNA in the Quebec National Assembly. Speaking about the EDC, Professor Raynauld said, "It is rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient." I understand from my colleague for Mississauga South that Professor Raynauld goes on in his study to compare our Export Development Corporation with like corporations and agencies in other exporting countries and does not draw favourable conclusions.

Many points have been made in this debate and I am trying not to duplicate them, but let me touch on the question of authorized capital. Normally a trust or a loan company is entitled to lend a multiple of its subscribed capital and earned surplus. EDC does not have that type of limitation. Its limitation is a multiple of authorized capital. As I mentioned before, the consequence of this, if our amendment does not pass, and even if it does to a limited extent, is that it does not matter at all how much money the Government in fact contributes as capital to the corporation; borrowings are a multiple of the capital authorization. The effect of the Government's proposal here would be to increase the authorized capital to $2 billion, so that its authorized borrowing can then be $20 billion. Our amendment is simply to reduce the capital to $1 billion from $2 billion and to try to limit the amount of unauthorized—that is, unauthorized by Parliament—borrowing that the EDC may do.

● (1530)

I urge Members opposite to support us so that Parliament can, in a small way, reassert its control over the public purse.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in the debate on the amendment now under consideration, I want to emphasize for all Members who have not had an opportunity to date to read the provisions of Bill C-110 how vitally important the amendment we are now discussing is to the whole operation of the Export Development corporation. I say that because it has become almost usual in dealing with the Government with which we now live with Canada to talk in terms of a billion dollars or half a billion dollars. It is not as it was, perhaps ten years ago, a matter of sinking in to the Members of this House the money grab that the Minister of State for International Trade (Mr. Regan) is attempting to make in the Bill before us.

The money grab I am referring to is, of course, what my colleague commented on, the provision we are now dealing with calling for a total capitalization in the Export Development Corporation of $2 billion. When you multiply that by ten, and that is the way this Bill works, you are considering that the Government is asking for $20 billion of lending authority, which in turn means borrowing authority. Let us never forget that. A government cannot lend a nickel without

raising it from the taxpayers of this country or borrowing. We are considering $20 billion of borrowing authority to be lent to various concerns around the world. That is what is before us.

Members should take the time to read this Bill. I notice that the socialists are not even getting into this debate. That is typical of them. They have no appreciation of money when it is not their own. As long as it is taxpayers' money or debt rolling, they somehow remain mute in this House. They could not care less. It is time that we fingered that irresponsible group which they are in this House and throughout the nation.

Mr. Keeper: Mr. Speaker, I rise on a point of order. While the Member berates us, I wonder if he would stand and honestly acknowledge the fact—

The Acting Speaker (Mr. Blaker): Order, please. I do not think it would be helpful for me to remind the Hon. Member what might constitute a point of order. However, I must indicate to him that debate is not a point of order, and that is what he is entering into.

Mr. Stevens: You are a good Speaker, Mr. Speaker.

I am trying to press Hon. Members to take an active interest in the amendment under consideration. To put it into perspective let me say that when we are talking about a $2 billion capitalization for the Export Development Corporation, it in turn triggers $20 billion of available funds. The Government of Canada would either have to borrow those funds or otherwise raise the money. That $20 billion is to be re-lent to other people.

Let us put this into perspective. Perhaps the most relevant country to look at is the United States of America. It has an institution that might be compared to the Export Development Corporation called the Export-Import Bank of the United States. Looking at the September, 1981 statement, we see that the total paid-in capital of the United States counterpart to the Export Development Corporation is $1 billion. This Government is asking the people of Canada, through this Parliament, to accept as an authorized capital for our corporation, for openers, twice the size of the total paid-in capital of the comparable institution in the United States, the Export-Import Bank in 1981.

The United States is 10 or 11 times the size of Canada in terms of Gross National Product. One would think that an institution there, with money resources such as this Government wants for the Export Development Corporation, would have capital of $10 billion. In fact, it has $1 billion in capitalization.

My second point is that not only is the capital in the Export-Import Bank in the United States in the fiscal year September, 1981, only half of what this Government feels it needs in its gluttony and greed, but the total of its borrowed funds is $16 billion. In the clauses now under review, we are considering an authorization of capital of $2 billion, a total commitment of $20 billion, which is twice the total paid-in capital of the Export-Import Bank in the United States in 1981. In gross terms, the $20 billion figure is approximately 25 per cent larger than the total outstanding commitment of the Export-Import Bank in the United States in 1981.

I hope I have put this into perspective. Surely all of us in this House agree in principle that if we can have a plan to increase exports from Canada to the countries of the world, we should support it. Nobody is challenging that. The real question is twofold. First, can we do it and ensure that Parliament can keep control of the spending that is entailed in the program? Second, can we do it in the most efficient way possible? Let me touch on those two questions.

If the amendment that my colleague is suggesting is not accepted, reducing the authorized capital from $2 billion to $1 billion, which is still 50 per cent more than paid-in capital in the American counterpart, it will mean that that extra half billion dollars multiplied by ten, which is $5 billion, is to all intents and purposes lost from the control of this House. In the name of Canadian taxpayers, what is wrong with us as Members of Parliament saying, "It may be that in future you will need an extra $5 billion, but do not ask us to give you the blank cheque on September 15, 1983. We will give you the running money you may feel is needed for the coming months or years, but come back to the ultimate authority, the House of Commons and the Parliament of Canada and ask once again for that extra $5 billion. Don't expect us to simply give it to you without questions asked." That is what this debate is all about.

• (1540)

I would suggest that if the Export Development Corporation's American counterpart, the Export-Import Bank of the United States, can get by and can break into the world export markets to the extent that it has without the type of capital that is being contemplated in the Bill that is now before us, surely it behooves us to turn to the Government and simply ask, why it cannot do likewise. Why does it need such lavish financing from the Parliament of Canada when its main competitor in the United States has much less?

The Minister of State for International Trade is shaking his head. I would like to ask him if he has taken it upon himself to go to the Export-Import Bank of the United States. Has he personally talked to its executives to find out how they can operate in such an effective way by getting levered exports as compared to the over-financing that our Export Development Corporation often engages in? It is my understanding, Mr. Speaker, that the present Minister of State for International Trade has not done so. I understand that, in learning his job, he has not seen fit to make the most obvious comparison with the counterpart to the Export Development Corporation in the United States.

If I had more time, Mr. Speaker, I would like to let Members know where the money that will possibly be authorized with the passage of this Bill will actually go. Who gets the benefit of it? Who are the chosen indirect recipients of these funds? Many of us would be most startled to hear who is on that list, but I see that my time has run out. I would only ask that, before we in the Opposition meekly pass the provision

that we are asked to pass and before Government Members who are like trained seals pass it, we bear in mind that it is just not needed. It is like signing a blank cheque on behalf of every taxpayer in the country. We have seen from past experience how irresponsible the Government has been when handling people's funds. Let us not give it more than it absolutely needs.

Hon. Jake Epp (Provencher): Mr. Speaker, I would like to place a few comments on the record respecting this Bill and specifically the amendment that is before the House this afternoon. The question of the need for more exports is not at issue. Anyone who has seen the effect that exports have had on the Canadian market will see that the evidence is fairly clear that we are without question a major trading nation and that that has a very direct effect on the wellbeing of every Canadian. That matter is not at issue.

I would also suggest, Mr. Speaker, that it is not at issue that Canadians endorse every effort made by Government to increase, enhance and encourage exports from Canadian manufacturers and primary resources. Those of us who are from agricultural regions, specifically those from western Canada, are constantly made aware of the effect of Government participation on the sale of primary products, be they forest products or agricultural projects. So the second issue that is not in question is the matter of the need, and in fact the desirability, for Government to encourage that economic activity.

It is clear, though, Mr. Speaker, that the export world has become more sophisticated. I would suggest that the Minister of State for International Trade (Mr. Regan) take a look at our embassies and consulates abroad. I am sure he is aware of the fact that it is no longer sufficient that we simply have as part of that operation a trading arm only, but rather that it must become much more specific in terms of the commodities or the products involved.

Additionally, the world of trade is, without question, being affected by the world economy today. In fact, many of the world's economies are having difficulty or have gone through a period of difficulty now that recovery has started to take hold. Various protectionist attitudes and measures and non-tariff barriers have become part and parcel of the export business in the last year. Those have always been present, but I think, particularly since the last GATT negotiation, that we have seen a much greater proliferation of non-tariff barriers, for example, than those agreed to through the GATT. One needs only point out as an example the difficulties that occurred with the negotiations relative to agricultural products which go back to the early days of GATT and which have always been a strong area of contention. The argument has always been made that each area of the world would like to have the right to self-sufficiency in food production.

There are certain factors with which all of us would agree. However, the question that is before the House today in this amendment is whether or not the amount of money requested, $20 billion, which would increase the borrowing capacity of the Export Development Corporation, is being requested and scrutinized in the proper manner. For example, I do not know how amenable the Minister is to changes that would provide that funds requested would come under closer scrutiny of Parliament. I believe that the Minister, with his experience as former Premier of a Province in Canada and now as a Minister of the Crown, is aware that Canadians have raised very serious, substantial and, I believe, valid concerns regarding the accountability not only of Government and its departments and its operations but specifically of what has literally become a spin-off of Government, namely, Crown corporations and, in this case, the Export Development Corporation.

Canadians are asking a very serious question, and that is, how best to control not only the increased numbers of corporations but in fact the money that these corporations are able to borrow in the name of Canadian citizens. It is very difficult for Canadians to understand their total indebtedness as Canadians when one factors in the indebtedness or liabilities that Canadians have toward Crown corporations. For example, the Minister knows that every time his Estimates come before the House, he must appear before a parliamentary committee. He is grilled at that committee, although some of us would suggest insufficiently, but the process does take place and at least there is some accountability to Parliament of the moneys to be expended.

Some of us who have looked at parliamentary procedures argue that a procedure should be put into place that would look at possible expenditures before the fact. The Huntington-Lachance exercise in parliamentary reform is one such attempt to create a model that would allow us to judge before moneys are spent whether or not moneys spent on certain projects could not in fact be spent more wisely.

What is before us today is another attempt by the Government to carry liabilities which are totally on the backs of the Canadian public without addressing the concern had by the Canadian public for accountability. I feel, and I am sure every Member in the House and most Canadians would agree, that the attempts made by Ministers to reach accountability within their own departments is an ongoing and difficult task as Government has grown, but it is of even greater difficulty for Members of the Opposition, and specifically the Canadian public, to find out what the total liability of Canadians is, not only from Government but from Crown corporations as well.

I would urge the Minister to examine the points that have been made and address himself to those points and seriously to consider how amendments could be brought forward that would give some accountability back to the Canadian public, specifically in the Bill before us.

• (1550)

That is not the only area of accountability that should be examined through seed money for corporations or small businesses too start up. Governments have a role—unfortunately, I think to great a role—in choosing winners and losers in the corporate field. Too often it is small corporations unknown to the Government and run by individuals of tremendous entrepreneurial spirit that do not get any Government help. This may be because they have not asked for any, or have not asked

in the correct way or they are not known to Government. Other corporations that appear here constantly asking for grants, loan guarantees and so forth, may not do much to create jobs.

The glaring example of this for almost all Canadians, Mr. Speaker, is the Maislin bail out. That did not create jobs for Canadians. The $34 million that was put into the corporation might have done a great deal for a small corporation or for the Canadian trucking industry. Why should we protect jobs in the United States through that company?

I am concerned about how we can address the question of accountability in the Bill. I am tired of Ministers coming before the House at Question Period and in committee saying, "That is a question we cannot answer because a Crown corporation is concerned. When it comes before the committee, then ask the question." Ministers should be responsible; they should have accountability.

The amendment that has been proposed addresses that question, Mr. Speaker. If that amendment is not acceptable to the Minister, I suggest to him that any amendment is acceptable to us which brings back accountability to the Minister and to the House.

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I agree with the Progressive Conservative motion. This motion is very important to democracy and to the Parliament of Canada.

[*English*]

As the Hon. Member for Provencher (Mr. Epp) says, the important thing about the amendment before the House is the matter of accountability. I think it is time for a lot more accountability from Crown corporations in this country. It is time for more accountability when it comes to giving power to Members of Parliament to scrutinize Crown corporations.

The Province that the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) and I come from, has a special committee of the legislature which is called a Crown Corporations Committee. The annual reports of Crown corporations are referred to that Committee and the heads of those corporations are called in and questioned. In that way the activities of the corporations are scrutinized and votes are held on whether they are doing the right and proper thing. That is the kind of practice that should be followed at the national level.

The amendment before the House is a small step in that direction. It limits the borrowing that the Export Development Corporation can make without coming back to Parliament. As drafted by the Government, the Bill would allow the Government to borrow up to $20 billion before coming back to the House for approval. The effect of the amendment would be to reduce the authorized capital from $2 billion to $1 billion, and that is a step in the right direction.

In this country, Crown corporations have played a very important role and will continue to do so. We have a lot of them and we need them. The important thing about them is that they must be accountable and more responsive to the wishes and needs of the country. Crown corporations like the CNR and others are very distant from the Parliament of Canada.

I suggest that, as has been the case in Saskatchewan, we refer the annual reports of Crown corporations to the relevant committee. The CNR annual report goes to the Transport Committee, and so does the Air Canada annual report. Perhaps we should do the same thing with all the other Crown corporations so that we could scrutinize them carefully.

The other thing that I believe we need is a reformation of this institution so that Members and committees have more power to direct Crown corporations to do what they think is best. We should have some power over setting their priorities and agendas and we should be able to work with them on important issues of the day. I think that is an important step that must be taken.

[*Translation*]

Our country needs a more democratic system. Mr. Speaker, I think that the Right Hon. Prime Minister and the Prime Minister's Office have too much power and the same applies to the Privy Council and the Executive. This is certainly too much power for a majority Government, because with a majority Government, it is the Government that does practically everything there is to be done in the country, without any recognition for the importance of the common Member of Parliament—

[*English*]

—before looking at the point of view of an Opposition Party or whatever.

For these reasons I think we should support the motion that is before the House and try to make Crown corporations more accountable to the public. In saying that, I take nothing away from the importance of Crown corporations. We need the Export Development Corporation and we should strengthen it. Canada must become more aggressive in promoting exports. In many ways we are the boy scouts of world trade, not nearly as aggressive as the Germans, the Americans, the French and the Japanese. Our share of world trade has fallen drastically in the last 20 years. If I remember correctly, we used to have about 4 per cent of world trade, and now we have about 2 per cent. For these reasons we must become increasingly aggressive.

In the past, the Export Development Corporation has often assisted larger enterprises and forgotten some of the smaller enterprises. I need only remind you, Mr. Speaker, that about 60 per cent of jobs in Canada are provided by small business. That shows how important it is that small enterprises be promoted. If there is a healthy small business climate, then a lot more jobs will be created for Canadians.

All this could be achieved more easily if we had greater accountability for Crown corporations and a better reflection of the country in the board of directors. There must be greater co-operation between the federal Government and the Provinces and a better approach to trade and exports. This amendment would go some way to make the EDC a better Crown corporation.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, in the years that I have been in the House of Commons I have watched the emphasis of interest shift. Sometimes it has been on international affairs, sometimes on energy, at other times on the environment. When the tide of public interest on issues shifts, that is where Parliament tends to focus.

I think that focus is well placed in this particular Bill. For the past two years the focus has been on the economy. It is one thing to talk about the tragedies of the economy as we have done again and again, but I think we must start looking for ways to correct our economic ills.

This focus is not only demonstrated in the House of Commons. This summer the Premiers met and a clear message came out of their consultations. That was, that we must concentrate on international trade. If we are going to work our way out of provincial deficits and national deficits, if we are going to maintain the standard of living we have become accustomed to, it is going to be in this field of trade. The message from that sounding board of our Premiers is a correct message. Their focus in the economy on trade and the itinerant reality of exports is important to all of us, to be wary of, to be aware of, and to enact such Bills as this particular Bill.

● (1600)

Like everyone else who has spoken, I speak in favour of the principle of the Bill. I am in favour of the motherhood issue of exports and of increasing those exports by as many means as we can find. Economists throughout the western world, no matter whether it is Canada, the United States, Britain or France, have brought back into our economic vocabulary the words "productivity" and "growth". A decade ago the words "productivity" and "growth" were out. Those were bad words. We were in an energy crisis. We were in an environmental crisis. Therefore, those were "downer" words and did not receive any emphasis. Today, however, they are respectable words.

How are we going to create more jobs in Canada if we do not increase our productivity? How are we going to sustain the jobs we have? Therefore, we must increase our productivity. We must increase the development of new industries and growth in the industries we already have onstream. But what are we going to do with an increased productivity, an increased growth, how are we going to create and sustain these jobs, if, in fact, we cannot sell in international markets the products of our efforts? Therefore, again we come back to this all-important word "exports". I am in favour of increasing exports from Canada. I am willing to do almost anything. There is, however, one thing which I will not export, and that is my democracy. I will not export my responsibility to the people who sent me here. I will not export my accountability in this House of Commons. And that is what this Bill is doing.

I know the Minister is an enthusiastic and energetic Minister of Trade. I have seen that enthusiasm. I know he has been in politics many, many years. I am sure that on some days like today he feels it is too many, it is too long, it goes on and on. He wants to get on with the business and he wants to expand his ideas. However, in that impatience which comes in dealing in a democracy and with a democracy, he must not allow this further erosion. I know this Minister knows the delicacy of the democratic structure. I was in India with him when there was an emergency. He saw the emergency. He saw how a government went a little too far in its hurry, perhaps, to go in the right direction. We cannot let the very, very important democratic principles which he has stood for and, I believe, continues to stand for, be brushed aside for the sake of expediency. He cannot allow that to happen to him. An uprooting of the democratic mode of accountability is found in this Bill.

I remember not too many years ago, as a younger politician, hearing someone make the statement, "What is a million dollars?" We have now gone from "What is a million dollars?", to "What is a billion dollars?", and today we are standing in the House and saying, "What is $10 billion? Just give it to them." For what? For export. We are all for exports, but that is not good enough for me. As much as I like this Minister, as much as I do not trust this Government, or do trust this Government, I certainly cannot write a blank cheque like this for any purpose no matter how good the cause. Even if it is a cause of humanity, a cause of aid, I must still know, if I write that cheque, that in fact there is a measure of accountability which I can be responsive to and responsible for. That is not going to happen in this particular Bill, as far as I can see.

Before I came here I started out as a young, idealistic teacher. I used to teach history in school. Maybe it was because of the political instincts I had, but when it came to the section on democracy, I taught it with a very special verve because I felt so strongly about it. I can remember going back in that old history book and talking about how the king had all the power and how it must be taken from him by the Magna Carta and how we exchanged, for the right of giving him money, the capacity to gain control and accountability. Accountability, how? Through a House of Commons, through a Parliament. We talked about that word "Parliament", a place to speak, a place to be accountable. That particular accountability evolved to our parliamentary structure, our parliamentary system. However, I have watched, and I am watching in this Bill, not the evolution of Parliament, not a Parliament where the people of the nation have a chance for accountability and to speak, not an evolution to see that power grow, but in fact that power being taken away from us. It passes from the king to Parliament, and then from Parliament it is passed back to the Cabinet, then from the Cabinet it is passed back to the Prime Minister. That is bad enough, because our whole system has gone that way, back to a prime ministerial type of government, a government of the PMO. But we are moving this one out even beyond the PMO. We are moving this out to some unaccountable Crown corporation which I cannot reach, I cannot touch and I cannot bring to accountability.

No matter how pure that organization is, it is going to make mistakes, this wonderful organization into which the Government seems to be so willing to put all its faith and to which it throws this handout, because neither is this corporation

accountable to the Government. The control is not direct enough. There is only an indirect control. That form of accountability can be abused, and it has been abused. Mention was made earlier today of the $100 million monument which we built with Canadian tax dollars, a monument to the revolution in Algeria. I wonder if there is any person who would contribute 10 cents to that monument if they were given the opportunity. But they are not being given the opportunity, because that has been taken outside our parliamentary jurisdiction. That responsibility is given to the Export Development Corporation which I cannot reach and which I cannot touch. I can say something in this place, but I cannot get through to the corporation.

I wonder how many people would want to give $600 million to the Soviet Union after it shot down the aircraft and killed those ten Canadians and some 260 other persons. I wonder how many would want to raise tax dollars, tax pennies, to build a pipeline in the Soviet Union. I believe not very many, Mr. Speaker. However, the Export Development Corporation thought we should. I should like to tell the Export Development Corporation that I want to give it some direction so that perhaps we can give some of that money to our friends who are in need, and we have many friends in need. Perhaps we can give to some of our friends who in fact can regenerate the economy and regenerate jobs in Canada in a different way.

We are missing the whole great Pacific Rim. We hardly touch it. Why does this Government and this Minister not put a whole new concentration on the Asian Pacific Rim? That is where the opportunity is. Above all, Mr. Speaker, I say in conclusion that Canadians must realize that this is the devolution of our democracy through the impatience of a government which has been in power too long, and of a Minister who has been in politics too long, and we cannot let them get away with this. We must maintain accountability to Parliament. Therefore, we must have this amendment which has been brought by the Conservative Party to preserve democracy in the House of Commons.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I was inspired to speak this afternoon by some of the comments which were made by the Hon. Member for York-Peel (Mr. Stevens). I would like to begin by congratulating him on his new appointment as the shadow cabinet minister responsible for watching over the Liberal Government in the area of external affairs. Although I congratulate him at the outset, I would also like to put forth a note of fear that such a person, if a Conservative government were ever to be elected in Canada, would be representing our country throughout the world. It would make me feel sick in my heart to think that someone like that would actually pretend to represent the humanitarian ways, the progressive ways which we have in Canada.

● (1610)

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

The Acting Speaker (Mr. Blaker): The Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) rises on a point of order, and justly so. It has been my practice to allow Hon. Members to proceed a certain distance before I interrupt them, but when a point of order is raised on the floor obviously the matter is taken out of the hands of the Chair and I must rule on it.

Mr. Beatty: Mr. Speaker, surely that diatribe we are hearing against my colleague who is not in the House at the present time is out of order as it relates in no way to the Bill. What the Hon. Member is doing is expressing concern over foreign affairs, which has nothing to do with the EDC. Surely that sort of personal abuse bears no relationship whatsoever to the amendment before the House at the present time.

Mr. Manly: I submit, Mr. Speaker, that the conduct of foreign affairs has a great deal to do with export development.

The Acting Speaker (Mr. Blaker): Order, please. It may, but that is not the context in which the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) was making his comments. I noted that the Hon. Member for Wellington-Dufferin-Simcoe was quite cautious in pointing out that his own point of order dealt with the subject of relevance. In that regard I invite the Hon. Member for The Battlefords-Meadow Lake to take the floor again, perhaps with some awareness that relevance is important.

Mr. Anguish: Yes, relevance is very important, Mr. Speaker, and that is really what inspired me to speak. I think many of the speeches given over the past few days by the Conservative Party have been irrelevant. You can only listen to the same thing said in different ways so many times before it becomes irrelevant as well. It does not matter how many people are saying it if they are making the same point. I believe that is irrelevant, and I do not believe I was going anywhere beyond the relevance of the Bill as compared with what other speakers were doing.

It is sometimes easy for the Conservative Party, Mr. Speaker, to talk out of both sides of their mouth. The Hon. Member for Provencher (Mr. Epp) was saying that the question was not more exports. I disagree with him. I think the question is that we need more exports in this country so that small businesses thrive and manufacturers can expand their markets. The Hon. Member for Yorkton-Melville (Mr. Nystrom) very adequately pointed out that at one time Canada had about 4 per cent of world trade and now we have only about 2 per cent. In my constituency we produce a great number of things which are exported. I am thinking of the minerals in the northern area and timber which is produced and exported. It is also an oil producing area. Even more important is the agricultural base of my area. I am thinking of the positive contribution to our balance of trade which is made by our grain exports. If we do not really need more exports, why are the Conservatives arguing that EDC should not be a strong agency to improve our export position in world trade?

It is very easy to talk out of both sides of their mouths when they talk about a large export product such as grain and then talk about the Crow Bill and jump in bed with the Liberals. They want to put through Bill C-155 so that it costs the producers of western Canada about $1 billion a year more, yet they say publicly that they do not support this Bill. Are they against exports in that area? I certainly think they are, judging by their activities in the committee. That does not get perhaps as much publicity as it should with regard to the Conservative Party position.

If we do not have a strong EDC, Mr. Speaker, what is the alternative? Is it foreign ownership? Would the Conservative Party prefer to have the situation we had back in the mid-1970s when 99 per cent of the oil-refining industry in Canada was foreign owned?

Do they want a manufacturing and industrial section over 50 per cent foreign-owned? You cannot have it both ways. The Conservative Party has to make a decision at some point in time about whether they want us to become a vibrant country where we can produce more materials which can not only be sold in our domestic markets but through a strong export market as well. Do they want that or not? This indicates to me, Mr. Speaker, that they do not really want that.

They do not want accountability either. The Conservative Party has never stood for Crown corporation legislation which would make corporations such as the EDC accountable to the people of Canada. These corporations should be reporting to a committee on Crown corporation where not only the EDC but others would have to be accountable on a monthly or at least a yearly basis. The Conservatives are quite free in spending the individual taxpayer's dollars but, just like the Liberals who have been in power much longer than they have, they are not so keen on spending the billions of dollars in deferred corporate taxes. As they said in the Committee on Transport when the Crow Bill was before them, they do not owe taxes to the Government. It is deferred tax. The question was asked, well, if it is deferred, why is it noted as deferred tax on your annual statement? They said, well, we do not owe it, it is only deferred.

Mr. Thomson: Mr. Speaker, is there no rule of relevancy at all? Is the speaker going to ignore this entirely? This speaker has not addressed the legislation before us in the last five minutes.

Mr. Anguish: I think the way the Conservative speakers have been addressing themselves to this Bill shows very clearly that they have that sort of Bay Street attitude. They want the best of both worlds. They jump in bed with the Liberals on some legislation, behind the closed doors of the committee, such as on Bill C-155.

Mr. Andre: Now we know why you are at 16 per cent.

Mr. Anguish: They will do the same on the EDC, but when it comes to the public, when they have their public forum to speak to the people of Canada, they are opposed to the Liberals. They do not want anything to do with them. Well, you cannot be in bed and out of bed at the same time. Eventually they will have to make a very basic decision as to what they are going to do.

The reason they can get away with this, Mr. Speaker, is the fact they have no policy. They have a good looking leader, he is confident and articulate, but they do not have any policies. So when they are in one meeting they can say one thing out of this side of their mouths, and when they are in a public forum like the House of Commons they can say something else out of the other side of their mouths. Well, if they ever become the Government of Canada, heaven forbid, I think it would be very distressing for the people of this country to find out that they base themselves on opinion polls. If the polls say one thing one day, that is the side they are on. If it is something else the next day, they are on the other side.

Mr. Dick: Mr. Speaker, the matter of relevancy has been drawn to your attention twice. We have heard about the Crow rate, forestry, oil, minerals and opinion polls. First of all, none of those things can be financed by the Export Development Corporation, and this is an amendment to a specific section dealing with the capitalization and how much borrowing the EDC can do. I do not think the man has read the Bill, I do not think he has a clue what he is talking about, and he is just rambling on. Perhaps he should pick up the Bill; relevance is sometimes considered.

Mr. Anguish: Mr. Speaker, in terms of the EDC, the amendments being proposed—

Mr. Beatty: You have been gonged.

The Acting Speaker (Mr. Blaker): I have to indicate to the Hon. Member that comment on previous contributions to debate has generally been regarded as being in order. I am aware that the general thrust of the Hon. Member's address tends to be more, if I may say, politically or Party oriented. But I do not think I can find him out of order in that regard. He is utilizing his opportunity to comment on speeches made by his predecessors who have had the floor, and so far I find that he is in order in that regard.

• (1620)

Mr. Anguish: Mr. Speaker, the Conservative Member stood up on a point of order to say that I was not saying things that were relevant. They are very relevant to the Bill. It is another example of the Conservatives picking what they want to hear, putting that forward and covering over all the other things that are important and relevant to making this country operate in a good, sound and vibrant economy. Instead of playing with pieces of legislation such as the Export Development Corporation amendments set before us, the Conservatives should get on with some progressive work, which should be coming from them as it is in their name, but they are neither progressive nor conservative. I do not know how they ever came to the name itself. However, I think they should try to be a little more constructive and add to the debate so that we can form legislation, if in fact they want to form legislation, which is not

only good for the credibility of this Parliament but also good for the people of Canada.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, methinks the Hon. Member doth protest too much, the Hon. Member for The Battlefords-Meadow Lake, or whatever it is. It looks as though he has decided to resurrect his run at the leadership of the New Democratic Party. He spoke at some length about being constructive, but he did not at any point make any constructive contribution to this debate nor to the amendment that my friend, the Hon. Member for Mississauga South (Mr. Blenkarn) has placed before the House this afternoon. It demonstrates a rather strange nervousness on the part of the New Democratic Party and the Government Members, that they have in fact turned their attack on the Progressive Conservative Party in opposition. One wonders what the NDP would do if we were called to a vote where we might bring down the Government, whether it would support the Liberal Party—

Mr. Anguish: I rise on a point of order. Mr. Speaker, is this speech really relevant?

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): The Hon. Member's point is well taken. He will know that I defended him a moment ago when he took occasion to comment on previous speeches. As much as I would defend, in the Chair, the Hon. Member for the Battlefords-Meadow—

Mr. Beatty: Meadowlark.

The Acting Speaker (Mr. Blaker): —"Lake", I think, I think I must extend the same protection to the Hon. Member for Richmond-South Delta.

Some Hon. Members: Hear, hear!

Mr. Siddon: Mr. Speaker, I think that many of us would be pleased if the Hon. Member for The Battlefords-Meadow Lake would begin his leadership campaign immediately. It would advance the cause of his Party tremendously from its present position in the Gallup poll.

I would like to speak to the Bill because that is why I originally sought your attention this afternoon. The motion before the House would reduce the amount of authorized capital of the Export Development Corporation from its requested two billion one hundred dollars to one billion one hundred dollars divided into ten million and one shares with a par value of $100 each. The purpose of this is also, in the process, to restrain the total amount of moneys that can be guaranteed by the Export Development Corporation by way of secured loans to $10 billion, roughly speaking, rather than $20 billion. The whole objective of the amendment as put forward by the Progressive Conservative Opposition is to make the Export Development Corporation more responsible and accountable to Parliament and to restrain it in some of the exercises of exuberance which, in fact, in some cases, have not produced a net balance of trade in favour of Canada but, rather, have represented a net cost to the taxpayers of Canada.

I want to use the balance of my time to illustrate my point by referring to one case which I will preface by a recent comment made by Professor Andre Raynaud of the University of Montreal, who said that the Export Development Corporation

> —is rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient.

Yesterday I made the point that we must decide whether the Export Development Corporation is to be first and foremost interested in advancing Canada's opportunities around the world, which is an important goal in these difficult economic times, or whether it is to be an instrument of foreign aid. The case I want to use to illustrate what I consider to be the hastiness and secrecy which we in this House sometimes find so repulsive, is one involving the financing of two major projects in Ireland. One involves the construction of an aluminum refinery by Alcan Ireland, and the second involves the opening of a new copper-zinc mine in the country of Ireland by Tara Mines Limited, which is affiliated with Cominco Inc. These two projects were first initiated in 1975 and 1976. In the case of the Alcan smelter, it is just now coming on to line largely because of a number of serious labour problems and delays which have occurred throughout the construction phase.

Therefore, when these two projects were brought to my attention by a constituent back in 1979, I wrote to the President of the Export Development Corporation, Mr. Sylvain Cloutier, to provide more details as to who was the recipient of the Canadian work that was being financed with some $30.6 million in the case of the Alcan project and $30 million in the case of the Tara Mines project. I asked if he would provide an inventory of the Canadian recipients, some idea as to regional distribution in Canada and the benefits to be gained by Canada in relation to the cost of guaranteeing or the risks of guaranteeing this amount of money, some $60 million. I did so because my constituent, who had formerly been a citizen of Ireland, had lost, with his father, the family business because of the labour instability which he had experienced in Ireland.

I will not make a value judgment as to whether Ireland is a more or less secure place in which to invest from the point of view of labour stability than Canada, but I might say, as reflected in a letter which I wrote to Mr. Cloutier in 1980, that under the Trade Union act of Ireland (1906), trade unions in Ireland are immune from any court action being lodged against them for a violation of labour contracts. My constituent, who had lost his business because of some rather nasty problems relating to an attempt to unionize the family business, asked the question as to whether Canada had considered the risk to Canadian capital in seeing it used to finance a major aluminum refinery, in that case, which would, at the same time, present additional competition to our major Alcan smelter at Kittimat in British Columbia and the anticipated expansion of Alcan's activities in Manitoba. My constituent

was concerned as to whether the Export Development Corporation had considered that this capital might be at considerable risk because, as his experience at least had shown, many businesses and industries in Ireland had been disrupted by illegal labour walkouts against which there was no defence or recourse before the courts of Ireland.

I do not know if the allegations are true, but I think it is important that we have an opportunity to consider questions of this nature before the House before major amounts of money are put at risk in other nations. More important, I think that we should have an opportunity in each major project of this sort to examine the officials of the Export Development Corporation or the Minister responsible as to the costs and benefits that are entailed in each one of these major undertakings.

Therefore, in my letter to Mr. Cloutier, dated August 21, 1980, I stated: "In view of the ongoing labour strife within the Republic of Ireland", which at that time had already delayed the project by many months, "and in particular the extended labour dispute which has closed the Alcan mining site at Aughnish Island in the County of Limerick, I must put to you the following questions".

These are the questions that I addressed to Mr. Cloutier:

1) What is the total value of all loans which have been extended by EDC to industrial ventures in the Republic of Ireland?

2) Will you provide me with an inventory of all goods and services provided by Canadian firms in relation to these guaranteed loans, and will you also provide me with an unequivocal assurance that all such funds guaranteed by Canada have been used to finance purchases from Canada?

3) Have all repayments been made regularly and in accordance with the original terms of agreement relating to each of these EDC sponsored loans?

● (1630)

I must say that Mr. Cloutier was quite prompt in his reply but he was very superficial in the terms of the nature of the information he gave me. As most Crown corporation presidents do, he gave me the usual gobble-de-gook about what a great institution he was in charge of and about all the great benefits it created for the Canadian people.

However, when it came to answering my questions I received no information other than that Canada had guaranteed loans for a total of $60.6 million and an assurance which I will read from the relevant paragraph. He stated:

I can assure you that EDC closely controls the financing and ensures that payments are made to the Canadian exporter for the goods and services for which financing is made available.

It is rather revealing when Mr. Cloutier continues to state:

In order to respect the commercial confidentiality of the Canadian companies involved, we are unable to provide you with a detailed list of the Canadian suppliers; however, some of the major items supplied to these projects from Canada include grinding mills, compressors, steam generators, filters, instruments, conveyor systems, valves, pumps, electrical equipment, structural steel and engineering and design services.

The President concluded by stating:

I hope this information will be of use to you.

As they usually assure us:

If there is anything further you may wish, I would be glad to hear from you.

The point is that we get absolutely nothing which would be of use to a Member of Parliament in determining whether these guaranteed funds are really being used to enhance the needy industries of Canada. It is all covered up under a cloak of secrecy, using the argument that these corporations must be respected in terms of corporate confidentiality.

While we realize there is a need for corporate confidentiality, I will conclude my remarks by asserting that I think any Crown corporation that is going to do business outside our country with the gratuity of the Canadian taxpayer to facilitate the conduct of that business must be prepared to have many of its financial records and transactions scrutinized by the House. It is not merely a matter of the private domain of competition between one corporation and another. This is a case where public servants do not have to disclose, nor do the Members appointed to the board—some of them from the benches of the Government and the Liberal Party particularly—have to disclose to the House or the Canadian people the basis upon which such decisions are made. They do not have to report to the House on the return of individual products to Canada in terms of jobs created relative to the potential interference with the world competitive market by starting a new industry in other countries.

I believe that it is high time that we made the directors of the Export Development Corporation accountable to the House and that businesses which want to obtain the benefits of this very generous low interest financing had better be prepared to be more forthcoming in telling the Canadian people what they are doing and letting us in Parliament decide with much greater precision whether these investments are well secured on behalf of the people of Canada.

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to have an opportunity this afternoon to make a few comments on Bill C-110 which deals with the Export Development Corporation. I will open my remarks by quoting from the excellent statement made earlier this year by one of my colleagues who said, "There are millions of bureaucrats around and they seem to proliferate like mosquitoes in a fever swamp with about the same contribution to human happiness."

The efficiency and quick decision-making of the bureaucracy are legendary to each of us in the House. Nowhere is this more evident than in the case of the Export Development Corporation. Here we have an organization with 613 employees which did business with only 62 exporters. This is approximately ten employees for every single customer. We have all heard of Government inefficiency, but I believe this example is absolutely the tops. It must top all the stories that I have ever heard. Not only did the employees obviously work long hours late into the evening dealing with the massive influx of work from these 62 customers, they probably had to work overtime as well to handle the 900 export insurance policies that they wrote up in the year 1982. What about productivity and efficiency? Apparently these are of no importance.

My colleagues and I are trying to press home to the Minister the fact that there needs to be some kind of monitoring of this situation. The taxpayer is kept ignorant of facts

such as these and that is why we keep seeing the Government re-elected and why examples of gross Government inefficiencies are dragging this country down. Strangely enough, the more we seek some kind of monitoring and some kind of controls from this side, the more the Minister singlehandedly rejects our criticism and goes against our stand that only Parliament should have control of the public purse.

I do not wish Members of the House to think that I am against the basic principles of the Export Development Corporation. In fact, there is probably greater consensus among Members of the House on this particular issue than on most issues that we can think of. It is true that we cannot have a healthy economy without a strong export component. All measures taken to facilitate export from Canadian manufacturers have my full support and the full support of our Party. However, there is a fundamental difference in the way that my colleagues and I in the Progressive Conservative Party approach this important issue.

It could be stated this way: when it comes to efficiency, to cost control and to productivity, the private sector, because they are survivors, are infinitely superior to the multitude of non-elected officials who have never had to meet a payroll. What we are seeking is relatively simple. More representatives from private enterprise should be present on the board of directors of the Export Development Corporation. Why is this better? It is so mainly because such people can make hard-nosed decisions to increase the effectiveness of the corporation without fear of losing their jobs. That is important. The number of ministry representatives must be held to a minimum. To give the reason for this, let me reiterate the remarks of my colleague, the Member for Crowfoot (Mr. Malone), who said two days ago, "You really have a contradiction of philosophy if you set something apart from the Ministry while at the same time you have persons who are a part of the Ministry advising that which you set apart." In other words, why create an Export Development Corporation at all? After all, is the object of having Crown corporations not to remove political influences? How can this be done if the board of directors is largely made up of political appointments? It is difficult to remain impartial when it comes to making a decision which might displease the highly placed political person who put someone in his high-paying job.

The Canadian on the street is not a firm believer in the impartiality of the civil servant. Unfortunately, there have been enough incidents involving conflict of interest in the Public Service that most Canadians are wary. This is not to suggest for a moment that there are not public servants who are talented and eminently suited to performing the tasks required as a board member. However, I feel it is necessary to reassure the Canadian taxpayer that his hard earned dollars are being used to advantage, especially in the export market where there are so many pitfalls. I believe there is a long held understanding that bureaucrats by nature build sand castles and empires with excessive staffing and abundant funding from the lining of the taxpayers' pockets. The examples which I mentioned earlier do nothing to dispel this notion. What does a bureaucrat do when he needs more money? He just rings the bell and the public comes running. The private sector person, by contrast, runs a leaner show. He has to, and he requires minimum staffing. As a taxpayer, Mr. Speaker, and representing thousands of taxpayers, I would rather see more directors from the private sector.

● (1640)

I realize that I have belaboured this point, but the Minister needs to realize that I believe thousands of Canadians, perhaps millions, hold similar views, and they are not to be dismissed arbitrarily.

The Export Development Corporation is, in the words of Professor Andre Raynauld of the University of Montreal, words quoted already this afternoon but I want to quote them again:

> —rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient.

These are harsh words, no doubt about it. They are not entirely unfounded. After all, this huge corporation with its offices in many major cities made a whopping $14 million in insurance business for exporters. The tenth largest general insurance company in Canada took in $128 million in premiums last year. The EDC then is just a bit player despite all the hoopla.

What then are the main thrusts of my speech today? First, that any amendments to the Export Development Act be made with the efficient use of the taxpayers' money in mind. Perhaps thought could be given to reduction of staff and elimination of unused office space.

Second, that representatives from the private sector be increasingly prominent on the board of directors and that there be no irrelevant representation. For example, in all fairness, CIDA should not be represented on the board.

Third, that representatives from the Public Service be limited to no more than three. Too many government departments' involvement can only lead to mass confusion, and we have enough of that already.

Fourth, that any appointments from the private sector be free of any taint of political patronage that is overly blatant so that such appointees are not in danger of being characterized as "political hacks."

I am pleased, though, that the Minister responsible has endorsed the idea that more representation from business and industry will be considered. We hope he will act. I trust that the Minister will give due consideration to the points which I have just raised.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, there are a couple of points I want to make in continuing this debate. First, let me say that I support the thrust of the amendment under consideration because it is tackling a real difficulty with the Bill as it is presented to us, namely a difficulty of what we might call actuarial soundness in the proposed capital arrangements upon which EDC lending should be based.

Let me acknowledge, however, that given the kind of inflation to which we have almost grown accustomed in recent years, there may be—and I am sure there are—many cases where capitalization assigned by statute to Crown corporations has not been increased to account for inflation. That is to say, capitalization has been eroded from what was intended in the legislation presently governing Crown corporations.

There could be an argument in some cases for increasing capitalization to keep the power of some Crown corporations in line with what was intended for them. Given the trade figures for the current year, one might think that EDC is one of those corporations with a claim to an increase of its capitalization. In the abstract, I can see some merit to such an argument because I can see the need in the case of certain other Crown corporations, such as the Farm Credit Corporation, for greater lending ability than has been granted to them. One might go further and say that since the Farm Credit Corporation is permitted to lend 25 times its authorized capital and EDC is permitted by statute to lend only ten times its authorized capital, then EDC's claim for an increase in its capital is greater even than Farm Credit's. And yet, Mr. Speaker, it is a question of actuarial soundness that underlies my own reservation about the Bill now before us. The Farm Credit Corporation is told in any given year how much it may borrow in total from the Consolidated Revenue Fund and from capital markets. A part of what it secures from the Consolidated Revenue Fund comes to it as the year's portion of its authorized capital. That is, out of what comes to it, part has to be repaid at a given rate of interest and a much smaller part does not have to be repaid nor is interest charged on it for that is a contribution to the corporation's authorized capital. The Farm Credit Corporation Act sets the ceiling on authorized capital, and each year a portion of this authorized capital is actually contributed to the corporation. The ratio of borrowed to contributed funds is 25 to one. This is much higher a ratio than the ten to one permitted to EDC, but there is a very good reason for the difference. That is, even in bad times such as these, Farm Credit's lending is backed by land, productive land, land from which our food will be coming as long as there are Canadians to eat food. The backing for Farm Credit's lending is therefore very secure.

The same cannot be said for the Export Development Corporation. Its whole reason for existing is that private companies manufacturing in Canada are not financially powerful enough to shoulder the risk of exporting into foreign markets beyond the reach of Canadian courts and Canadian law. Left to their own devices, many and probably most Canadian manufacturers would not be able to export because the business risk of exporting with the attendant uncertainty about payment would be an unacceptable risk. EDC exists because it is considered—and properly so—to be in Canada's interest, that is, in the public Canadian interest to export abroad. EDC exists because it is necessary for it to exist in order to secure that public benefit. It is a state run insurance scheme.

Now there is much to be said for certain kinds of state run insurance schemes, although there is also much to be said against them. We on this side of the House have spent considerable time on Tuesday arguing the dangers of Civil Service control of the board of EDC, with the associated conflict of interest that can result from attempting to realize the aims of the Corporation and also other unrelated aims of the Government which those civil servants serve and to which they are answerable. That is one danger. There is another danger, the danger of thinking that because EDC is a Crown corporation, it can be backed by the whole wealth of Canada. That is patently false. All actuarially based systems are based on calculated risks. Actuarial soundness means matching risk to statistical experience. It also means having a margin to play with if your statistical experience is proved false by new experience.

Lloyd's of London offers a perfect example of how this works in practice. Its insurance rates are set competitively, but upon the basis of known losses in the past. A year of great disasters may throw off the statistical averages and cause Lloyd's to lose a great deal of money. But Lloyd's is backed not simply by the premiums it holds on hand against losses but by the entire wealth of its partners. It is probably statistically possible for Lloyd's to go bankrupt in any given year, leaving the company bone dry and all its backers utterly ruined. But because it is actuarially sound, the company is very unlikely to suffer such a fate.

Well, Canada should not be in any danger of going bankrupt either, yet the Government of Canada backs our chartered banks to the hilt. It also backs its own agencies to the hilt. How many times can the risks backed by the Treasury of Canada be spread out and increased and multiplied before there is a question of actuarial soundness to face? This year, if I recall figures that have been generally quoted, there may be as much as $500 billion in questionable loans made to governments around the world, perhaps $800 billion. The point is that there is a good deal of risky business shared by western banks and western governments in the world. Canada, both through its private banks which secure their funds from Canadian citizens and through its Government, which backs the banks, has shouldered a considerable share of the risky business in the world. Because of the recession, there is also a great deal of international competition for the business available in the world and a temptation to get a good share of that business, even at the cost of offering easy and risky credit.

● (1650)

I would like to know that the Canadian Government is not extending its risks unduly in a time of recession, building up EDC as an instrument for concessionary credit and increasing its world-wide exposure at this time of financial uncertainty.

Therefore, I find myself in agreement with the amendment proposed by my colleague for Mississauga South (Mr. Blenkarn) and urge Members to consider carefully whether we as a Parliament have either the information or the actuarial reasons to authorize the increase in capitalization sought by the Government.I say no, and I urge support for the amendment now under consideration.

Export Development Act

Mr. Ron Stewart (Simcoe South): Mr. Speaker, in rising to support the amendment concerning the lessening of capitalization of the Export Development Corporation put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), I would like to say at the outset that my concern and the concern of Members on this side of the House in general, and I think it is the principal concern, is the accountability of this Government to Parliament, or rather the lack of it. It is not the principle of EDC but its accountability. The people of Canada by poll do not trust this Government or its leader.

Bill C-110 as proposed empowers the Governor in Council, which we all know means the Leader of the Liberal Party, to appoint the chairman and board of directors to the Export Development Corporation. Having been appointed, this group of bureaucrats then reports directly and only to the Minister of Finance for approval to borrow money and to buy and sell bonds, not to this House of elected representatives who are the watchdog of the public purse. Not since the fedual barons were called by the King to extract tribute have we had a government which has bypassed the parliamentary system in this manner.

Under this arrangement, the Government of Canada is able to make decisions regarding export transactions and can appropriate money from the Consolidated Revenue Fund to do so, all without any regard to the wishes of this House. Can we trust this Government to make the best possible deals and to do so in the most efficient way? Only 28 per cent of Canadians by poll have that faith, but we on this side of the House have a great concern that this Government, with its dismal record of organization, would have trouble regulating a two-car funeral, which would probably end up costing ten times what it should, and even then it would shy away from accounting to Parliament.

Mr. Beatty: They would lose the corpse.

Mr. Stewart: My colleague says they would lose the corpse. I will admit that this Government is adept when it comes to skirting Parliament, but in most other regards, it is less than efficient. What about the EDC? As has been pointed out by some of my colleagues, it has more employees than customers. I thought corporations were bad when they had half as many. In 1982 the corporation dealt on loan account with 62 exporters, one customer for every ten employees. The corporation also deals with insurance. There are 1.5 insurance policies for every employee. That is the epitome of Liberal efficiency.

The Prime Minister (Mr. Trudeau) has a different definition of efficiency than I do. That is not surprising since my experience has been in the business world while his preoccupation has been with non-economic matters such as the Constitution, bilingualism and Canagrex, which is nothing more than state control of agriculture, as well as a host of other Crown corporations which have drained the national Treasury while in the process having achieved the objective of, as I have always termed it, taking the national strictly down the slippery slope of socialism. My hope is that we have not arrived there already.

Another concern that I have is with the number and type of companies that are receiving assistance. When the EDC subsidizes the operations of INCO in Guatamela and Indonesia, it results in a loss of jobs in Sudbury. The EDC finances forest development in Poland, Iran and Peru while the forest industry in British Columbia languishes. We have seen the amount of respect the Prime Minister has shown to residents of that Province, particularly those in Salmon Arm.

By financing these types of operations, which by the way is concessionary financing that is certainly unavailable to domestic purchasers, the EDC is in effect supplying a form of foreign aid through the back door and without parliamentary approval. How many times have Members on this side stood up in dismay about what has gone on in CIDA, and those who sit on its board? Does New York need our foreign aid? The Algerians have certainly put it to good use with its phallic symbolized monument.

What we would like to see in this Bill and in numerous others is increased accountability, not less, and decreased capitalization, not more. We want to see the Government accountable to the Members of this House. Do we trust a Prime Minister who appoints a Privy Councillor for life without checking his credentials any more than we trust what is going on in EDC? How many more Liberal skeletons are rattling in the closet?

Will the operations of the EDC be audited by the Auditor General? No. The bureaucrats will continue to answer to the Liberal Cabinet. We would like to see increased participation by the private sector in the affairs of the EDC. Not only would we like to see no more than three bureaucrats on its board of directors, but we would like to see encouragement given to private sector financial institutions, such as the Schedule B banks, to fill the needs of Canadian exporters who find themselves disadvantaged in terms of export trade financing. There is nothing like free enterprise, and in many ways the EDC circumvents and skirts that.

We have a corporation that has transactions with but 62 companies on loan account, yet has offices in all the major centres in Canada. Surely this state of affairs is unjustified. As it is now, Parliament is unable to control further inefficiency and unnecessary growth. There is absolutely no accountability.

Canadians have become increasingly subjected to government by Order in Council and have been overwhelmed by Crown corporations, the instruments of the Prime Minister's socialist policies, policies that deepen an already severe recession from which Canadians are just now beginning to recover. This is not surprising when you consider that under the proposed legislation, the EDC will be able to borrow as much as $20 billion without so much as acknowledging the existence of Parliament.

The National Citizens' Coalition in its recent publication called for an end to socialism. It advocates the disbanding or selling of the country's more than 400 Crown corporations and

the restoration of responsible control over the public purse and Government spending. That is exactly what Members on this side advocate. Such action would do more to reduce the crippling national debt and promote economic recovery than any six and five program could ever do.

The inefficiencies and unaccountability of the EDC exemplify all that is wrong with this Government today. In fact, the EDC often shows about as much initiative in collecting credit information about prospective clients as does the Prime Minister in picking and screening Members of the Cabinet, the body that monitors the activities of Crown corporations. For that reason, and the facts mentioned by my colleague who spoke before me, I applaud any move to restore accountability and to streamline the operations of any Crown corporation. I have no trouble supporting the amendments of my colleague from Mississauga South (Mr. Blenkarn).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Freedom of Information—MacBride Commission report. (b) Government policy; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Garrison Diversion—United States contract to construct Lonetree Dam. (b) Non-consultation between governments; the Hon. Member for Calgary West (Mr. Hawkes)—Education—Content of school manuals. (b) Funding sought for English textbooks.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motions No. 3 and 5 (Mr. Blenkarn).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is my pleasure to speak again to Bill C-113, on this occasion to amendment No. 3 put forward by the Hon. Member for Mississauga South (Mr. Blenkarn). It would have the effect of restricting the authorized capital of the Export Development Corporation to some $1 billion. In fact, it will keep it at the present level instead of doubling that level as proposed by the Government in the Bill it has put forward.

● (1700)

It is perhaps distracting for Government Members to have to listen to this debate. Maybe they thought that Bill C-110 was a piece of routine legislation that would be passed very quickly because there was nothing unusual or untoward contained therein. However, that is not the fact. The legislation that has been brought before us contains some very important principles, and I think it is important that the matter be debated at some length and that the principles involved be fully expounded.

The importance of the requested increase in capitalization is not that the amount of stock in the corporation will be doubled. That is simply a routine bookkeeping matter. What is important is the leverage involved because the amount of money that the corporation can borrow and lend and the volume of insurance business in which it can engage are tied to the capitalization by a factor of some ten to one.

The first reason we object to the proposal put forward by the Government is that we have had it on good authority today from none other than the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) that the volume of outstanding loans is somewhat less than $5 billion; less than half of those authorized with the present capitalization of $10 billion. The Government can double its volume of business without having to come back to Parliament.

So often we have seen the Government come back to ask for more money without any real need for that money. The money is something that it may or may not need in the years to come. I would suspect that what has happened here is that when Government Members were making certain changes to the Export Development Act, they said that they would throw this in at the same time just in case they need it ten years down the road, at which time they will not have to go back to Parliament. That, Sir, is not good enough.

The main reason why we object to the increase in the authorized capitalization and the increase of the ability of this Crown corporation to make loans and engage in the insurance business is that, as has admittedly been said before, it will remove parliamentary control over that Crown corporation. All accountability to the House and to the citizens and taxpayers of Canada will be lost until such time as the volume of business expands and Government Members will again have to come back to the House. Parliamentary control will be lost for a period of ten years in all probability.

The Government is asking for carte blanche authority to double the volume of business of the Crown corporation. In effect, Sir, it is asking for a blank cheque of some $20 billion. When trying to explain what that amount of money means, Members of the House have often described how far that amount of money would stretch if it were in dollar bills and put end to end. They have said that it would stretch from here to eternity and back again 16 times. I believe that we must

look at that amount of money in terms that we can understand. It is about a third of the public revenue of Canada.

The Minister of Finance (Mr. Lalonde) estimated that the deficit this year will be some $30 billion, so this is a significant portion of the estimated deficit for this fiscal year. In round terms, it is perhaps about a quarter of the entire public expenditure of the Government of Canada. We are looking at an awful lot of money. Quite frankly, Sir, I do not trust the Government with that amount of taxpayers' money. I would like to see it come back to Parliament from time to time to explain its proposals for how it will use that amount of money.

There is a board of directors for the corporation in place and the Government plans to appoint more members to that board. Undoubtedly, the majority of the members of this board of directors, if not all of them, will be competent people in their own right and will try to do what, to their way of thinking, is the best thing to do to protect the interests of the Canadian taxpayers who foot the bill or might eventually become liable. However, we must remember that everyone is human and can make mistakes from time to time. In the case of the Export Development Corporation, even if the members of the board of directors used their discretion to say that this piece of business is something they could not engage in, the Ministers involved could override them. I believe that there is considerable potential for abuse within the Export Development Corporation unless from time to time it has to come back to the House or committees thereof to explain its need for funds.

There are different types of abuse that could occur. Probably the abuse least likely to occur is the handing over of money or the making of guarantees to somebody who happens to support a particular political Party, undoubtedly the Party in office at that time, or that business would be transacted because of personal friendships or the like. That type of abuse has not been completely unknown in the past, but I do not think that that is the main area of potential abuse.

I will give you an example, Mr. Speaker, of the type of abuse that I am worried about which I think is likely to happen and would occur when the Government would like to hide mistakes. Say, for instance, there was an aircraft corporation that was getting itself into severe difficulties. It had been in difficulties before and it did not want to come back and publicly ask for more money because there was an election to be conducted in the near future. It would be very embarrassing to have this corporation bailed out once more by the Government with the full glare of publicity upon it. What could happen is that moneys could be made available through the Export Development Corporation. A deal could be made with some countries to sell these aircraft at fire sale prices and the balance would be picked up through the Export Development Corporation. The Government would be buying time over the election period in all probability. That is the type of abuse that, in my opinion, is most likely to occur.

If we look at the past practices of the corporation, we will see that it has tended to concentrate on large loans to large corporations rather than on a number of smaller loans to a number of smaller businesses. I would prefer to see it the other way around. I believe that if the corporation had to explain to a parliamentary committee what it was doing once every few months, we might see a greater emphasis put on the making of a larger number of loans to smaller businesses. That is the area in which the Export Development Corporation could best use the funds that it has available. A large corporation which has done a lot of export business in the past should have established means of financing its business. That financing is much more difficult for a new company to obtain.

I could go on a great deal longer, and in fact I intend to do so the next time this matter comes up for debate, Mr. Speaker. I believe that it is well worthwhile putting some of these fears on the record.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-110, an Act to amend the Export Development Act, and amendments 3 and 5 as moved by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). Motion No. 3 calls for a reduction of the authorized capital of the corporation from $2 billion to $1,000,000,100. I submit that this is a step in the right direction, as is Motion No. 5 which seeks to curtail the borrowing authority.

● (1710)

On this side of the House we are very much concerned about this Bill. We believe that Parliament, and Parliament alone, should have control over the public purse. I say this because of our fear of what is happening to the finances of Canada.

When I served as Chairman of the Public Accounts Comittee I remember that Canada's Auditor General—at that time the late Mr. James Macdonell—stated in his 1975 report that "the Government has lost or is close to losing control of the public purse." Massive deficits year after year showing expenditures greatly in excess of income served to buttress Mr. Macdonell's comments. His successor, Mr. Kenneth Dye, has made similar comments in his report.

In the Bill before us there is another expansion of Crown corporations and the Public Service of Canada. On the one hand, the Government talks about restraint, yet this Bill proposes, in its explanatory notes, to increase the number of members of the board of directors from 12 to 15. It is this kind of what I call left-handed restraint, multiplied over and over throughout Government, which is bringing this Government and this country to its knees.

I grant that someone should be on the board from the Department of Industry, Trade and Commerce, from the Department of Finance and certainly from the Department of External Affairs, but I see no reason why the other board members should not be appointed from private industry. In my view the total number of members should be 12, not 15. After all, this is supposed to be an Export Development Corporation, and who knows better than the directors of private companies that Canada must increase its exports or die, economically. If anyone doubts that statement I would ask them to speak to the management personnel of Atlantic Canada's fishing industry

today where Canada's high costs—the result of the mismanagement of the economy—is making it extremely difficult for Canadian fish exporters to compete against the fish exports to the United States from Denmark and Norway.

Private businessmen know what we are facing because they have taken knocks in the marketplace. Unfortunately, that same statement cannot be made of the people who have come up through the ranks of the Public Service and who have grown up through Ottawa's bureaucracy.

This corporation simply cannot be all things to all people. Its job should be to expedite the sale of Canadian products by ensuring receivables and assisting, and only where absolutely necessary, the financing of those sales. If the chairman came from the private sector then, in my opinion, there would be better control over the real objectives of the Crown corporation such as I have outlined.

Should the Bill be implemented as proposed, then I submit this Parliament will have lost control over its finances. I say this because it is an obvious fact. Whenever the Minister of Finance (Mr. Lalonde) concurs in a recommendation from the board, the Government can automatically contribute capital to the corporation. What is happening here is that the Government simply puts up the money, while there is no parliamentary control over the amount or where it is to be spent.

If the proposed amendments to the Act now before the House are carried—and Motions Nos. 3 and 5 are defeated—then Parliament, in effect, gives the Minister of Finance carte blanche to subscribe to the capital of the Corporation without any debate in Parliament. Furthermore, the Export Development Corporation, whether it receives money from the Government or not, has the right to borrow on the credit of Canada to the extent of $20 billion.

Even more serious than that, if these amendments are passed, Mr. Speaker, will be the Government's right to approve up to $10 billion for unacceptable loans. This type of executive power brings to mind other unauthorized Government loans without the approval of Parliament, such as those made to Maislin, Canadair, de Havilland and Petro-Canada, to name a few.

As a result of the proliferation of Crown corporations and an extension of their powers, it is estimated that governments now control, directly or indirectly, at least one-quarter of the reproducible capital stock of the Canadian economy. Publicly owned firms lack the flexibility to achieve maximization of resource utilization under their control. They also lack specialization in managerial input as well as in risk-taking. Greater difficulties are also experienced in controlling public officials charged with monitoring public entities. Studies have indicated that production efficiency contraints are far more effective in private firms.

This is only one of the big worries in Atlantic Canada today. I suppose it is one of the big ones ever since July 4 when the Minister of Fisheries and Oceans (Mr. De Bané) announced his unilateral federal plan to form one large Newfoundland company by pumping in some $75 million in federal cash, plus a debt conversion of $80 million in Bank of Nova Scotia equity. The resulting company would be about 80 per cent federally owned as the Canada Development Corporation—another Crown corporation which is 48 per cent federally owned—has 40 per cent ownership of Fishery Products. It is a great mish-mash, Mr. Speaker. The new company would own 16 fish plants and 65 fishing trawlers. Even Liberal Members are worried about this move, as was evidenced by the question asked in this House by the Hon. Member for South West Nova (Miss Campbell).

Privately owned companies are asking how the Government will ensure that the new nationalized Newfoundland company will not compete unfairly with private firms in Atlantic Canada. An even bigger worry is that the Government has not given any assurance that the Newfoundland fishery will never become a Crown corporation or that it will never be operated by another Crown corporation, the Canada Development Investment Corporation. Given the Government's propensity for nationalizing and socializing Canadian industry and for establishing unlimited, unbridled and uncontrolled Crown corporations, I submit that anything can happen.

I ask the Government to consider carefully its amendments to the Export Development Act before it proceeds with this expansion in what has been called a bureaucratic monster. Borrowing and lending money, making unsound loans to foreign countries, it is extending its tentacles and its empire into an operation that I submit is both costly and inefficient.

This corporation was organized, in the first place, to ensure export transactions. That was the basic motive. It confirmed the credit worthiness of foreign customers to the producers and guaranteed to resolve payments from foreign countries which might be held up because of political interference. In my view this is the most important business the corporation can do, and it should simply continue doing those things for which it is best equipped.

Finally, Sir, if the Bill is approved it will be interesting to see the type of bureaucratic extension that will take place. At the present time the Export Development Corporation maintains classy offices in Vancouver, Toronto, Montreal and Halifax and a head office in Ottawa. The corporation has 613 employees at present. That is almost 10 employees for each separate loan customer or 1.5 employees for each insurance account. This gives some idea of the lack of productivity of the corporation. No wonder we are deeply in hock as a nation.

In many aspects this corporation is a classic example of Canadian bureaucracy gone wild. From that point of view alone, its operations should be placed on a checkrein.

Mr. Deputy Speaker: The Hon. Member for Don Valley West (Mr. Bosley).

Mr. John Bosley (Don Valley West): Thank you, Mr. Speaker. Earlier today Madam Speaker referred to this riding as Fraser Valley East. It is nice to get it straight. At least now I know where I come from.

• (1720)

Mr. Speaker, it is a privilege to stand again and speak to this Bill. Yesterday we debated Motion No. 1. presented by the Hon. Member for Mississauga South (Mr. Blenkarn) and today we are debating Motion Nos. 3 and 5. Ironically, Motion No. 4 was ruled out of order, or not in order. I make no comment on the Speaker's ruling because the main motion did not involve an amendment or that section in particular. With great respect, Mr. Speaker, I am going to discuss in terms of Motions Nos. 3 and 5 the relevant section in the Bill, not an amendment to the section, because it is critical to understanding why our feelings are so strong about Motions Nos. 3 and 5.

Perhaps it would be appropriate, in terms of discussing what is essentially a dry subject, to try to put some face on the numbers which are involved. If one reads the annual report of the Export Development Corporation one will find the following paragraph, which is useful to the argument today, Mr. Speaker. It reads:

> Retained earnings, thus, accounted for $186.1 million of shareholder's equity at the close of 1982. The Government of Canada increased its paid-in share capital during the year by $115.0 million bringing that total to $465.0 million. Accordingly, total shareholder's equity at the end of the year was $651.1 million which maintained the debt to equity ratio of approximately 7:1 which has prevailed for some time.

I make that reference, Mr. Speaker, because I believe it is important to understanding this Bill, exactly what powers lie in the hands of the Minister and what powers lie in the hands of the Export Development Corporation, given where it stands. The law, as it is now, creates an authorized capital for the corporation of a billion dollars. The law, as it is now, creates borrowing approval for the authority of a multiple of ten times that authorized capital. This means that the corporation could today be borrowing up to $10 billion. As it stands today, the paid-in equity by the Government of Canada, indicated by the corporation itself, is $465 million, in other words, less than half the authorized capital already in the law. The borrowings of the corporation, Mr. Speaker, are less than $5 billion as compared to the authorized potential under the existing law of $10 billion.

The corporation itself in the paragraph I read, Mr. Speaker, indicated it is proud and likes the ratio of 7 to 1. It therefore seems quite clear to me, and should be clear to anyone in this Chamber, that the first question one must ask, when we are being asked to increase numbers, is, "Really, do you need the increases?" Corporations' net borrowings, Mr. Speaker, are growing at a rate of less than $1 billion a year. The Government of Canada's potential for putting in more equity still remains at something like $535 million. In other words, there is at least five years more growth of business available to the corporation, as it stands today, without an amendment, without any of the Government's amendments. That, Mr. Speaker, in the face of the section which allows all that borrowing and all that paying up of the capital—and this is the section to which I referred earlier—all of that, is to be done by the Minister in absolute secrecy, without ever coming before Parliament, either for approval of the additional paying of the capital or without any approval for the increased borrowing.

That is why Hon. Members on this side feel so strongly about the debate which is currently taking place. Anyone, I believe, would understand that if the corporation were coming before Parliament annually for the money it takes from the taxpayers through the Governor in Council, and the liabilities it imposes on the taxpayers of Canada through its borrowing, and was saying, "Here is what our track record is. Here is what we did last year on those things, and here is what we are going to do this year on those things", the way departments do, we might have more sympathy for a request for more than when we have no way of knowing until well after the fact what has been done and what liabilities have been incurred on our behalf.

Add to that secrecy the fact that what is already in the law allows the corporation to do twice what it does, it is difficult I suggest, Mr. Speaker, to understand why a further expansion of that authority to use public money and to borrow with public backing in secret, relatively, is necessary or appropriate. The Bill which is before us proposes in the name of the Government that that billion dollars of authorized capital be increased to $2 billion, which has the effect of allowing the total in borrowings to go up to $20 billion—and I remind you, Mr. Speaker, that the borrowings currently stand at roughly $5 billion—and continues the practice of allowing the Governor in Council to pay up that working capital, if necessary, in the Government's view, without ever coming before us. So you have a situation at the moment whereby the corporation has the potential for an additional borrowing of over $5 billion without a change in the law, and an additional $500 million without our ever knowing about it. Yet we are being asked to increase the potential borrowing beyond what is currently borrowed by $15 billion and increase the potential for investment of capital by $1.5 billion without ever coming to us.

Mr. Lapierre: It is planning.

Mr. Bosley: The Hon. Member opposite, Mr. Speaker, says, "It is planning."

Mr. Munro (Esquimalt-Saanich): What devious plans are those?

Mr. Bosley: Hon. Members on this side, Mr. Speaker, wonder, given the track record of this Government in terms of what the Hon. Member opposite would refer to as "planned" interventions in the Canadian economy and elsewhere, whether in fact it is not now time, simply put, to say Parliament ought to be returned to the position of knowing before the money is spent or approved. Perhaps that way we would avoid some of the fiascos which we get into because not enough people know early enough. Someone else in the system, because he or she does not have to come to Parliament to get approval, says, "Let's do this", and someone else says, "Fine. We have not a lot of time in Cabinet. Approve it by Order in Council." The examples of that are legion.

I do not know how long we are going to have to debate the principle of this. In fact, the tragedy is that we have to debate the principle that Parliament ought to know before the money

is spent. It must surely be ironic to people in the galleries, or people watching, Mr. Speaker, or to anyone who follows parliamentary debate it must be incredible, that the Government has the capacity to increase the debt, the contingent liability of Canadians, by $15 billion, as is proposed in this Bill, without ever coming to Parliament for authority to do it.

Canadians understand that governments spend money. Canadians understand that governments raise money. Canadians understand that every year there is a budgetary process of some sort, as weak as it is.

Miss MacDonald (Kingston and the Islands): It varies.

Mr. Bosley: Yes, the credibility of that process varies. It seems to be declining, I should say, Mr. Speaker, in the current context of government. However, at least there is some presentation to Parliament of numbers, even if in many cases Parliament never gets to vote on those numbers because they are Estimates which are referred to committees and are adopted whether they come back here or not. At least there is the presence of some semblance by the current Government of parliamentary authority over spending. In this case it is stunning, at the very least, for the Government to ask Parliament to double the potential borrowings and the potential gifts by the Government to the board of the corporation for investment. None of us have any objection to export financing. It is important. But to be asked to double the authority when only half the existing authority has been used—only half, according to the Department's own figures—when the rate of take-up of those authorities is about 10 per cent of the authority per year, when in fact there is apparently five years of authorities left, is surely beyond credibility, that the Government expects the House to sit still and take this Bill.

The Government so far, Mr. Speaker, appears to be unwilling to concede on any of the amendments moved by the Hon. Member for Mississauga South, any of them, and it is important to take all the amendments as a package in order to try to begin even the semblance of some parliamentary control over funds expended on behalf of the people of Canada to improve our exports. Every Canadian wants to improve those exports. Surely Hon. Members in the Government party, Mr. Speaker, understand that it is equally important for Canadians that they get a chance to see how their funds are expended, since they are their funds, directly and indirectly, in order to help those exports. Surely that is the principle on which Parliament was founded, and surely Members opposite can come to their senses pretty quickly on this point, Mr. Speaker.

● (1730)

Mr. John Thomson (Calgary South): Mr. Speaker, we have been debating this Bill and the amendments for the last few days and I guess the Members opposite, if they have been listening at all to what we have had to say, know that we feel very strongly about the thrust of Bill C-110. It really does not have to do with trade, as everyone knows. In spite of the fact that our friends from the NDP would have the public believe that because we are opposed to Bill C-110, we are not in favour of trade, Bill C-110 does not have to do with trade at all. However, it has everything to do with fiscal responsibility and the lack of accountability to Parliament and the role of directors of Crown corporations. That is really the issue here.

There is no one in this Chamber who does not believe that Canada has to have trade. We live or die by trade. Over one third of our gross national product comes from trade, and everyone in this Chamber knows that the EDC has done a pretty good job of promoting trade in Canada. That is not the issue, Mr. Speaker. The issue is fiscal responsibility, accountability to Parliament and the people of Canada, the taxpayers, and the role directors should play in Crown corporations. That is what we are talking about when we debate this Bill and that is why we have taken such a very strong stand against this Bill.

When you talk about fiscal responsibility and the Liberal Government, it reminds me of kids in a candy store. We will have a little bit of this candy and a little bit of that candy. Is there any sense of priority at all? The Liberals can be all things to everyone in spending money as long as it is not theirs. What is a couple of billion dollars on Canadair? Nothing very serious. Or $500 million for de Havilland? A paltry $125 million lost on Consolidated Computer. The Liberal Government did not even come before Parliament with Consolidated Computer. The Minister responsible did not even know that it existed let alone that it lost $125 million. Then there is VIA Rail, $700 million. Just a drop in the bucket. Then the grandaddy of them all, PetroCan, $7 billion. But we should not worry, it is ours. However, what I would like my fellow Canadians to know is that the $30 billion deficit this Government has created is also ours. That is ours, as well as PetroCan.

To come back to the point, the public knows that there is something terribly wrong with the administration of Crown corporations in Canada, and that is what we are talking about in Bill C-110 this afternoon. They know there is a lack of fiscal responsibility, and this is why I find it incredibly difficult to understand the view of the Minister. He stood up the other day and said, yes, he agrees with a great deal of what has been said. He agrees that there should probably be a greater representation from the private sector on the board of directors, and he agrees that there should be a greater element of accountability to Parliament. But does he do anything about it? Nothing, absolutely nothing. He just stonewalls us.

There is no willingness to amend this legislation. The Liberals have no intention of amending this Bill so that the EDC will be accountable to Parliament. After all, why should it be accountable to Parliament? What is Parliament? Why should the Government be accountable to an ordinary bunch of Parliamentarians? It is a lot easier for them with their majority to trample all over the Parliamentarians, and that is what the Liberals are going to do on this Bill as sure as we are sitting here. This Government does not care, it simply does not care. It will not hold itself accountable to the Canadian people except at one time, that is, election time.

Here is a Bill before us which increases the ability of the corporation to go out on behalf of the Canadian taxpayer and

borrow or put at risk $60 billion. Good grief! It is staggering. The Liberals say, "We will look after your best interests, folks. You need not worry. The Liberals are at the helm. Not to fear, we will protect you. We will spend that $60 billion and we do not need to bother coming back to Parliament and ask an ordinary bunch of Parliamentarians what it is all about. The people of Canada, they are not entitled to know anything. Why should they know? After all, it is only their money."

What we have in so many of these Crown corporations is what I guess you would call a linear type of relationship. The Crown corporation reports to the Government and then the Government, in a sort of half baked way, reports to Parliament. It is a straight line: Crown corporation to Government to Parliament. But what gets reported to Parliament really and truly? The Hon. Member opposite smiles, Mr. Speaker. He knows what gets to Parliament: zilch. The only time anything comes before Parliament is after the fact, after we have lost $125 million on Consolidated Computer, after we have spent $700 million on VIA Rail, after we have lost $2 billion on Canadair.

These are small embarrassments to the Government, but if it were sincerely interested in having this institution of Parliament function in a responsible way, it would include Parliament in the decision-making process. Instead of a linear relationship, we would have a triangular relationship where Government and Parliament were equal partners together with the Crown corporations in achieving the given objectives and mandate they have. That is a concept and philosophy which is completely foreign to the other side, I know, because they fundamentally do not believe in this institution. They do not believe they should be held accountable to Parliament regarding the money they spend.

Did they ever come before Parliament and present a financial plan for any corporation to let the Canadian people understand what is going on? Oh, no! They say, "We have to so confuse the issue as not to disclose the real facts about what happens in these Crown corporations. To do so might create some public debate. It might cause some real, true concern with the Canadian people. They might start to react to some of these enormous losses. Therefore, the picture is to be clouded." Oh, people will be told what happens after the event. However, the Government will never really come clean and tell them what its plans are for the future.

● (1740)

Therefore, what this Bill is about and what our amendments are about has everything to do with fiscal responsibility, accountability to Parliament, and the role of directors in Crown corporations and their responsibility to the people of Canada. That is what we are fighting about, and that is why we will not support Bill C-110. Gentlemen, you will have to trample on us with your majority.

Mr. Albert Cooper (Peace River): Mr. Speaker, it is a pleasure to follow my colleague from Calgary who has done such an excellent and thoughtful job of presenting our concerns with Bill C-110. As he has very clearly said today, our concern is that Parliament be allowed to participate in decisions that affect Canadian people. Those are the nuts and bolts of the whole debate. That is what we are trying to address and discuss today. We on this side of the House feel that that is absolutely essential.

We are not, as such, discussing the Export Development Corporation, even though that is the legislation with which we are dealing. We are discussing the principles surrounding that particular corporation and what the Bill is trying to accomplish. We are not questioning the value of exports to Canada. Certainly, no one would understand that more than someone like myself who represents an agricultural riding where exports are important, an area where we depend on exports of grain, beef, various agricultural products and on exports of natural gas and oil, all of those things that make our economy what it is, including the lumber industry.

We understand the values of exporting. We understand the importance of that particular industry and goal, I guess one could call it, in terms of my particular riding. However, we are very concerned that Parliament, meaning both sides of the House, be allowed to have some input, some opportunity to consider and discuss something that we feel is very important to the Canadian taxpayer.

Essentially, what is being questioned at this time is Parliament. We as individual Members of Parliament are being questioned as to our ability to protect the interest of those people whom we represent from coast to coast or, as the Hon. Member for Yukon (Mr. Nielsen) would say, "from sea to sea to sea". We are being requested to stop and look at how the taxpayer's money is being spent, to consider whether it is being spent wisely. We are also looking to the accountability of the Civil Service, employees of Crown corporations. That is another group which must respond to the taxpayers of the country because it is spending the taxpayers' money. Ultimately, it comes down to ourselves as Parliamentarians because we must carry the responsibility for it. Even though it is slightly removed from Parliament, it is still a very important issue and one for which we must take responsibility. Therefore, we on this side of the House attach great importance to Bill C-110 and the amendments that we put forward today.

Something that happened over the summer made me realize the importance of how we approach and handle the entire issue. A poll indicated that a very large number of Canadians did not feel that Parliamentarians were representing them or protecting their interests. As a Member of the House I had to stop and think about the implications, the significance. So often we on this side of the House feel extremely frustrated simply because we cannot get at the information we need from the opposite side of the House, whether it be concerning a Crown corporation, a department or a particular ministry. We have that frustration and it is no wonder that the Canadian people who are sitting out there without the day to day exposure that we have in this Chamber are frustrated and feel that this place is not responding to their particular needs. We can only respond to their needs when we as Parliamentarians, collectively, have the power to do something about it or to

react to a given situation concerning the taxpayers' dollars. That is why Bill C-110 is so important.

In Clause 5 of the Bill to be amended, Section 11(1) presently reads as follows:

The authorized capital of the Corporation is two billion dollars, divided into 20,000,000 shares of the par value of one hundred dollars each.

The amendment which has been brought forward by my colleague would change Section 11(1) to read as follows:

The authorized capital of the Corporation is one billion one hundred dollars, divided into ten million and one shares with a par value of one hundred dollars each.

It is really simple when one considers it. It is a system of mathematics. Essentially, as the Bill now reads, we are looking at 20 million shares and two billion dollars. The amendment suggests one billion dollars and ten million and one shares. Therefore, it has all been cut in half. That does not seem too significant when one speaks in terms of the one billion dollars versus the two billion dollars, but when one considers the multiplier factor which the Bill in fact represents, one discovers that the one billion dollars turns into ten billion dollars, and were it to sit as it presently does in this Clause of Bill C-110, it would mean 20 billion dollars. Therefore, we are trying to call that particular Crown corporation, the Export Development Corporation, to a little more accountability by this Chamber and by the Members and people who work and have interest in what goes on in this particular institution. Therefore, the amendment becomes very significant. We are trying to prevent the Export Development Corporation from increasing its capital at the expense of the Canadian taxpayers without debate or any form of presentation to the House where we as Parliamentarians might have an opportunity to respond.

In a sense, by pulling it back and creating this debate, we will accomplish more than just holding that responsibility, holding that Crown corporation to some sense of obligation to this place. We will also be increasing the public awareness of the activity of the EDC, and that is significant in and of itself because Canadians need to know what is going on. Information is a very valuable tool and we can only have such information when Parliament starts to become involved with and respond to given activities.

We hope that our amendments put forward here today will prevent abuses involving the expenditure of public funds. The amendments would increase the ability of Parliament to control or at least have some say in the activities of the Corporation as to what it does with taxpayers' money. That is very important because today the EDC is involved in some fairly risky areas. It carries on much activity in the Third World. Of course, there are financial difficulties there. I understand that allowance has had to be made for rescheduling payments with regard to a significant number of the loans, totalling in the neighbourhood of $128 million since 1980. I understand the present principal and interest of $66 million or a little better is overdue, according to the last annual report, so it is becoming more and more significant. I suggest that $66 million of overdue principal and interest should be of interest to the Canadian people and they should have some opportunity to discuss it, have some input and an opportunity to think about the implications of what has been happening to their money.

• (1750)

A major concern to us as Parliamentarians is that public funds are being used. We therefore believe that the public should have some opportunity for input and that these decisions should not be made by bureaucrats behind closed doors but should very much involve this place.

I see that my time has expired. I have several more comments I would like to make but I simply want to end by saying that we feel that this Bill affects all Canadians. The principle of exposure, ideas and discussion of what is happening is fundamental to this institution. Only with that proper discussion can we as Parliamentarians begin to have a purpose and genuine function throughout the country.

Mr. John Kushner (Calgary East): Mr. Speaker, I wish to say a few words with regard to this Bill. I am very disappointed at the Government's attempt to double its authority from $10 billion to $20 billion. As well, it is passing on the responsibility for this expenditure to the bureaucrats rather than to Members of Parliament to perform their elected duties.

I am greatly worried by the attitude of the EDC. It is more concerned about assisting foreign countries than the Canadian people since the money it spends to assist Canadian businesses in foreign countries is a great expense to the average Canadian taxpayer today. We must sometimes question whether this Crown corporation is actually assisting more foreign countries who are our enemies than those who are our friends. I suggest that it is dangerous to give the Crown corporation a further blank cheque in addition to the money it already has.

A good example of how Crown corporations act can be seen with Petro-Canada in Calgary. It constructed a 50-storey building in Calgary, most of which has been leased far below its cost. In fact, it has effectively hurt commercial businesses in Calgary which have built accommodation for the needs of commercial business in that area. I can only conclude that the Government is completely losing control and is no longer governing the country by giving the bureaucrats the authority. In doing so it is destroying free enterprise in the private sector. It is difficult to determine how many Crown corporations there really are. Investors, along with the business community and Canadians generally, have lost confidence in the Government.

In order to get the country rolling again we must restore that confidence in the business community. This can only be done through a change in Government, and the sooner it does so the better for every Canadian.

We are faced with a very serious situation of businesses going bankrupt. It will take a long time before businesses can be restores, and while many say the economy is improving, I must question where this is happening. If it does in fact revive, it will take time to get the country going again. The backbone of this country, the farmer, has practically been destroyed. It is a shame that we have allowed the agricultural community to deteriorate.

I have no doubt that the Government is completely out of touch with the realities of this nation and has gone completely out of control. There are over two million unemployed Canadians at this time for whom there is not much hope. In the meantime we are addressing ourselves more to foreign trade for which this Crown corporation is a trough to Liberal cronies. That is not necessarily my opinion but a matter of record. It is one of the reasons why this mismanagement cannot be tolerated any further.

This Government continues to pass on its responsibilities in the democratic process as the elected watchdog in this country and gives more power to the bureaucrats than to those of us who have been elected to scrutinize the expenditure of tax dollars.

I appreciate the opportunity to express some of my views which are not only mine but those of my constituents. It is time to oust the Government and get the country going again with a new Government and the Leader of the Progressive Conservative Party as our next Prime Minister.

Mr. Deputy Speaker: Shall we call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FREEDOM OF INFORMATION—MACBRIDE COMMISSION REPORT. (B) GOVERNMENT POLICY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, let me begin my complimenting you on the ease with which you have pronounced the name of my riding. It is getting better every time you say it.

Before the recess of Parliament last June, I rose to ask a question of the Secretary of State for External Affairs (Mr. MacEachen) about the Government's attitude toward the MacBride Commission report which was commissioned by UNESCO some years ago.

In fairness, that is a report that has not had much publicity in the world, certainly not in this country. It has great implications both for Canada and all other countries. It involves the freedom of the press or, in counter distinction to that, control of the press.

● (1800)

The MacBride Commission Report paid for by taxpayers around the world, but mostly by western countries, has a very contradictory position. On the one hand, it espouses freedom of the press, and on the other it calls for more balanced reporting from the countries of the world. Those countries, what we call Third World countries, are particularly intrigued by the notion embodied in this report because they would then look for government controlled information centres which would sanitize all news reports emanating from a particular country and make sure all correspondents, journalists, reporting from a country would have to vet their reports through a government information agency to the outside world.

I can understand, and I say this very honestly, the feeling of those Third World countries and their attitudes. They are very often offended, embarrassed and sometimes feel betrayed by the kinds of reports that foreign journalists write regarding the conditions of their countries.

But freedom, political freedom, rests on journalistic freedom and the freedom of the press. There is no greater authority than John Milton who spoke about this 340 years ago when he wrote an article entitled "Areopagitica". At the time he was inveighing against the House of Commons in England which in his words wanted to "license" books. But a Member of that Parliament, a Member of the Government, was criticizing the Government for the policy of licensing, as it was called at that time. Milton pointed out that we ought to look through history, and at the authorship of that kind of policy. Second, we ought to look at the kinds of people who introduced that policy. We do not have time now, but it would be worth our while to make those kinds of comparisons today. Who authors that kind of an idea today in terms of licensing the press? Who is it around the world who controls the press? Do we want to contribute to that kind of policy?

My question to the Secretary of State for External Affairs in June asked what Canada's position was regarding that report. It is not enough to disagree with it. I want to know what Canada is doing to set out a bulwark against that kind of policy. I noted with interest that a kind of sub-committee of that group, the New World Information Order, was set up to introduce the kind of technological changes that would be brought about. The director general is meeting this week with representatives from around the world. Canada's representative to that body is Mr. John Meisel, a highly respected man in this country, Chairman of the CRTC. What kind of position did our Government lay out in front of Mr. Meisel before he left for that meeting? Was it simply a point of disagreement or was it a matter of opposition? Are we as a government, are we as a country, are we as a Parliament, not only going to disagree but oppose that kind of a measure?

I noted with interest that Canada has this year given another instalment to the International Program for the Development of Communications, the body to which I have just referred. In July or August this year a grant of $260,000 was given. The United States has given $850,000 but the United States has put that money in a trust fund so there can be some kind of accountability to show what that organization will do, that organization which is supposed to implement the curtailment of the muzzling of the press around the world.

● (1805)

The Government has a responsibility for accountability to the people of Canada. It should tell us its position and why we are paying to support a program that could curtail freedom of the press and, therefore, curtail political freedom around the world. What is the position of the Government? Will it not only disagree with that program as it has in the past, thankfully, will it also oppose that kind of program?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, to answer the question put by the Hon. Member of the Opposition, I would, first of all, like to situate the report by the International Commission of Enquiry on Communications Problems and then discuss the position we took on this issue. I think the Hon. Member's picture of the report is not quite clear.

The Commission, as we all know, was created by the UNESCO General Conference in 1976. A number of experts, including one Canadian, Mrs. Betty Zimmerman, who was then Director of Radio-Canada International, were asked to sit on the Commission, which was chaired by Mr. MacBride. The Commission submitted its report in 1980 at the 21st General Conference of UNESCO in Belgrade. However, the Hon. Member ought to realize that the MacBride report was not adopted by UNESCO. Some of the recommendations it contained were the subject of a resolution adopted by consensus, inviting the Director General, Mr. M'Bow, to undertake, and I quote:

—to undertake or direct the studies and analyses required for the formulation of concrete and practical proposals for the creation of a new world order of information and communications.

Let me reassure the Hon. Member by reminding him that the provisions of Article 14 of this Resolution list the principles on which this new order could be based. These include freedom of the press, which the Hon. Member himself already mentioned, and the article also covers the compatibility of this new order with the basic principles of international law laid down in the United Nations Charter.

Consequently, the Canadian Government does not consider the MacBride Report as authoritative as the Hon. Member seems to think it is, but takes the position that it should be seen as one of the elements of a broader body of documents on international information and communication. Canada has always had a keen interest in the problems caused by imbalances in the field of information and communications, and we are particularly aware of the importance of the problems encountered by developing countries. As an expression of this interest, we supported another resolution at the UNESCO General Conference in Belgrade, a resolution that created the International Program for the Development of Communication (IPDC), which is aimed at responding in a concrete manner to the expectations of many countries.

The Hon. Member asked us to find out what was going on. We are in an excellent position to do so, since Canada was elected to the Intergovernmental Council of the IPDC and has taken an active part in its work. We have contributed $250,000 to the Program's operating fund. At the present time, the Program appears to be making a very valuable and highly esteemed contribution. However, I would like to give the Hon. Member the assurance that throughout this debate, Canada intends to defend the principles of freedom of the press and freedom of information, as we have defined them ourselves in the Canadian Constitution.

[*English*]

GARRISON DIVERSION—UNITED STATES CONTRACT TO CONSTRUCT LONETREE DAM. (B) NON-CONSULTATION BETWEEN GOVERNMENTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, today I questioned the acting Secretary of State for External Affairs on what plans he has made regarding the present stage of Garrison in the United States, particularly concerning the Lonetree project. I received the same non-committal, no-action answer that I have been receiving over the past many years. If something is not done quickly and if this Government does not immediately launch a strong and forceful protest to the United States Government we can expect to see the Garrison diversion project fully completed with no second thought given toward the harmful effects it will have on Canadian waters.

On September 6 the United States Government announced that a $5.82 million contract had been awarded to begin construction of the Lonetree reservoir dam and dykes. This construction project is a principal part of the over-all proposed Garrison water project which has been objected to by Canadian officials, and particularly Manitobans, for many years.

● (1810)

The fact is that if this project is completed, it will be harmful to our waterways as well as to Manitoba's fishing and agricultural industries. The project will not only cause our industries to suffer but will also result in a violation of the 1909 Boundary Waters Treaty between Canada and the United States.

The serious effects this project will have in Canada have been stated many times, most recently in a detailed study prepared by the Environmental Protection Agency of the United States. The agency has reported that it is unable to support any portions of the project that drain into the Hudson Bay Basin and lead to Manitoba waters. It is also skeptical that a proposal to redirect water through a reservoir will prevent contamination of the Hudson Bay Basin.

Because the American Environmental Protection Agency has stated its support and agreement with the Canadian position on this issue, it would seem there is no alternative but to demand that this project not be completed. On numerous occasions, it has been proven that there exists a hazard to the waters of Canada, regardless of United States safeguarding

proposals such as revised plans and fish screens. The risk is still far too great.

The Department of the Interior of the United States quietly approved the awarding of the dam construction project. Officials of that department are planning to celebrate the awarding of the Lonetree contract on September 19.

Why was Canada not notified of this decision? The awarding of the contract is a signal that the United States is planning to continue to complete this project, a project that will be detrimental to Manitoba. Why are the Canadian and now American recommendations and objections to the completion of this project being so blantantly ignored?

It seems that as soon as a new finding is publicized stating the harmful effects of the Garrison water project, the United States Government allots more money for its continuation. It would seem to me that somewhere along the line we are having a breakdown communications with our neighbour.

This issue has been going on for five decades, and for five decades the United States has seemingly been intent on completing Garrison for its benefit with little concern for Manitoba. The awarding of the Lonetree contract is further evidence that our objections are going unheard, or perhaps that they are not reaching the officials in the United States who are capable of ordering the termination of this project.

I must, therefore request that the Prime Minister (Mr. Trudeau) contact by telephone as quickly as possible the President of the United States to inform him directly of our opposition to this project and to demand that construction be halted immediately. Furthermore, it should be brought to the President's attention that before any plans which may involve the welfare of Canada are finalized and given the go ahead in the United States, we in Canada should be contacted and consulted.

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I would first like to thank the Hon. Member for his continued interest in this matter. Recent developments including increased Congressional appropriations for Phase I and the awarding of the construction contract for the Lonetree reservoir have been closely monitored by the Government through the ambassador in Washington. We are in close touch with the Government of Manitoba at the official level.

United States authorities have assured Canada of their commitment to the IJC recommendations of 1977 and similarly, Congress has stipulated that no funds or authority under current appropriations would be used for construction of features of the GDU which would pollute, introduce foreign biota or destructively increase or decrease the rate of waters flowing into Canada. Consultations agreed to by both Governments have begun with the objective of ensuring that construction features will be designed to achieve this result. It is regrettable that the recent award of the Lonetree reservoir construction contract came before a satisfactory conclusion to these consultations had been achieved.

Every opportunity has been and is being taken to ensure that Canadian concerns are fully understood by Congress and by the administration. To mention only some of the most recent actions, a technical meeting was called in Ottawa on July 20 which included responsible officials from North Dakota, Washington, Manitoba and Ottawa to examine in detail technical concerns related to Phase 1 of the GDU including the Lonetree reservoir. This meeting appeared to have established a basis for further policy level discussions which had been envisaged for this autumn. When it became apparent that the U.S.A. intended to move ahead with Lonetree before all Canadian concerns had been addressed and resolved in the consultative process, Ambassador Gotlieb met with senior Department of State officials on August 19 to convey high-level concern regarding not only the implications of the Lonetree contract award but also its effect on the consultations related to the balance of Phase 1.

• (1815)

We continue to regard consultations as the most effective means of resolving Canadian concerns over aspects of the Garrison project. We expect an early resumption of consultations to examine remaining technical concerns, including necessary modifications of the Lonetree reservoir. Further representations are being prepared in consultation with Manitoba.

Finally, last week the Minister of the Environment (Mr. Caccia), was able to receive assurances from Mr. James Watt, Secretary of the Interior of the United States, that the most threatening features of the original Garrison plan, known as Phase II, would not be built.

EDUCATION—CONTENT OF SCHOOL MANUALS. (B) FUNDING SOUGHT FOR ENGLISH TEXTBOOKS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise this evening to bring to the attention of the Government once again my concern about the lack of appropriate educational material, in particular textbooks, in the English language for use in our schools.

As a Member of this Parliament I have lived through the period when the Government insisted on a new Constitution for Canadians, partly for substantive reasons and partly for symbolic reasons. My predecessors lived through a period of this Parliament when they dealt with the issue of the Canadian flag. We have been told by the Government on many occasions that it was necessary to have a state-owned oil company called Petro-Canada, partly for symbolic reasons or reasons of national identity.

As I stand in this Chamber I have absolute, certain knowledge that in the schools of this nation, from kindergarten through university, there is a shortage of educational material written by Canadians for the use of Canadian students in the English language.

[*Translation*]

The situation is not the same for francophone students. In French schools in the Province of Quebec and throughout the country, the situation is not the same. Textbooks are written by French Canadians for Canadian students, in French.

[*English*]

We can trace that development back to the time when the late Right Hon. Lester Pearson was Prime Minister of this country. The absence of suitable learning material for French language classrooms was recognized by that Prime Minister and the Government of the day, and there was a concerted effort, largely marshalled through the Office of the Secretary of State, to correct a bad situation.

French-speaking students in this country today, from kindergarten through to university, have instructional materials prepared by French-speaking Canadians for their use. They are not dependent upon Paris or other French-speaking sources for most of their educational material. We have not concentrated our efforts on behalf of English-speaking students in this country, however. All any Member of Parliament has to do is phone the local school board and ask what proportion of the education material currently being used in the classroom today has been written and/or published by Canadians for the use of Canadians, whether the subject be mathematics, physics, social studies, English or whatever.

It is my contention that if we in this Parliament really care about the issue of Canadian unity and the issue of Canadian identity, then it is long past time for us to take that concern seriously and support a Government that is willing to take that concern seriously and to provide programs—not simply programs on paper—with dollars attached. We must ensure that students in the future, wherever they are in this country, will be able to benefit from educational material prepared by Canadians for Canadians. I would ask the Parliamentary Secretary to the Secretary of State (Mr. Bossy), in his response to this petition, to perhaps stand up and give us one small indication of the Government's commitment to that endeavour.

● (1820)

Canadian publishers some two months ago asked for Government assistance to simply create and provide to school boards throughout Canada a directory of available educational material which is written and published by Canadians. All that is, Mr. Speaker, is a list of available material so that when school boards face ordering decisions for educational materials they have one place to go to get a list of available Canadian material.

If the Government of Canada were to provide the small amount of funding required to provide such a list, then those local school boards in the smaller centres of this country, such as Moosomin, Saskatchewan, or small places in Newfoundland and throughout this land, could immediately increase the proportion of Canadian material which is used in those schools. The longer term goal would be more expensive and more time-consuming, the creation of more Canadian educational material in the English language.

Could the Parliamentary Secretary stand in this House this evening and make the commitment to at least put forward that small amount of money which would be required to create that kind of a directory?

Mr. Maurice Bossy (Parliamentary Secretary to Secretary of State): Mr. Speaker, before dealing explicitly with the questions posed by the Hon. Member, I think it is important to point out that we are in agreement with the general principles enunciated in the Association of Canadian Publishers' study, namely, that young people must be presented with opportunities and materials which will enable them to learn in depth about their country, culture and heritage as a necessary first step to becoming fully functioning citizens of Canada. This sentiment echoes that of an earlier landmark examination of the state of teaching, research and publication about Canada, the report of the Commission on Canadian Studies. That study, the first two volumes of which were published in 1967, found that the neglect of Canadian studies in our schools, colleges and universities was a lamentable, even deplorable, feature of Canadian education.

The recommendations of that Commission have resulted in a number of responses by various agencies and Departments of the federal Government, some of which bear directly on the areas of concern addressed by the Hon. Member.

The Hon. Member's first question was based on the findings of the Association of Canadian Publishers' study which indicated that only 50 per cent of the school boards surveyed—766 in all—have a policy on the use of Canadian studies learning materials and that only 20 per cent of the local school boards have a policy on the local development of learning materials. The Hon. Member notes that the study was based on a sample of boards in English Canada and he asks if the same situation applies in French Canada. To our knowledge there has not been a similar study of school boards serving the French speaking population of Canada. The Association of Canadian Publishers' document explicitly states that only the English language school boards of Quebec were included in that study.

With respect to another question posed by the Hon. Member in his earlier remarks to the Prime Minister (Mr. Trudeau), the Department of the Secretary of State has no knowledge of any specific program funded by the Government of Canada which operated in the late 1960s for the creation of materials for textbook purposes in the French language in Canada.

However, there have been some steps taken by this Government to increase opportunities for Canadians to lear about their country, in both official languages, and to encourage greater attention to Canadian issues and concerns. For example, the Department of the Secretary of State established a

Canadian studies program which has, since its inception in 1978, done much to support learning materials development projects for use by the educational community. This program has provided $5,281,000 since 1978 and the Government hopes for its continuation.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock in the morning.

At 6.26 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, September 16, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

UNITED STATES ACTION AGAINST EXPORTATION OF CANADIAN POTATOES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, during the past year the United States Department of Commerce, through its agencies, has been investigating the nature of trade in potatoes between Canada and the United States. It found that there was some reason to consider that there was both dumping and damage in shipments to the United States.

I submit that there was probably evidence under the letter of the law to substantiate those findings. I also submit to you that the traditional commodity trade between Canada and the United States has been going on nearly a century, and the nature of the business concerned was not taken into consideration as the letter of the law was applied.

I think it is imperative that all Ministers of the Crown who may be interested in agriculture or international trade should make the strongest possible representations to their counterparts in the United States, because this will be a benchmark decision. While it only relates to potatoes, it opens the door for comparable applications for consideration of dumping or damage under United States law by other commodity groups in the United States. It also gives Canada an opportunity to interfere with imports of horticultural products from the United States.

Any final decision by the ITC, which I understand would be reached on November 18, could be very detrimental to our historic trade practices—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

PARLIAMENT HILL

DEMAND THAT PEACE CAMP BE REMOVED

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, enough is enough. I am referring to the eyesore out on the front lawn of the Parliament Buildings. It started off several months ago in one far corner of the lawn as an innocent little encampment of protest against Cruise missile testing. Now the Peace Camp has mushroomed into an unsightly and seemingly permanent fixture along the main walkway, and it looks like a rather shabby garage sale.

I am absolutely in favour of freedom of assembly and the right to protest on Parliament Hill, 24 hours a day, seven days a week, 52 weeks of the year. But I should remind Hon. Members that my Deputy Leader, the Hon. Member for Yukon (Mr. Nielsen), said in this House last June that peaceful demonstration is one thing, and permanent squatting is something else again. For that matter, why not allow the Farmers for Survival to camp out in their tractors on the front lawn? Or we could invite university students who cannot find accommodation in Ottawa to pitch tents out there. That makes about as much sense as allowing the Cruise missile protesters to continue to spread their wares all over Parliament's showpiece front lawn. That Peace Camp is growing like a weed.

The point I am making to you, Mr. Speaker, is that somebody should tell these people to clean up their act, more in keeping with the decorum of this place. It is a pretty crummy-looking first impression of Parliament Hill the way it is.

* * *

EXTERNAL AFFAIRS

EFFECTS CAUSED BY SHOOTING DOWN OF KOREAN AIRLINER

Mr. Maurice Foster (Algoma): Mr. Speaker, the recent action of the Soviet fighter shooting down a civilian Korean airliner over the Sea of Japan, which resulted in the loss of 269 lives, ten of them Canadians, is a cowardly act of barbarism which has few parallels in its magnitude in peacetime's civil aviation history.

By unanimous resolution, Members of the House have condemned this action, demanded a full and truthful explanation from the Soviets, called for a full and impartial investigation under the auspices of the United Nations and the International Civil Aviation Organization, and have demanded generous compensation for the families of Canadian victims, one of whom was from the Algoma district. No one in the House, however, can fully appreciate or feel the anguish, grief and despair of the parents and loved ones of those ten innocent Canadians who lost their lives in this senseless act. Our hearts go out to them at this time in sympathy for the loss of their loved ones.

The long-term implications of this tragedy are very serious as well. Good relations between nations and peoples are based on trust. This is especially true in the disarmament negotia-

tions going on this Fall in Geneva. This incident has seriously damaged trust of the Soviet leaders in the minds of all Canadians.

* * *

• (1110)

PROVINCIAL AFFAIRS

CONDEMMATION OF BRITISH COLUMBIA BUDGET

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, Canadians in all provinces are assessing the impact of government restraint programs in B.C. which reflect the Liberal-Conservative monetarist approach of fighting inflation by penalizing poor people, pensioners, minority groups, tenants, workers and small business people. The brutal Bennett budget has attacked almost every sector of society. Yet we have heard no protest from Conservative MPs who obviously support their fellow Socreds.

An Hon. Member: We are federal.

Mrs. Mitchell: In addition to attacks on workers and human rights, B.C. budget cuts have hurt women and children, the disabled and low income people, in particular. Funding for women's centres, transition houses, health collectives, planned parenthood, and daycare services, have been cut drastically. Termination of community support services will result in permanently damaged children who will require very costly institutional care. Pensioners will pay more for hospital care while their rents go up and subsidies go down. Persons on restricted welfare payments lose incentive allowances for valuable community work.

What can the federal Government do? Moneys budgeted for cost-sharing of social services should be re-allocated through the Secretary of State (Mr. Joyal) to self-help community groups. Winter job creation programs must be revised for all provinces, Mr. Speaker, to include jobs in community services.

Mr. Deputy Speaker: Order. I am sorry for interrupting the Hon. Member, but the time allotted to her has expired.

* * *

INDUSTRY

WAGES OWED MAISLIN COMPANY EMPLOYEES

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Twelve months after receiving an emergency $34 million loan guarantee from the federal Government, Montreal-based Maislin Industries Limited is on the verge of bankruptcy. Apparently the company has run out of money for its operations. The company has laid off all but a few of its 3,500 employees and now Alan Maislin, the company vice-chairman and former president, has resigned and is supporting the employees in their fight to get moneys owed to them in back pay.

Secured creditors are owed $59.4 million. The Canadian-Imperial Bank of Commerce moved to protect its $38.8 million interest by calling the loan. The National Bank of Canada is owed nearly $7 million. The unsecured creditors are owed $18.3 million.

In Quebec and Ontario outraged employees of the main domestic subsidiary, Maislin Transport Limited, form picket lines. One Montreal group has learned that its pay cheques will not be honoured.

Surely laid-off workers should have first priority over secured creditors and unsecured creditors. The financial security of workers who have lost their jobs and are owed back wages should be our first concern. If we are unable to secure full payment of back wages we should try to ensure that at least a partial payment of up to one month's wages will be issued to all workers who have entitlement.

Perhaps the Government can help ensure that priority be given to these workers and, if necessary, legislation should be passed to provide workers with at least up to one month's back wages and allowances ahead of all other creditors—

Mr. Deputy Speaker: I regret interrupting the Hon. Member. The Hon. Member for Leeds-Grenville.

* * *

EMPLOYMENT

ALLOCATION OF JOB-CREATION FUNDS TO LEEDS-GRENVILLE CONSTITUENCY

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, the Minister of Employment and Immigration (Mr. Roberts) has allocated for my riding of Leeds-Grenville the sum of $100,000 under the Canada Works Program, and nothing under the LEAD Program, for job creation. According to the Minister's figures of 7.1 per cent labour surplus for Leeds-Grenville, the unemployment rate is not high enough for additional allocation of funds to be made under LEAD or Canada Works. This figure is totally inaccurate and does not reflect the actual number of individuals who are actively seeking employment, exhaustees, those collecting social assistance benefits, or those new entrants to the labour force in Leeds-Grenville.

For the Minister's information, the labour surplus rate in my riding is 16.2 per cent, based on data provided to me by his own CEC officials. Surely the Minister has not abandoned the over 16 per cent unemployed in my riding and withheld funds so that larger allocations can be made to Liberal ridings in an attempt to bring about an increase in their decreasing popularity? I would hope that all unemployed are treated equally and fairly and not cast aside because they are constituents of an opposition Member.

I ask the Minister to reconsider his calculation of allocation of funds to accurately reflect all of the unemployed people, not just those receiving UIC, and provide the people of Leeds-

Grenville with the funds they so desperately need to meet the demands of the additional 9 per cent unemployed.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA PEACE PLAN

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to bring to the attention of the House that the foreign ministers of nine Latin American countries have agreed on a plan for peace in Central America, calling for regional negotiations, disarmament, and a cutback in foreign advisers.

The four Contadoran countries, Columbia, Mexico, Panama, and Venezuela, have made peace proposals before, but this is the first time that the foreign ministers of Guatemala, Costa Rica, El Salvador, Nicaragua and Honduras have endorsed such a plan.

Details of the framework agreement are not known yet but the main objectives are the following: first, immediate and progressive disarmament after an inventory of armaments in the region; second, a reduction in the number of foreign military advisers; and third, a permanent dialogue between governments and their internal opposition movements to lead to precise electoral processes.

• (1115)

The Contadora group stresses the efforts to bring Central American conflicts to the negotiating table and eventually to use ballots instead of bullets to settle differences. At this time the document has gone to the governments of nine countries for approval.

The group is calling for foreign governments to refrain from military intervention and to co-operate by carrying out concrete actions of assistance. In this light I call upon the Government of Canada to support formally, in a much more obvious way, the efforts of the Contadora group and, through every diplomatic force available, to push for the withdrawal of all foreign forces from the area.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

PACE OF ECONOMIC RECOVERY—MINISTER'S STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is addressed to the Minister of Finance who made an extraordinary speech here last night in Ottawa, and I want to refer to it. He said; "We have a recovery second to none in the world so far." My response would be—stop the world, we want to get off. The Minister said, "A moderation in the pace of economic recovery is not only acceptable but helpful."

I ask the Minister if it is Government policy to moderate the pace of economic recovery even though 1,365,000 Canadians are unemployed, even though 66,000 are exhausting their unemployment insurance every month, even though the income of Canadians is shrinking because the cost of living is going up more than their salary gains? Is it the Minister's policy deliberately to keep Canadians unemployed and to continue these conditions, in light of his statements in his speech last night?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member has made several wrong assertions. The first one is that this speech was not made last night; it was made at noon yesterday.

Some Hon. Members: Oh, oh!

Mr. Lalonde: The rest of his assertions are of the same category. They are just all over the lot, having little relationship to the facts. The incomes of Canadians are not going to be shrinking this year, they are going to increase.

The only really true assertion the Hon. Member has made is that Canada is experiencing a recovery comparable to none in the rest of the world. This recovery in Canada is greater than that in any other industrialized country. For the first two quarters of this year, Mr. Speaker, we have had an increase in growth at the rate of 7.4 per cent on an annual rate, which is a record. In both the United States and in Canada there will be a moderation in the rate of increase in the course of the next year, and the year after. For instance, we expect next year that the rate of growth will be in the 5 per cent range in real terms, which is a very good rate and, as I said, will be at least as high if not higher than that in the U.S. or any other country.

The policy of the Government is to have the highest possible rate of growth to aim at creating the highest possible number of jobs and to reduce unemployment as fast as we can. But we do not want to be in a situation where the end result will be higher inflation and higher unemployment. We want to have both low inflation and high employment, and this is what we are working toward.

Mr. Crosbie: Someone should introduce the Minister to Walter Gordon, who was saying exactly the opposite here yesterday.

GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister's statement is this: "A moderation in the pace of economic recovery is not only acceptable but helpful." If you are going to moderate the pace of economic recovery, you are going to have less employment, less business investment and the like. Does the Minister realize there has been the biggest drop in business investment since World War II, down to 11.5 per cent of total spending? Does he realize that, if we are

having the largest rebound, it is only because we have had the largest fall and that we lost 595,000 jobs during that fall?

• (1120)

Is it the Minister's policy deliberately to moderate the so-called recovery and therefore worsen the statistics that I have given him? Is it or is it not the policy, what he said yesterday? Is that his policy?

Hon. Marc Lalonde (Minister of Finance): The policy of the Government is not to deliberately moderate the rate of recovery. The policy of the Government is to have the highest possible rate of growth with the lowest possible rate of inflation. It is essential that both be taking place together. What I have indicated is that in that process, by pursuing that very high rate of recovery, it is unavoidable that the economy will not be able to sustain as high a rate of growth as the one we have known in the first part of this year, and that we will have a steady and sustainable recovery rather than having a flash in the pan type of recovery which might last for a few months and then lead us into a situation where we would again have a surge of inflation and would be brought back into recession. Surely the Hon. Member understands that.

Mr. Crosbie: Mr. Speaker, we have a Minister of Finance who neither understands nor cares.

REQUEST FOR MINISTERIAL ACTION

Hon. John C. Crosbie (St. John's West): I refer again to page 4 of the Minister's speech. He said he took the opposite view from those who were worried about the lagging pace of recovery moderation in the United States. He said, "A moderation of the pace is not only acceptable but helpful".

In view of the fact that we have 267,000 fewer jobs now than we had in August of 1981, and in view of the fact that only two-thirds of our industry is operating and one third of our capacity is not operating at all, when will he stop his Pinocchian exaggerations that do not deal with the facts, and do something to help the people of Canada and our economy?

Hon. Marc Lalonde (Minister of Finance): My hon. friend is indeed extremely selective again. I remind him that today we have 800,000 more Canadians at work than last November—

Mr. Crosbie: Out of work.

Mr. Lalonde: —300,000 more jobs on a seasonally adjusted basis than last November, and that Canada has been creating jobs at the highest rate of any industrialized country since last November.

I remind my hon. friend that if he indeed wants to co-operate in achieving a high and long term rate of growth in our country, he should push for the early adoption of—

Mr. Crosbie: A new Government.

Mr. Lalonde: —the measures dealing with the Crow rate, which will mean $25 billion of expenditures in Canada in this decade and over 300,000 full-time, permanent jobs, which will have a very beneficial effect all across the country. We are waiting for the Tories and the NDP to wake up to this and help the country grow even faster than it has grown in the past.

PROJECTIONS OF FUTURE GROWTH

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I, too, would like to address my question to the Minister of Finance. The Minister's convoluted propaganda is about as ridiculous as the logic of the Russians when they accused the Americans of shooting down Flight KAL 007.

The Minister paints a very rosy picture in spite of the bleak situation involving the mining, oil and gas, agriculture and other sectors. I merely want to ask the Minister how he squares his predictions with the projections in an internal government document called "Strategic Overview for the Department of Regional Industrial Expansion 1984/85 to 1987/88". I would like to quote only one line from the document. It states:

> Low levels of capacity utilization, weak balance sheets and high real interest rates will dampen business investment, at least for the first half of the decade.

How does the Minister square his rosy projections with that statement?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I may refer the Hon. Member to the projections made by a large number of private organizations and to those contained in the last budget I brought down in April. If the Hon. Member cares to look at the situation as it has been developing over the last few months, he will realize that today, the economic situation is more favourable than I had anticipatd in the budget hardly six months ago. The performance of the Canadian economy has been better than was expected by all economic forecasters at the beginning of this year. I have great confidence in the energy of Canadians and in the production capacity of the Canadian economy. I am also confident that as a result of policies determined by the Government, in co-operation with provincial governments, the Canadian economy will experience a very high rate of growth in the years to come. I think my hon. colleague should also consider how the international community has judged the Canadian economy. He will realize that to investors throughout the world, Canada is still a very attractive country, from every point of view.

[*English*]

Mr. Siddon: Mr. Speaker, the Minister has been displaying confidence for three and one half years, but nothing has happened. He reflected on that last night when he said, "We have a long, long way to go yet."

● (1125)

PREDICTION OF LOWER EXPORT GROWTH

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, this same leaked government document states that, over the medium term, export growth may not match advances in imports and that recent record surpluses in Canada's merchandize account owe more to the depressing effects of the relatively more severe recession in Canada on imports than to superior export performance. How does the Minister expect to give Canadians hope for the future when there are no long term solutions coming forward to address these very devastating predictions of his own Departments?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Minister of State for International Trade will be happy to provide the Hon. Member with additional information. I would remind him that last year, we had the greatest trade surplus in Canada's history, and that this year, our trade surplus is expected to be even greater.

[*English*]

The trade surplus of Canada in the last two years will have been at record levels. We intend to pursue, through the dynamic policies put forward by the Government in terms of export trade, this excellent record and continue the policy by which Canada will be one of the largest trading nations in the world, taking into account its total production. I think we have a good record to go on, and we will build upon that.

* * *

CANADA-UNITED STATES TEST AND EVALUATION AGREEMENT

CONSTITUTIONALITY OF CRUISE MISSILE TESTING

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that the constitutionality of the Cruise missile agreement is now to be tested in the Federal Court of Canada, has the Canadian Government informed the Government of the United States that the Cruise missile agreement will have to be suspended until there is a final court ruling on its constitutionality?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would imagine that the U.S. would be kept informed of this by the offices of their own ambassador. However, the question seems premature to me. We have no reason to believe that the question will not be settled finally, very soon. Indeed, I would welcome that it be settled. If it is not settled by December, the Hon. Member could ask a question again and it would be pertinent.

Miss Jewett: I thought the Prime Minister would follow his own previous practice of suspending discussions and so on when a constitutional matter is before the courts. I would hope that he would still do that.

REQUEST FOR HALT IN PLANS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in addition to suspending the Cruise missile agreement pending the final court ruling, will the Government also halt any further plans and preparations for Cruise missile tests in northern and western Canada until there is a final court ruling on the constitutionality of the agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member talks about suspending discussions on the matter when it is before the courts, and she is the one who raises discussions on the matter when it is before the courts. As far as the Government is concerned, it has taken a decision and has announced a policy. That stands until the courts strike it down.

We are not in a process of testing now, and the Hon. Member knows that. The tests, if they take place, would only be in the new year. That is why I say the question is premature.

* * *

THE PRESS

FUTURE OF DRAFT NEWSPAPER BILL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is also directed to the Prime Minister. Is the draft newspaper Bill dead? If not, what Minister is responsible for it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not yet formally assigned the Bill. It will eventually go to the new Minister for Consumer and Corporate Affairs, but there is no question of dealing with it in this part of this session of Parliament. Therefore I have not formally advised her as yet, but I plan to do so in writing in due course.

REQUEST THAT GOVERNMENT WITHDRAW MEASURE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, the Bill was ostensibly released this summer in order to solicit public opinion on it. In view of the fact that the public opinion expressed has been almost overwhelmingly in opposition to the Bill, will the Government now reassure those who feel that the Bill is an attack on freedom of press in Canada by announcing that it will not proceed with the Bill in its present form?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I know that views were expressed on the pros and cons of the subject matter of the Bill. That is why we released it, so public opinion could be expressed. However, the decisions are not made by the public but by Members of Parliament, and in due course even the Hon. Member will have to decide

whether freedom of the press is threatened in this Bill, as he suggests, or if it does make some sense to prevent the press being more and more controlled by small monopolies.

* * *

• (1130)

THE ECONOMY

NATURAL GAS EXPORTS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is for the Minister of Finance. It deals with his statement that the slowdown in the rate of recovery is not only acceptable but helpful. He referred to the trade surplus, but he ignored the fact that our trade surplus comes from reduced imports, reduced demand, rather than exports. What comfort does he draw from the fact that our natural gas exports are running less than 50 per cent of market contracts, with an outlook for a further sagging in the future, and what comfort does he get from the fact that 40 per cent of the drilling rigs in this country are idle?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, what was remarkable during the course of the last recession is that Canadian exports held up so well compared to the situation in practically every other industrial country.

Mr. Crosbie: Others are doing better, you turkey.

Mr. Lalonde: In our country we have been able, in spite of a world-wide recession, to maintain a very high level of exports while our imports declined considerably indeed. But if you look around at other industrial countries you will find that both imports and exports have gone down. Here in Canada, thanks in part to the aggressive policy of our companies and also the support provided by the federal Government, we have been able to maintain our export levels in spite of the world-wide recession.

The Hon. Member is right. The gas exports are still low compared to what we could sell if the demand were there in the United States. But, as she knows, we have taken steps, together with the Provinces and the industry, to speed up the pickup in gas export authorizations by reducing prices of additional natural gas. Some additional delivery has taken place, and we expect that with the recovery in the United States the demand for natural gas will increase significantly. There is not much that we can do as long as the demand in the United States is not there for additional gas. This is what is taking place at the present time, and the outlook for the future seems more encouraging.

INCREASE IN BUSINESS BANKRUPTCIES

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is for the Minister of Finance. Our concern is that the very rosy picture he paints is just not true. For instance, in the oil patch things, are so bad that PetroCan has had to put its Challenger jet up for sale.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss Carney: What comfort does the Minister get specifically from the fact that business bankruptcies in the first seven months of this year are double the rate they were two years ago?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is clear that as we get out of the recession, the general economic situation is going to improve. However, if the Hon. Member is referring to the situation at the beginning of 1983, compared with two years ago, obviously, the bankruptcy rate will be higher at the beginning of 1983 than it was at the start of 1981, when we were experiencing a period of very rapid growth. I would therefore invite the Hon. Member to look at more recent statistics which indicate that there has been a very substantial drop in the number of bankruptcies across Canada, and this is a clear indication that the economic situation has improved very substantially. I would also invite her to consider, not only the number of bankruptcies but also the number of new businesses that were set up in Canada this year. The Hon. Member will see that the number of new businesses far exceeds the number of bankruptcies, that the Canadian economy is showing remarkable growth and that she should have greater confidence in the drive and enthusiasm of Canadians today.

* * *

[*English*]

FARM CREDIT CORPORATION

LEVEL OF FUNDING

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is for the Minister of Agriculture. Bearing in mind that the loaning funds in the Farm Credit Corporation are virtually exhausted, has the Minister asked the Minister of Finance for assistance to refund the Farm Credit Corporation? What was that Minister's answer, and how much money did he ask for?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the funds are not exhausted and I have not asked for any more funds at the present time.

Mr. Beatty: The Minister is exhausted.

CORPORATION'S LENDING POWER

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my supplementary question is for the Minister of Agriculture. Bearing in mind that we are only halfway through this fiscal year, that farmers are having a great deal of difficulty obtaining funds

through the Farm Credit Corporation, that there is a record number of bankruptcies among the farm community, how can the Minister stand there and say the funds are not exhausted when the funds are not available at the farm level? Would the Minister tell us whether or not there is going to be a continuation of loaning power by the Farm Credit Corporation throughout the remaining half of this year equal to that of the average of the previous two or three years?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, let me outline the amount of money that would be loaned by the Farm Credit Corporation, that Crown corporation which is the eleventh largest lender in Canada. I really appreciate the support we are getting from the Tory Party for a Crown corporation because I had another Crown corporation I was supporting in this House and I got condemned for it. They seem to have forgotten that there are ten other corporations, private corporations, that lend money in this country, and they have far more funds than the Farm Credit Corporation. We are taking over their responsibility from them in the lending field—

Mr. Malone: Answer the question.

Mr. Whelan: —because 56 per cent of our loans this year are taking over the loans which the private institutions made to farmers, whereas normally it is 17 per cent of our loans. This will be the largest lending year we have ever had for the Farm Credit Corporation in Canada.

If the Hon. Member wants to make representations, I suggest that he go to the Treasury branches in Alberta—another Crown corporation that lends money to farmers in his own Province—to see if he can raise more money there. He could go to the private banks and see if he can get more money from the private banks in Alberta, to loan to the farmers. Alberta has had one of the biggest years ever with the Farm Credit Corporation this year. If he wants to check the facts he will find that is so and he will find out that we are doing a pretty good job.

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CONSUMER AND CORPORATE AFFAIRS

PRICE OF GASOLINE—ATTACK BY MAJOR OIL COMPANIES ON SMALL FIRMS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It follows in light of the announcement of the Restrictive Trade Practices Commission that Imperial Oil has once again ripped the consumers in this country from stem to stern in using Suny Oil as a fighting brand to fight gas wars almost by proxy. Imperial Oil was also one of the major players in the $12 billion rip-off of Canadian consumers as shown in the revelations in the Bertrand Report.

Would the Minister be prepared to call the heads of the major oil companies in Canada to her office to extract some concessions from them? One of them would be that there be no more targeting independent oil companies in an attempt basically to discipline and destroy them, and that she seek from those oil companies an immediate roll back in the retail price of gasoline, which is far too high.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, in my reply the other day in the House—the Hon. Member could not have been in the House or he would not be asking the question—I indicated that there is an inquiry under way and that it would be premature of me to make any suggestions as to what measures should be taken until that inquiry is completed. I do agree with the Hon. Member. We are, as consumers, very much concerned about the price of gasoline. Let me assure him that the moment we have the results of that inquiry we will let him know and take the appropriate measures.

REQUEST FOR PROTECTION OF INDEPENDENT FIRMS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Minister's answer is totally inappropriate. The terms of reference of that inquiry do not pertain to the present situation. During these recent gas wars there has been a definite attempt by the major oil companies to drive independents out of business. There is no doubt they have fought those battles on a regional basis, having consumers pay high prices in one area, and subsidized gas wars to discipline and remove independents in other areas. What action is the Minister going to take to protect independents and ensure that consumers get a fair price on gasoline before they are gone? I think the Minister should be prepared to acknowledge in this House that by the time—

Mr. Deputy Speaker: The Hon. Member has asked his supplementary. The Minister of Consumer and Corporate Affairs.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to assure the Hon. Member that we are as concerned as he is. That is the reason the inquiry was launched. I do assure the Hon. Member that those matters to which he referred are very much within the purview of the present inquiry. We are again, I repeat, very much concerned, and we will take the appropriate measures if and when the inquiry indicates that those measures are required.

* * *

• (1140)

AGRICULTURE

WESTERN GRAIN STABILIZATION PROGRAM

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I would like to direct my question to the Minister of Agriculture. Under the Western Grain Stabilization Program will a payment be made to farmers, will it be made before the end of the year, and what will be the amount of that payment?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not in a position to answer that question at this time.

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GARNISHEE, ATTACHMENT AND PENSION DIVERSION ACT

DELAY IN PROCLAMATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Justice. Bill C-38 was passed by the House 14 months ago, and Parts II, III and IV have not yet been proclaimed. What is the cause of this unusual delay?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, litigation involving this legislation is presently in the courts. As Hon. Members may know, there is a dispute between the Department of Justice and the House of Commons as to whether Members and employees of the House of Commons are affected by that legislation. That has had consequences for the general proclamation of the legislation. There is a case now in the courts on which I cannot comment, but I hope that the matter will be resolved shortly by the courts, if not in some other fashion. It may be that we ought to seek further legislative clarification on this. I might consult the House Leader and my Opposition critic in the next week or two to see whether we can arrive at a legislative clarification so that this spectacle, which might be considered rather unedifying by the people of the country, would not continue to be dragged on.

SOURCE OF OBJECTIONS TO PROCLAMATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, given the fact that the Bill was passed in some parts unanimously and that, to some degree, there was unanimity throughout its entire passage, could the Minister of Justice explain whether it is Members of the House or Senators who are objecting to the proclamation of the Bill, or does it come from officers of the House?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, there may or may not be Members who are taking positions on this; I am not aware of that. The primary difficulty is that officials of the House, I think acting in pursuance of the tradition of parliamentary immunity from various kinds of legislation, have taken the position that Members of parliament and employees of Parliament should not be touched. I would not like to say that this is not a matter of importance. The point precisely is that I think Members had one intention when the legislation was passed. It is now running into these difficulties, which I quite agree with the Hon. Member have to be clarified within the next few weeks.

TRADE

INADEQUACY OF ANTI-DUMPING LEGISLATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Revenue. It is a question which may well be directed to the Minister of Trade, but I believe it is the Minister of National Revenue who handles it. How can we possibly effect the kind of economic recovery in Canada about which everyone speaks as being necessary, when the Anti-Dumping Tribunal and the anti-dumping legislation are totally inadequate, when the steel industry is already being subjected to tremendous pressures from dumping from at least 12 other countries in the world, and when the result of this dumping is an increase in unemployment and a decrease in productivity? When will we get some adequate legislation to protect our manufacturers from the totally inadequate legislation which currently exists?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member ought to know that responsibility for our antidumping policy legislation lies with the Minister of Finance. He should also remember that during the past two years, the Government has been considering a number of changes in our anti-dumping legislation, and thirdly, the Department of National Revenue regularly responds to requests for anti-dumping investigations from various sectors of the Canadian economy, including the steel industry, the heavy equipment sector, and so on. We carry out the investigations as quickly as possible, preliminary analyses are made fairly regularly, and we try to be as effective as we can.

[*English*]

PRICE OF AUTOMOBILES IMPORTED FROM RUSSIA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me then direct my question to the Minister of Finance. How can a Lada car, which sells for approximately $12,000 in Moscow, be sold for under $6,000 in Canada?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the allegation of the Hon. Member is correct, there are ways of dealing with it. The Minister of National Revenue has said that one can put a complaint before the Anti-Dumping Tribunal for the matter to be examined. A number of products have been examined and measures have been taken by the Government to counteract such dumping. Every year we have taken steps in that regard. If the Hon. Member has a complaint, he should register it before the Anti-Dumping Tribunal.

As far as his reference to the steel industry and its problems is concerned, again I invite the Hon. Member to adopt the Crow legislation. It would mean orders for steel production which will help the steel industry in the Hamilton area quite significantly.

INCOME TAX

INFORMATION DEMANDED ON TAX RETURN FORMS

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of National Revenue. The House will recall that last spring when the income tax forms came out, I raised a question about the additional information sought on that form for the first time. Has the Government studied the issue? Is it prepared to take any decision soon, because the new form will go to the printers soon?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, further to representations made by the Hon. Member, we have indeed made a careful study of the information concerning the manner in which individuals are identified on their tax returns. We subsequently decided to cut the number of data used to identify the individual. For instance, the indexed income for the last three years which appeared on the tax return and was a matter of concern to the Hon. Member, will not appear on next year's return. In addition, we had two numbers to identify the same individual, in addition to the spouse's number. The individual's social insurance number and the spouse's number will be retained, but the third number we added will be removed.

* * *

[*English*]

THE ADMINISTRATION

REQUEST FOR APPOINTMENT OF NEWFOUNDLAND REPRESENTATIVE TO CABINET

Hon. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Right Hon. Prime Minister. Of course he is aware that there is a convention that each Province be represented in the federal Cabinet. It is now almost three and a half weeks since the Hon. Member for Burin-St. George's resigned. Does the Prime Minister intend to appoint a Newfoundland representative to his Cabinet? If so, when? If not, will he at least appoint a Parliamentary Secretary so that there will be somebody over there with some official responsibility?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has been a tradition of as wide as possible geographic representation. I have that in mind and I am considering how I will exercise my privilege. There is no convention or duty to inform the House how the Prime Minister's prerogative will be exercised. I will do that in due course.

INQUIRY RESPECTING PRIME MINISTER'S INTENTIONS

Hon. James A. McGrath (St. John's East): Mr. Speaker, does the Prime Minister intend to appoint a Newfoundland Member of Parliament to his Cabinet so that that Province, at a very critical time in its history, will be represented in the Government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I recognize the Hon. Member's interest. I know he himself is not personally interested in the job, nor I in him.

Mr. McGrath: I am prepared to wait.

Mr. Trudeau: He says that he is prepared to consider it—

Mr. McGrath: I said that I was prepared to wait.

Mr. Trudeau: If he is prepared to wait, what is the urgency of the question?

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AGRICULTURE

FATE OF AGRI-BOND PROPOSAL

Hon. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Agriculture. Why was the Minister of Agriculture turned down by the Minister of Finance when he asked if he could enter the bond market for additional FCC funds?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Minister of Finance did not turn me down.

FUNDING FOR FARM CREDIT CORPORATION

Hon. Jake Epp (Provencher): Mr. Speaker, if the Minister of Agriculture was not turned down, was he ignored? If that extra money is not forthcoming, does the Minister believe the Farm Credit Corporation has sufficient funds to enable farmers to carry on their business?

• (1150)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I take it for granted, from all of the questions that are in support of the Farm Credit Corporation, that the Conservative Party has changed its view toward Crown corporations and that its Members want it to be a big Crown corporation. It is a very big one already and they would like the Farm Credit Corporation to be even bigger.

Again I say that the Minister of Finance has given more money and more authorization to the Minister of Agriculture to give to the Farm Credit Corporation than ever in the history of the country. The Hon. Member asked if I was turned down. We have $250 million—

Mr. Epp: You asked for $600 million.

Mr. Whelan: We asked for more than that, but I would like to ask the Hon. Member if he gets everything that he asks for. I am sure that no one in this society gets everything he asks for.

Oral Questions

EXTERNAL AFFAIRS

ACTION BY STATE OF FLORIDA AGAINST CANADIAN CITIZEN

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Prime Minister and is prompted by news reports from this morning and yesterday concerning the decision made by the State of Florida to re-lay charges against Sidney Jaffe and that, in the event that his application for parole is successful, he will be re-arrested. This whole affair, beginning with the abduction of Mr. Jaffe, has cast very serious questions upon the quality of justice administered in that State and the fairness of the judgment of the Attorney General of that State. Accordingly, I would ask the Prime Minister what the country of Canada is prepared to do in terms of retaliatory action against conduct which is so unacceptable to us?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Hon. Member is quite right when he states that the conduct at the basis of the Jaffe case is completely unacceptable, not only to Canada but to other civilized nations. We have taken the strongest possible exception to that action and I have attended many meetings devoted to this purpose, including quite a number of meetings with American officials.

The case is still in the legal process in the United States. The Government of Canada has commenced a legal action for habeas corpus in the Federal Court of that country and I believe that we must see through to the end the legal process which we have begun. Mr. Jaffe has the right to his own forms of legal process. His goals are not precisely the same as ours, although obviously his goals and our goals do overlap considerably.

I believe that it is very important, Mr. Speaker, because we are taking a stand based upon legality and upon civilized life, that we follow all of the legalities in this case ourselves.

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CONSUMER AND CORPORATE AFFAIRS

AMOUNT OF GASOLINE PRICE INCREASE—MINISTER'S POSITION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is again directed to the Minister of Consumer and Corporate Affairs. The major oil companies have moved the price of gasoline up 15 cents per litre. One cent per litre is worth $250 million to oil companies—

Mr. Deputy Speaker: Would the Hon. Member please state his question?

Mr. Skelly: Is the Minister prepared to sit back and wait while the oil companies take almost $5 billion out of the pockets of consumers, or would she be prepared to have her Department inquire immediately into the question of what a fair retail price for gasoline would be, and then attempt to have the oil companies roll their prices back to that amount?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have attempted twice to answer the Hon. Member's question, and I shall try for the third time. I will make it perfectly clear that the inquiry that is under way now will, I hope, produce the kind of statistics that will lead to measures that will be fair to all, to the oil companies and to the consumers.

I believe that it is fair to comment that much of this increase is due to increases in taxes which are, of course, at the provincial level. Let me make it very clear that this is also part of the problem.

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EXTERNAL AFFAIRS

REQUEST THAT CANADA-UNITED STATES EXTRADITION TREATY BE SUSPENDED

Mr. Chris Speyer (Cambridge): Mr. Speaker, my supplementary question is directed to the Minister of Justice and concerns the same subject. I would like to ask the Minister of Justice if, in light of the shocking and contemptible attitude that has been displayed in the Jaffe case by the State of Florida, he would give serious consideration to suspending our extradition treaty with the State of Florida so that people do not have to face the quality of justice that is obviously administered in that State.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I certainly share the feelings of frustration that the Hon. Member has expressed with the State of Florida. Our extradition treaty, however, is not with the State of Florida but is with the Government of the United States. I do not think that the proper reaction at this stage would be to follow the course of action that my hon. friend recommends. I believe that we have no alternative at the moment but to place our emphasis and to put our priorities on the legal process because, after all, the legal process is what has been departed from by those who have seized Jaffe and put him in prison in Florida.

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EXTERNAL AFFAIRS

U.S.S.R.—DOWNING OF KOREAN AIRLINER—REJECTION OF CANADIAN NOTE

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Prime Minister and, of course, it concerns the tragic downing of the KAL 007 flight. As the Government has attempted to give notice of a claim for compensation to the Soviet Union with respect to the tragic loss of ten Canadians and others who lost their lives on this plane, would the Prime Minister indicate what further steps the Government plans now to take, bearing in mind that it has twice been insulted by the Soviet Union, first when it refused to accept delivery of the mere note with respect to compensation and then sending it back by courier.

Hon. Gerald Regan (Minister of State (International Trade)): Mr. Speaker, the Hon. Member should be aware of the fact that, while the Soviet Union has made the meaningless gesture of returning the note, neither our concern nor our claim will melt away like a seven-day wonder.

Some Hon. Members: It was not a meaningless gesture.

Mr. Regan: Rather, we intend to pursue our claim in that regard. The Hon. Member will recall that the Soviet Union originally rejected the claim for compensation made at the time the satellite Cosmos disintegrated and fell into Canadian territory. I point to that incident as a precedent with relation to their initial reaction.

Specifically, the Government will not only reiterate its position again to the Soviet Union but it will pursue its actions through ICAO, meetings of which are being held in Montreal at the present time, and whatever other measures appear to be appropriate.

REQUEST THAT SANCTIONS AGAINST SOVIET UNION BE INCREASED

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs who surely will recall that 269 souls lost their lives in the shooting down of this aircraft. It is not simply a bit of metal, which is what the Minister's comparison referred to. Would the Minister indicate what, in concrete terms, the Government will do to step up the sanctions against the Soviet Union, and as well applying them to Iron Curtain countries that appear to be supporting the Soviet Union, such as Poland and Czechoslovakia, at the Security Council of the United Nations, and now at ICAO in Montreal? Would the Minister say specifically if he is prepared to do something about stopping the flights to Gander, and will he stop the flights of the Polish airline LOT through Mirabel and the Czechoslovakian airline CSA through Mirabel, airlines which are simply circumventing the present restrictions on Aeroflot?

Hon. Gerald Regan (Minister of State (International Trade)): Mr. Speaker, I fear that the honourable and distinguished Member, with his new assignment as critic for foreign affairs, would perhaps need to consider very carefully whether the reaction of the Government should be against other countries than the country that caused the infraction, the U.S.S.R. I believe that that would be a very unwise policy for us to follow. Rather, we will continue to make strong demands against the Soviet Union for compensation.

I would point out to the Hon. Member that Canada was the first country to take sanctions and that it has taken stronger sanctions than other countries in relation to this matter, partly because of the fact that the lives of ten Canadian citizens were lost in this disaster. I do find the position taken by the Hon. Member strange in view of the fact that his initial reaction was that Canada should not over-react and should do nothing to damage the disarmament talks.

Official Report

FARM CREDIT CORPORATION

LEVEL OF FUNDING ALLOWED BY GOVERNMENT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplementary to that of my colleague, the Hon. Member for Provencher, and is directed to the Minister of Finance. Farmers have never had as much trouble when trying to finance their operations as they are having now. Legislation that was passed in the House last Spring allowed for borrowings by the FCC from the money markets of the world of up to $600 million. The Government saw fit to cut that back to $250 million. Why did the Minister of Finance cut that back?

● (1200)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I cut nothing back. The legislation the Hon. Member refers to is the maximum authorization. I want to remind the Hon. Member that we have provided to the FCC this year larger funds than it ever had in its whole history. I think that is a pretty good record of our concern for the farmers of this country.

Mr. Deputy Speaker: The Hon. Member for Yukon (Mr. Nielsen) has served notice on the Chair of a point of order.

* * *

OFFICIAL REPORT

EDITORIAL CHANGES MADE TO ORIGINAL TEXT

Hon. Erik Nielsen (Yukon): Mr. Speaker, the point of order I have for your consideration arises out of the remarks in a statement made yesterday by the Hon. Member for Sarnia-Lambton (Mr. Cullen) which in itself was generated by an exchange during the Question Period last Tuesday.

The Minister of Finance (Mr. Lalonde) asks where the Leader of the Opposition (Mr. Mulroney) is; he is unavoidably absent today with commitments of long standing.

An Hon. Member: And the day before.

Mr. Nielsen: The statement was based on an exchange arising out of an exchange between the Minister of National Health and Welfare (Miss Bégin) and the Leader of the Opposition last Tuesday. The root of it lies in the allegation by the Hon. Member for Sarnia-Lambton that alterations were made in *Hansard*, something which I have always considered to be a very serious matter.

Before embarking on the substance of the point—I see the Minister of National Health and Welfare in her seat—I can assure her, on behalf of the Leader of the Opposition, that he has always had the highest respect for that Minister, who I see is leaving the House now. I can assure her that that is backed up by the several telephone calls that the Leader of the Opposition has made to her office, which I am sure her staff has informed her about, in the hope that she would—I see the

Official Report

Minister playing her imaginary violin—in the hope that she would call back, but she has not yet done so.

The words of the Hon. Member for Sarnia-Lambton yesterday will be found on page 27140 of *Hansard* in the right-hand column, as follows:

—it was clear that what was said in the House was changed in the official record. Whether it was changed by the Leader of the Opposition, or his staff, or by *Hansard* itself, is for Madam Speaker to determine. But one way or the other someone tampered with the words.

As the Chair and Hon. Members are well aware, these alterations in *Hansard* are permitted so long as they in no way change the sense of what was said and are for the purpose merely of correcting grammatical errors or correcting errors that were made in the transcription of the words uttered in the House.

As I undertook to do in the House yesterday, I have examined the "blues" very carefully. The original "blues" set out the exchange in this fashion:

UNE VOIX: Accouche!

"Une voix" is the equivalent of "An Hon. Member". The identification of "Une voix" of course was the Minister of Health. Beside her name appears the single word "Accouche".

Then the intervention of the Leader of the Opposition appears this way in the original of the French text of the "blues":

M. MULRONEY: Madame le Président, je dirai à l'honorable ministre de la Santé nationale et du bien-être social qu'en parlant d'accouchement, ça s'en vient, Monique ça s'en vient!

That was the original of the French text of the "blues".

Both of those interventions were altered. The Hon. Member for Sarnia-Lambton is quite correct if he asserts they were altered. He can make his own judgment as to whether that amounts to tampering in a moment. The word appearing after "une voix" "Accouche", was altered to "Accouchez". Then in the intervention of the Leader of the Opposition, the original words were "Ça s'en vient. Ça s'en vient Monique parlant d'accouchement, Monique, ça s'en vient!" The alterations there were that the first words "ça s'en vient" were deleted, the second group of words "ça s'en vient" were deleted, the word "Monique" was deleted, and later on in the sentence again the word "Monique" was deleted; and this was substituted therefor—I have already read what was substituted therefor.

That, to my mind, Mr. Speaker, is an extensive alteration to *Hansard* and one which again, in my view, is not one of those which is customarily permitted with the objective of maintaining the accuracy of the original *Hansard*.

While those alterations were made, I have ascertained and can assure the House that the Leader of the Opposition did not make those alterations, nor did anyone on the staff of the Leader of the Opposition make those alterations. The alterations themselves, in their entirety, were made by the editors of French *Hansard*.

In order to put the editors' actions in a proper light, I hasten to assure the House that, with my extensive knowledge of the French language, the substance of what was said was not altered; but the repetitious nature of the exchange on behalf of the Leader of the Opposition—

An Hon. Member: Oh, oh!

Mr. Nielsen: I hear the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) saying that is not true. If he is accusing me of lying, he should stand up and say so or intervene in this debate.

The final version of *Hansard* in the French text at page 27064 renders the printed text as follows:

UNE VOIX: Accouchez!

That is an alteration. And:

M. MULRONEY: Madame le Président, je dirai à l'honorable ministre de la Santé nationale et du Bien-être social qu'en parlant d'accouchement, ça s'en vient!

We can see that it is quite different from what was actually said on the floor of the House.

To compound the difficulties, the French version of *Hansard*, as the Chair is aware, is not translated into English until very, very much later in the day. The text of the English translation is never available for checking until the next day, when we receive the printed version. The English translation in its original—I am citing from the "blues"—appears in this fashion:

AN HON. MEMBER: Get to the point!

MR. MULRONEY: I am getting there, Monique! I am getting there, do not worry, Monique.

That is the original translation which, again, has been altered, as far as Mr. Mulroney's intervention was concerned, in this fashion. The entire original "blues" sentence has been deleted and the following substituted therefore in English:

Madam Speaker, I can assure the Hon. Minister of National Health and Welfare that I will get there in due time.

The final printed version of *Hansard* renders the exchange in English at page 27064 as follows:

• (1210)

AN HON. MEMBER: —

Which, of course, is the Minister of National Health and Welfare (Miss Bégin).

Get to the point!

MR. MULRONEY: Madam Speaker, I can assure the Hon. Minister of National Health and Welfare that I will get there in due time.

Finally, Mr. Speaker, again relying on that very familiar knowledge which I have of the French language, in order to bolster what I have said about the terminology which was used, I quote from *Larousse Dictionnaire* in *anglais* and *français*. The French word "accoucher" is a medical term:

To be confined, to lie in, to be delivered, to accouche; to give birth to.

Then it goes on, and this is the sense in which the exchange took place, of which I am sure the Minister is aware:

To bring forth; to spit it out, to cough it up; out with it!

And that was the sense of the exchange yesterday, Mr. Speaker. That is what was intended, and while I do not intend to get into the exchange which took place between the Minister and the Leader of the Opposition before coming into the House that day, I am sure the Minister will recall the bantering which took place between herself and the Leader of the Opposition before coming into the House which gave rise to the term "accouche" in the first place.

Miss Bégin: That is not true. I did not say that.

Mr. Nielsen: However, I can assure the Minister that that was the sense in which the exchange was generated—"Get it out, spit it out, bring it forth, cough it up, get on with it!" It is often used in this House. Again, I want to reassure the Minister of the fact that the Leader of the Opposition has the highest respect for her and has been trying to get in touch with her since last Tuesday to tell her that personally.

The serious part of the whole matter, Sir, is the alteration of *Hansard* to the extent which occurred. I have no doubt that the intentions of the editors of French *Hansard* were of the best. However, I think that what happened here went a little beyond what is usually accepted as permissible in the privilege of Hon. Members to make alterations in *Hansard*. I would also suggest that in future when editorial changes are made to the text, they should then be resubmitted to Hon. Members for their checking, because in this instance that extensively altered passage was not resubmitted to the Leader of the Opposition, or to his staff, for double checking. It seems to me only fair, so that Hon. Members can judge whether an editorial insertion is in keeping with what they feel they said in the House, that those "blues" should be resubmitted to the Hon. Member concerned before they are printed in final form.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Chair will recognize the Hon. Member for Sarnia-Lambton (Mr. Cullen). However, my first reaction is that we hope this matter could be terminated without too much further extension of comment and debate. The Chair will certainly look into the matter of the allegations with regard to *Hansard*.

The Hon. Minister of National Health and Welfare.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, without wishing to dwell on the impropriety and heavy-handedness of the incident that took place in the House, I would like to make it clear that since the House resumed its sittings, I have never met the Leader of the Opposition (Mr. Mulroney) before going into Oral Question Period. I accept apologies when they are due, but I also am very particular about the truth.

[*English*]

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, as I indicated when I raised this issue originally, I did not raise it under a question of privilege nor a point of order. I simply wanted to call it to the attention of the House. I did not, frankly, want to make it a *cause célèbre*, as it seems to have become.

Mr. Deputy Speaker: The Chair would like to observe that the Chair is concerned about the use of this new Standing Order in this way. If a matter is truly a matter of a point of order, it is perhaps preferable to raise it as such.

Some Hon. Members: Hear, hear!

Mr. Cullen: Mr. Speaker, I am trying to do what the Leader of the Opposition (Mr. Mulroney) has indicated he wanted to do, bring a little civility to the situation. I tried to soft pedal it by simply calling to the attention of the House the fact that *Hansard* is not to be altered. I believe the House leader for the Official Opposition has indicated that there have been extensive changes. I indicated a couple of things, one, that I thought that someone had made the alteration. I believe it goes a little bit beyond changing a word. I fell the sense of it has been changed. Certainly, for Michèle Tremblay, who writes for *Le Journal de Montréal*, and Mr. Michel Gratton, who writes for *Le Droit*, there was no question in their minds about what the meaning of this vulgar phrase was. That is the terminology which has been given to it. However, all I asked for was an indication or acknowledgment that *Hansard* had been changed, that that was not what was appropriate and that either an explanation or an apology should be given. I think that has been done.

I commend the House leader for the Official Opposition for trying to make the best of a poor case. I think he has done the best he could. I do not want to extend it, either, Mr. Speaker, but I can assure you in the future that if extensive changes like this are made by the Leader of the Opposition, or anyone else, I will raise it on a point of order.

Mr. Nielsen: Mr. Speaker, the Hon. Member for Sarnia-Lambton (Mr. Cullen) obviously did not hear me. I said on more than one occasion in raising this point of order that there were no changes made by the Leader of the Opposition, either in the French "blues" or the English "blues". We did not even have an opportunity to see the English "blues". Nor were any changes made by any member of the staff of the Leader of the Opposition. The changes which were made, all of them, both in the French text and the English text of the "blues", were made by the editors of French *Hansard* in the one case and by the translators in the other case, not by the Leader of the Opposition or any of his staff.

Mr. Cullen: Mr. Speaker, I must say I do accept what the House Leader for the Opposition says. He says it was not changed by the staff; it was not changed by the Leader of the Opposition. I accept that because we accept Hon. Members' words in the House. That is the way we bring civility to this place. I am quite prepared to accept that the change was not made by the Leader of the Official Opposition. It just seems to me that *Hansard* went a little bit further in editorializing here, not changing words but changing meaning.

Order Paper Questions

Mr. Deputy Speaker: At this point the Chair would appeal to Hon. Members to think twice before extending the discussion.

Does the Hon. Member for St. John's East (Mr. McGrath) want to be recognized on this point?

Mr. McGrath: No, a new point.

Mr. Deputy Speaker: I recognize the Hon. Member for St. John's East on another point.

* * *

POINT OF ORDER

MR. McGRATH—USE OF S.O. 21 STATEMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, this has nothing to do with the substance of what the Hon. Member has said. It has to do with what I consider to be an improper use of Standing Order 21. I raised this matter yesterday, Mr. Speaker, as a point of order, and Madam Speaker indicated that she would examine what was said and rule on it. She gave me an indication she would rule today. I merely want to ask the Chair if the Chair is now ready to rule on that point of order. If not, I do not want this to stand as a precedent because otherwise this kind of clear abuse will destroy the intent of Standing Order 21.

Mr. Deputy Speaker: At this point the Chair is taking the whole matter under advisement, especially the matter relating to *Hansard*. As far as the ruling with regard to Standing Order 21 is concerned, the Chair is not prepared at this point to make further comment.

Mr. McGrath: May I ask, Mr. Speaker, if the Chair has any comment?

Mr. Deputy Speaker: The Chair is not in a position to make further comments in regard to the matter raised by the Hon. Member.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,661, 4,818, 4,946 and 4,993.

[*Text*]

TRAINING OF RCMP PERSONNEL IN CHILE

Question No. 4,661—**Mr. Stewart:**

At any time since 1967, did the RCMP send any personnel to Chile for training of any nature and, if so (a) what were the dates and what was the number of personnel involved (b) what type of training was involved?

Hon. Bob Kaplan (Solicitor General of Canada): Insofar as the Royal Canadian Mounted Police are concerned: No. RCMP personnel did, however, visit Chile in 1975 and 1982 as participants in the annual end of year trip taken by all members of the Senior Management Course from the National Defence College, Kingston.

INVOCATION OF DIPLOMATIC IMMUNITY

Question No. 4,818—**Mr. Beatty:**

1. Was diplomatic immunity invoked by countries to avoid prosecution for alleged violations of Canadian law, including traffic violations, in (a) 1981 (b) 1982 and, if so, on how many occasions for each country?

2. What was the nature of each offence and in which municipality did the alleged infraction occur?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. (a) In 1981, 38 Diplomatic Missions requested the cancellation of 169 traffic violations and five Missions invoked diplomatic immunity for five other offences.

(b) In 1982, 39 Diplomatic Missions requested the cancellation of 240 traffic violations and six Missions invoked diplomatic immunity on six occasions for other offences.

2. The 169 traffic violations cancelled in 1981 included parking violations (132), speeding (28) suspension of a driver's licence (4), impaired driving (3) and failure to wear a seat belt (2). The other offences of 1981 consisted in shop-lifting (3), fraudulent use of a cheque (1) and illegal use of the mail (1). The traffic violations occured in the Ottawa/Hull area (146), in the Montreal area (15), in other parts of Ontario (7) and Alberta (1). The five other offences took place in the Ottawa/Hull area.

The 240 traffic violations cancelled in 1982 consisted of parking infractions (220), speeding (14), failure to wear a seat belt (4), impaired driving (1) and the use of studded tires (1). They occured in the Ottawa/Hull area (217), in the Montreal area (15), in the Toronto area (5), and in Vancouver (3). The other offenses consisted in shop-lifting (4), fraudulent use of a cheque (1) and possession of a small quantity of marijuana (1). Five of the latter offences took place in the Ottawa/Hull area and one in Montreal.

The Department considers that disclosure of the names of the Missions concerned would not be in keeping with Canada's obligation under Article 22 of the Vienna Convention on Diplomatic Relations requesting the host country to take all appropriate steps to protect Missions from disturbance of their peace or impairment of their rights.

SHOAL LAKE

Question No. 4,946—**Mr. McKenzie:**

1. Did the Government recently meet with the Government of Manitoba to discuss the matter of Shoal Lake?

2. Was the City of Winnipeg invited to take part in these discussions and, if not, for what reason?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. With respect to the Shoal Lake issue, the Government is represented at both the "all party negotiation" meetings and at "technical review committee" meetings.

The last negotiation meeting was held in Winnipeg on March 22, 1983. Representatives from the Province of Manitoba, Environment Canada, the Band, the Department of Indian Affairs and Northern Development and the City of Winnipeg were in attendance.

A technical review meeting was held in Winnipeg on May 5, 1983, to discuss sewage and solid waste disposal. The meeting was attended by representatives from the Department of Indian Affairs and Northern Development, Health and Welfare Canada, the Band and Environment Canada and the Environmental Protection Service (E.P.S.) Winnipeg. In addition, Mr. Hamish Gavin, Environment Canada, Winnipeg, met with the City of Winnipeg and the Province of Manitoba on March 2, 1983, and May 6, 1983, to discuss the waste disposal issue.

2. Yes, see response to part 1.

INCOME SECURITY PROGRAM—TRANSFER OF EMPLOYEES

Question No. 4,993—**Mr. Crosby:**

1. Does the Department of National Health and Welfare intend to transfer any employees now involved in the administration of Income Security Programs from Halifax to Sydney?

2. What are the names of the departmental employees subject to transfer from Halifax to Sydney and what is their classification and salary level?

3. What benefits will be provided by the Department to employees subject to transfer from Halifax to Sydney?

4. What rights will accrue to the departmental employees who will not accept transfer from Halifax to Sydney and what alternate employment will be provided?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): 1. The Department of National Health and Welfare will transfer any of its indeterminate staff now employed in the Income Security Programs' Nova Scotia Regional Office from Halifax to Sydney should they elect to relocate with the office.

2. See list below.

3. Those employees electing to transfer to Sydney will be eligible: (a) for all benefits provided under the Treasury Board Relocation Policy (July 8, 1982); (b) to compete for Public Service positions in Halifax for a period of 12 months following transfer.

4. Those Halifax indeterminate employees unwilling or unable to transfer to Sydney will have the following rights:

(a) They will be eligible for transfer to any available equivalent positions, for which they are, or can become, qualified, within the Income Security Programs' Branch anywhere in Canada.

(b) They will be eligible for retraining where the probability exists that a position will be available which requires the new expertise, and the employee will successfully complete the training.

(c) They will have staffing priority within the Department and the Public Service as a whole for a period of nine months prior to the relocation of their division and twelve months thereafter.

(d) individual counselling will be provided to all employees with respect to: (i) their rights as employees faced with a reorganization and, (ii) what additional benefits they may be eligible to receive under the Superannuation Act.

List of National Health and Welfare Employees
Eligible for Transfer to Sydney, N.S.
as of June 28, 1983

Employee Names	Classification & Level	Salary Range
Dempster, M.	PM 6	$41,062 to $46,353.
Burns, S. M.	PM 4	$29,289 to $33,005.
Dewan, A. F.	PM 4	$29,289 to $33,005.
Legg, L. G.	PM 4	$29,289 to $33,005.
MacMillan, B.	PM 2	$24,741 to $27,872.
Murray, J. A.	PM 2	$24,741 to $27,872.
O'Quinn, A. C.	PM 2	$24,741 to $27,872.
Richardson, G. M.	PM 2	$24,741 to $27,872.
Noade, S. A.	AS 4	$28,571 to $31,793.
Walker, D. M.	AS 3	$26,451 to $29,513.
Ryan, B. J.	AS 2	$24,818 to $27,781.
Karlich, F. A.	AS 1	$22,304 to $25,826.
Lewin, J. W.	FI 2	$26,011 to $29,166.
Dempsey, D. C.	CR 5	$21,923 to $23,976.
Innes, J. C.	CR 5	$21,923 to $23,976.
Oldham, M. M.	CR 5	$21,923 to $23,976.
Poore, A. A.	CR 5	$21,923 to $23,976.
Porter, L. M.	CR 5	$21,923 to $23,976.
Raftus, V. E.	CR 5	$21,923 to $23,976.
Strople, D. E.	CR 5	$21,923 to $23,976.
Vautour, D. S.	CR 5	$21,923 to $23,976.
Beck, G. M.	CR 4	$19,315 to $21,121.
Burns, H. F.	CR 4	$19,315 to $21,121.
Cameron, K. M.	CR 4	$19,315 to $21,121.
Camus, S. M.	CR 4	$19,315 to $21,121.
Casson, E. P.	CR 4	$19,315 to $21,121.
Crandall, J. V.	CR 4	$19,315 to $21,121.
Flanders, E. M.	CR 4	$19,315 to $21,121.
Hamilton, R. M.	CR 4	$19,315 to $21,121.
Jewers, G. R.	CR 4	$19,315 to $21,121.
Jones, G. M.	CR 4	$19,315 to $21,121.
Joudrey, R. J. M.	CR 4	$19,315 to $21,121.
McDermott, L. M.	CR 4	$19,315 to $21,121.
Mackenzie, S. L.	CR 4	$19,315 to $21,121.
MacKenna, M. A.	CR 4	$19,315 to $21,121.
McNeil, H. I.	CR 4	$19,315 to $21,121.
Munroe, D. B. M.	CR 4	$19,315 to $21,121.
Pumphrey, C. J.	CR 4	$19,315 to $21,121.
Purcell, N. P.	CR 4	$19,315 to $21,121.
Rutka, N. M.	CR 4	$19,315 to $21,121.
Shirley, E.	CR 4	$19,315 to $21,121.
Skier, V. L.	CR 4	$19,315 to $21,121.
Tucker, N. M.	CR 4	$19,315 to $21,121.
Young, K. P.	CR 4	$19,315 to $21,121.
Darrington, D. M.	CR 3	$17,401 to $19,015.
Marriott, L. E.	CR 3	$17,401 to $19,015.
MacDonald, M. A.	CR 3	$17,401 to $19,015.
McManus, H. D.	CR 3	$17,401 to $19,015.
Belliveau, C. L.	CR 2	$14,583 to $15,826.
Creaser, S. L.	CR 2	$14,583 to $15,826.
Daye, V. M.	CR 2	$14,583 to $15,826.
Jacquemin, V. F.	CR 2	$14,583 to $15,826.
Martell, R.	CR 2	$14,583 to $15,826.
Martin, E. N.	CR 2	$14,583 to $15,826.
Raine, R. C.	CR 2	$14,583 to $15,826.
Themens, J.	CR 2	$14,583 to $15,826.
Sanford, D. B.	DACON 4	$18,978 to $20,752.
Adekayode, K. A.	DACON 2	$14,925 to $17,236.

Electoral Boundaries Readjustment Act

Employee Names	Classification & Level	Salary Range
Rice, B. A.	OEMEO 4	$18,239 to $20,588.
MacInnis, W. M.	OEMEO 3	$16,676 to $18,813.
Mitchell, C. E.	OEMEO 3	$16,676 to $18,813.
Chaddock, P.	STOCE 2	$16,380 to $17,866.
McCarthy, T. G.	STOCE 2	$16,380 to $17,866.
Mifflin, G.	STSCY 2	$17,991 to $19,671.

Note: Salary Range as of January 1, 1983.

[*Translation*]

Mr. Evans: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Deputy Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

● (1220)

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS TO COMMISSIONS' REPORTS RESPECTING QUEBEC, ONTARIO, BRITISH COLUMBIA, NEWFOUNDLAND AND NORTHWEST TERRITORIES

The House proceeded to the consideration of objections to the reports of the Electoral Boundaries Commissions for the Provinces of Quebec, Ontario, British Columbia, Newfoundland and the Northwest Territories.

Mr. Nielsen: Mr. Speaker, I have a point of order affecting the conduct of the debate on these reports. The Chair will recall that yesterday a House Order was passed by unanimous consent. Its text is to be found at page 6155 of yesterday's *Votes and Proceedings*. It was ordered:

That, on Friday September 16, 1983, upon reaching Orders of the Day, the House shall take up and consider the objections to the Reports of the Electoral Boundaries Commissions for the Provinces of Quebec, Ontario, British Columbia and Newfoundland and for the Northwest Territories;

That, at 3:00 o'clock p.m., consideration of the objections shall be adjourned; and

That the reports of the Commissions be referred back to the Chief Electoral Officer when consideration of the objections is completed by the House.

Sir, my point of order relates to the procedures to be followed by the House in dealing with Members' objections to the reports of the Electoral Boundaries Commission for the Provinces of Newfoundland, Quebec, Ontario, British Columbia, and the Northwest Territories. The House Order passed yesterday stipulates that the objections be taken up and be considered between the end of Routine proceedings today and three o'clock p.m. However, Mr. Speaker, the House Order failed to stipulate the manner in which these objections would be dealt with. My colleague, the Hon. Member for Esquimalt-Saanich (Mr. Munro), rose to seek clarification of the procedure to be followed and the Government House Leader indicated the objections would not be dealt with seriatim but that any objection could be addressed in any way by any Member.

I submit, Sir, that the rules and practices of this House do not permit objections to be considered in this manner unless the procedure is clearly spelled out in the House Order. Looking back to the procedure followed in 1966, one can see that the practices of the House were to consider each objection to each report individually.

I do not want to take up too much of the House's time with this but I will refer you to one specific example of this procedure. At page 4424 of *Hansard* for April 28, 1966, the following words are found:

MR. SPEAKER: On February 15 last a notice of objection in the form of a motion was filed with me in the following terms:

I will not read the motion. He then went on to say:

This is objection No. 11 and can be found at page 22 of the pamphlet distributed to Hon. Members.

At page 4432 of *Hansard* for the same day we see that the debate on this objection is completed and the House moves on to consider the next objection. The Speaker's words on that occasion were as follows:

THE ACTING SPEAKER (MR. RINFRET): Has the house concluded its consideration of objection No. 11 concerning the province of New Brunswick?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER (MR. RINFRET): The House having considered this objection, it will be my duty pursuant to section 20 of the Electoral Boundaries Readjustment Act to refer the report of the Boundaries Commission, together with a copy of the objection and also a copy of the debates of the house, back to the commission for reconsideration thereof. We shall now proceed with the consideration of the objection concerning the province of Alberta, Objection No. 2, found on pages 2 and 3 of the pamphlet.

In 1976, the next debate on the reports of the Electoral Boundaries Commission, the Government House Leader anticipated procedures which would have to be followed and moved a motion before each debate that permitted objections to different reports to be considered at the same time. Examples of these motions can be found at pages 11706, 12363 and 12412 of *Hansard* for 1976. With your permission, Mr. Speaker, I would like to read one of those motions into the record for sake of comparison with yesterday's House Order. It is to be found at page 11706 of *Hansard* for March 11, 1976:

That at 8:00 p.m. this day the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for the province of Nova Scotia;

That, after completion of consideration of the said report, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for British Columbia, but, if consideration of the report for Nova Scotia has not been completed at 8:40 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for British Columbia; and

That, after completion of consideration of the said report for British Columbia, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for Alberta, but, if consideration of the report for British Columbia has not been completed at 9:20 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for Alberta—

That motion was agreed to on the following page of *Hansard* for that day. At page 12363 of *Hansard* for April 1, 1976, the then House Leader, Mr. Sharp, said:

MR. SHARP: Mr. Speaker, hopefully, I will have the agreement of the House to approve a motion which appears under notices of motions at page 13 of today's order paper as follows:

That, on Monday, April 5, 1976, the House shall continue to sit between 6.00 p.m. and 8.00 p.m.;

That, on Tuesday, April 6, 1976, the House shall not adjourn until the completion of the business provided for in this order;

That, on the aforementioned days, no private members business shall be taken up;

That, on the aforementioned days, the business taken up shall be the consideration of objections to reports of Electoral Boundaries Commissions;

That all objections to any given report be considered at the same time;

That the objections or groups of objections, as the case may be, be considered in the order in which the objection or first objection in the group, as the case may be, was laid upon the table; and

That during the consideration of any objection or group of objections, as the case may be, no member shall speak more than once, nor for more than twenty minutes.

At that time the then Hon. Member for Grenville-Carleton was the Opposition House Leader and he said:

Mr. Speaker, the Government House Leader has discussed the matter with me and we are prepared to consent.

Consent was had on that occasion. I would also ask the Chair to look at page 12412 of *Hansard*, April 2, 1976 where again the point I make is quite clear.

As you will note, Mr. Speaker, the House Order used in 1976 provided for separate consideration of the objections to each report. This is the most important point, Sir, because the rules of the House hold that only one question may be before the House at any given time. Citation 411(3) of Beauchesne—

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member. He is overwhelming in his eloquence and the Chair might be prepared, without offending the Hon. Member, to indicate that he has put a very persuasive case and does he need to put it further?

Mr. Nielsen: I just need 60 seconds, Sir. I want to cite to the Chair Citation 411(3) of Beauchesne's Fifth Edition which supports my contention that such matters have to be dealt with separately.

I suggest, Sir, that because no provision was made in the House Order yesterday to call the objections and reports separately, each objection to be considered today must be called individually and the debate then adjourned on each by 3 p.m. not only to meet the terms of the House Order passed yesterday but the established practice of this House. Furthermore, Sir, I am somewhat concerned about the procedure that was followed earlier this year with respect to the objections on which debate has already commenced, and therefore I would ask you to consider the acceptability of the procedures followed, particularly on March 18, 1983, when objections to the reports for the Provinces of New Brunswick, Prince Edward Island and Manitoba were considered.

Thank you, Sir.

● (1230)

Mr. Evans: Mr. Speaker, I have listened with care to what the House Leader for the Opposition (Mr. Nielsen) has said and I do believe that it is entirely proper to group together objections of this kind and to debate them in that way. That was the situation earlier this year when we examined the objections with regard to the reports of the Electoral Boundaries Commissions for other Provinces. Certainly that was the case on June 17, at which time we examined the reports of the Electoral Boundaries Commissions for Nova Scotia and Saskatchewan. Objections with regard to both of those reports were given at that time and debate was, as is provided in the House order for today, adjourned to a later date.

The purpose today, obviously, was to open debate on these matters so that all who wished to speak could speak today and to continue the debate at a later time. I suggest that the House order stands on its own. The House order is clear and the procedures are entirely in order.

Mr. Deputy Speaker: The Chair is in the hands of the House. To the best knowledge of the Chair, the House order does not specifically state that they must all be debated together. I would like to have a copy of the order, if I may. However, it seems to me that if the House wishes to consider items individually, seriatim, then that would be a normal and appropriate way of proceeding.

The House order reads as follows:

By unanimous consent, it was ordered,—That, on Friday September 16, 1983, upon reaching Orders of the Day, the House shall take up and consider the objections to the Reports of the Electoral Boundaries Commissions for the Provinces of Quebec, Ontario, British Columbia and Newfoundland and for the Northwest Territories;

That, at 3.00 o'clock p.m., consideration of the objections shall be adjourned; and

That the reports of the Commissions be referred back to the Chief Electoral Officer when consideration of the objections is completed by the House.

The House order does not specify that they must all be discussed at once. The Chair is quite prepared, if that is the wish of the House, to accept the motions seriatim as proposed, and suggests that we get on with the debate. Are there any further comments?

Mr. Evans: Mr. Speaker, the understanding is, of course, that all of the reports are open and that all of the statements of objection are subject to debate. I think the House order is quite clear that debate will commence on all of these items and that it will resume at a later date with regard to all of these items.

Mr. Deputy Speaker: The Chair has made a ruling that the House order states that they shall be considered in the course of the afternoon. It does not specify that all are to be debated at one time. That is not in the House order and unless there is unanimous agreement that that should be the case, the normal parliamentary procedure would be to consider the items seriatim. I suggest that we would need unanimous consent of the House to vary a normal agreement.

The House order, in the opinion of the Chair, does not specify that all items should be considered or be open for debate at the same time. Short of a specification in the order,

the Chair is quite prepared to accept the argument of the Hon. Member for Yukon (Mr. Nielsen).

Accordingly, we will discuss objection No. 8, I believe. Shall I dispense with the reading?

Mr. Nielsen: You might identify the constituencies.

Mr. Deputy Speaker: The objection to provisions of the report of the Electoral Boundaries Commission for the Northwest Territories is as follows:

That, pursuant to Section 20 of the Electoral Boundaries Readjustment Act (Chapter E-2, R.S.C., 1970), consideration be given by this House to the matter of an objection to the provisions of the Report of the Electoral Boundaries Commission for the Northwest Territories, laid before this House by the Speaker on Friday, June 3, 1983, on the grounds set forth hereinafter:

1. The Commission failed to give adequate attention and consideration to geographical, political and demographic factors when planning the redistribution of electoral boundaries within the Territories, factors which are specifically provided for by subsections 13(*c*)(i) and 13(*c*)(ii) of the Electoral Boundaries Readjustment Act to be included in the terms of reference of the Commission.

2. In particular the Commission continued to exclude the Municipality of Tuktoyaktuk and the adjoining Beaufort Sea coastal area from the electoral district of Western Arctic although the economic, cultural and transport related ties of this area are with the Mackenzie Delta in the Western Arctic rather than with the main body of the Nunatsiaq electoral district.

3. The Commission did not give adequate consideration to all of the representations made to the Commission during the public sittings that were held in the months of March and April, 1983.

4. And such other objections that the undersigned Members may consider applicable in order to carry out the spirit and terms and conditions of the Act in question.

Is it necessary for me to read the names of the Hon. Members who have signed?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, again I seek clarification. We now have at least three suspended discussions with regard to New Brunswick, Nova Scotia and Saskatchewan. Am I to understand from Your Honour's ruling that these matters are to be dealt with seriatim—according to the information which was conveyed yesterday, although I do not see it in the House order, concerning Quebec, Ontario, British Columbia, Newfoundland and the Northwest Territories—that we will conclude debate on Quebec today—

Mr. Nielsen: No.

Mr. Munro (Esquimalt-Saanich): —and conclude debate on Ontario?

Mr. Nielsen: No, no.

Mr. Munro (Esquimalt-Saanich): I am seeking clarification on this matter so that the record will show that we are not concluding the debates on any of them. We are having a ragtag and bobtailed sort of mess created here by not dealing with them conclusively, one at a time, in the order that was—

Mr. Deputy Speaker: I think the Chair can set the Hon. Member straight. There is an item before us. It is open to debate. This afternoon the House will deal with the items listed for debate. The matters that he has raised are not listed for debate this afternoon. The debate will be adjourned at three o'clock.

Mr. Nickerson: I rise on a point of order, Mr. Speaker. I was of the impression that we were to proceed this morning with objections to the report of the Electoral Boundaries Commission for the Province of Ontario.

Mr. Deputy Speaker: The point of order has been raised, and by the House Leader for the Hon. Member's Party. The Chair has clearly ruled that what is before us are the objections to the Nunatsiaq electoral district. That is the item before us. That is the item open to debate.

Mr. Nielsen: That being the report that was first tabled; and we will be taking these in sequence as they were tabled with the Chair. That might help to clarify the matter.

Mr. Deputy Speaker: If there are no Hon. Members rising to be recognized—the Hon. Member for Western Arctic.

Mr. Nickerson: If the Chair would kindly allow me to continue with my point of order, I was saying that in conversations with my colleagues this morning I was of the understanding that the procedure was to proceed with the report of the Electoral Boundaries Commission for Ontario. As a consequence, I do not have my notes with me and, being the Member for the Northwest Territories, I am most interested in engaging in the debate of this particular objection.

I would therefore request unanimous consent of the House that consideration of the objection to the Electoral Boundaries Commission for the Northwest Territories be held over until later this afternoon.

Mr. Nielsen: Mr. Speaker, that is perhaps a suggestion which will lend itself to acceptance by the House, particularly as the Hon. Member on the Government side, the Hon. Member for Nunatsiaq (Mr. Ittinuar), who has filed the objection, is not with us today. The House might want to consider what has happened thus far, the commencement of the debate under the law, and consent that this debate now be adjourned to be taken up at some later date.

● (1240)

Mr. Deputy Speaker: Accordingly, we will adjourn the debate on the previous item. Is that agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: We will now proceed by agreement to the next item, the objections related to the federal districts in the Province of Quebec. If it is the wish of the House I will read the objections, but shall I dispense?

Some Hon. Members: Dispense.

Mr. Nielsen: Mr. Speaker, as long as we are clear that they will be dealt with seriatim. I think the Chair would help us by identifying each of the reports as they were filed with the Table so they will be taken in that order.

Mr. Deputy Speaker: Perhaps the Chair will be permitted a few moments before replying to that. Meanwhile, the debate concerning the objections to the Province of Quebec could commence. At the earliest opportunity perhaps the Chair could set that on the record in order to assist the Hon. Member for Yukon. Are there Hon. Members seeking to be recognized at this point?

Mr. Cullen: Mr. Speaker, I know from talking to some of my colleagues from Quebec that they had not anticipated this. I wonder if we could "prorogue" for five minutes?

Mr. Deputy Speaker: The Hon. Member for Verdun-St. Paul (Mr. Savard) seeks to be recognized. The Chair recognizes him at this point.

[*Translation*]

Mr. Raymond Savard (Verdun-Saint Paul): Mr. Speaker, I am very pleased with this opportunity today to make a few comments on the readjustment of electoral boundaries. On February 17 of this year, I appeared before the Commissioners to submit objections concerning my constituency of Verdun-Saint Paul, which I have represented in the House since 1977. I drew their attention to some minor changes regarding my constituency. My purpose was to draw their attention to these changes that would enable me to maintain proper representation of this constituency in Parliament. I feel the changes are in accordance with the Elections Act, and I earnestly hope that the Commissioners will endorse my recommendations and so keep parishes and communities intact.

The changes I am proposing are aimed solely at maintaining the natural identity of the constituency, and as such, they also meet the population requirements as defined by the Commission. After several meetings with my constituents, I was told by everyone that the Commission definitely had to respect the wishes of the people.

At the meeting on February 17 of this year, a number of Members concerned by the adjustments appeared before the Commission to support these recommendations and provide additional information.

Mr. Speaker, today, I would like to talk about the history of my constituency. The town of Verdun is more than a hundred years old. When the history of Montreal was written, the author may not have had much to say about the history of this very small piece of land. The fact is, that although the land was parcelled out some time ago, it was not developed until much later. Until the beginning of this century, the town of Verdun was a swamp flooded by the St. Lawrence for most of the year.

The present town occupies a narrow strip between the St. Lawrence and the Lachine Canal, and it was not until 1852 that the town began to take shape. Nowadays, Verdun has a very high population density, although there has always been a ban on buildings over three stories high. Only Ile-des-Sœurs has allowed the construction of modern apartment highrises during the last few years. Within a period of 100 years, Verdun's population has grown from its initial 200 inhabitants to its present number of 80,000, a case that may be unique.

Like all towns, the population of Verdun is made up of members of the working class, led by a middle class elite—relatively speaking—a small aristocracy of upstanding citizens. Today, Verdun has made a name for itself in more than one field, but on the whole, its leaders have been content with modest aspirations. As the town developed, it always kept its identity as a parish. If we are to understand the significance of such statements, I think it is essential to recognize that the attitudes, traditions and habits of communities that develop in an urban environment are fundamentally different from those in rural centres.

It is common knowledge that in smaller centres, there is a trend towards movements, groups and associations that tend to attract people with common interests. This very typical tendency is often due to a very definite desire and motivation to acquire the mechanisms, institutions, tools and means to renew, in some cases, and to improve and develop in others, the community's social, cultural, economic, athletic and other resources. Verdun has 21 churches, including 7 Catholic churches and 14 Protestant churches, the latter representing 7 denominations. Over the years, a school administration has developed with components representing communities that have worked together and developed in the same environment in the course of time.

Economically speaking, Verdun was able to develop its territory by taking advantage of the land available on Île-des-Sœurs and bringing in service industries which provided jobs for local people. The entire community always has direct access to its federal Member of Parliament and the Commission should realize that it must respect the identity of this community and refrain from further enlarging its territory, bearing in mind that part of the territory of Montreal, namely Côte-St. Paul and Ville-Emard, is already part of this federal constituency.

Finally, Mr. Speaker, I earnestly hope that constituencies that have objections will be allowed to ask for a new adjustment before the changes proposed by the Commission are accepted, so that we can have a chance to submit the views of our constituents.

[*English*]

The Acting Speaker (Mr. Blaker): I think it is incumbent upon the Chair to explain to the House that as an occupant of the chair I am unable to enter into debate. Even if I were not presently in the chair, the regulations prohibit my expression of any comments during debate.

Since the matter is rather a technical subject, I thought it would be acceptable to the House if some other Hon. Member took up the objection which I raised in reference to my own riding. That being the case and provided the House is agreed, I

would recognize the Hon. Member for Sarnia-Lambton (Mr. Cullen) for that purpose.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I consider it an honour to be a surrogate in this particular instance and because it makes such eminent good sense I am quite happy to make the point.

The riding of Lachine has been so named for 15 or 20 years. The new name proposed by the Commission is "Jacques-Cartier". It is the same name as one of the provincial ridings within the boundaries of the present Lachine. Accordingly, it is the recommendation that the name "Lachine" should be adopted to avoid any confusion with the provincial seat.

The Acting Speaker (Mr. Blaker): May I repeat the procedure that the House has adopted and was adopted, as I understand, by unanimous consent. It is that rather than proceed by Province, objections will be dealt with seriatim in the order that they exist in the hands of the Chair. Perhaps the Hon. Member for Esquimalt-Saanich (Mr. Munro) raises the point which I feel is important to the House. My understanding is that we are not proceeding by grouping of Provinces but rather by the order in which they appear in the hands of the Chair seriatim.

Therefore, the next objection which I have in fact deals with the Province of Ontario, which is irrelevant in the procedural sense, and would deal with what I would expect to be the riding called Glengarry-Prescott-Russell.

• (1250)

Mr. Nielsen: Mr. Speaker, I rise on a point of order. First, with respect, we are not proceeding in the manner in which we were proceeding by consent but in accordance with the rules. That was the ruling of the Chair.

Second, it is my understanding of dealing with matters seriatim that each of the reports in the order in which they reached the Table are to be called. We have dealt now with the Nunatsiaq. We have dealt with the Chair's riding and we must now, I would suggest, proceed to identify the ridings for which reports have been filed in each of the other cases where objections have been filed in the Province of Quebec in the order in which they were laid upon the Table.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on the same point of order. When I used the word "seriatim" yesterday, I intended it to mean Province by Province as indicated in the agreement that was reached yesterday. However, since the "seriatimness" of the proceedings—if I may use the term—has been changed, and I quite see that this does make eminent sense, may we have now the order in which the various objections were tabled so that we may have some time to prepare? That could be done between now and two o'clock. The Speaker does seem to have a whole list and I would be interested to know whether I shall be on my feet with respect to Esquimalt-Saanich in British Columbia today or some time next week.

Mr. Nielsen: Mr. Speaker, perhaps in order to allow the Chair an opportunity to consider the procedure, as well as the Government, and since it is very close to one o'clock, Hon. Members might wish to call it one o'clock and come back at two o'clock and deal with the matter.

The Acting Speaker (Mr. Blaker): I think the proposal made by both the Hon. Member for the Yukon (Mr. Nielsen) and the Hon. Member for Esquimalt-Saanich (Mr. Munro) may make sense.

Let me explain to Members that what I have in hand are objections raised in the order in which they were received by the Chair. That is to say, they will move from one particular riding to another in that order and we will necessarily be crossing provincial boundaries as we proceed with debate. The Hon. Member for Yukon indicated, quite rightly, that the Deputy Speaker made his ruling to the effect that we would proceed seriatim. The word seriatim in this case means in the same order as the objections were received by the Chair.

Perhaps I can be of some use to Hon. Members if I were to take a moment just before one o'clock to follow the suggestion made by the Hon. Member for Esquimalt-Saanich and read to Hon. Members the list of ridings which are under consideration. I am going to have a problem with that—I will recognize the Hon. Member for Vaudreuil (Mr. Herbert) in a minute—because the manner in which these objections have been provided to me is such that the name of the particular riding is not given within the form of the objection. One has to draw a conclusion by reading, in some cases, the list of signatories to the objection, and in that fashion being able, hopefully, to guess correctly which riding is under debate.

I think in the circumstances I ought to ask the Table officers if they would be so kind over the period from one o'clock to two o'clock to make sure that by two o'clock I am able to provide the House with an accurate, updated list of the ridings to which objections have been made in the order they have been made, in accordance with the ruling made by the Deputy Speaker earlier.

I think the suggestion made by the Hon. Member for Esquimalt-Saanich is very much in order. Perhaps with the co-operation of the Table officers the list of ridings could be made available in photocopy form in both languages and put on the desks of all Hon. Members by two o'clock.

If that is agreeable to the House I will now recognize the Hon. Member for Vaudreuil (Mr. Herbert) on a point of order, and certainly I think in the circumstances I would want to entertain the suggestion that we call it one o'clock as soon as everybody is ready.

Mr. Herbert: Mr. Speaker, if we are going to call it one o'clock, there is no problem. I wanted to make a remark on the constituency of Lachine, the matter presently under discussion. While originally I was under the impression that I could make my remark at any time up to three o'clock, if under the new set-up something is to be concluded and I cannot get back to it, then I raise that problem. However, if we are going to adjourn at one o'clock, let us leave it until two o'clock.

The Acting Speaker (Mr. Blaker): If I may deal with that, the Hon. Member is quite correct. Under the ruling made by the Deputy Speaker earlier, we are going to dispose of these objections riding by riding. At the end of the debate in the case of each and every riding, I would then indicate that the debate is adjourned on the subject matter of that riding. When the Hon. Member for Vaudreuil indicates that he would like to comment on the subject, in this case regarding Lachine, that is in order and it would be important that he have the opportunity to do so before the Chair declares the debate on that riding is adjourned.

If, then, the House is agreeable to calling it one o'clock, we would understand that at two o'clock debate will reopen and continue on the subject matter of the riding of Lachine. Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Accordingly, I will call it one o'clock.

I see the Hon. Member for Algoma (Mr. Foster) is rising on a point of order.

Mr. Foster: Mr. Speaker, I think it is important to note that we are dealing with objections on a provincial basis, not on a constituency basis. It was my understanding that we were dealing this morning with NWT. That was put aside for later consideration. We have been dealing with the Province of Quebec and I assume we will continue with that. It seems to me that we are going on a province by province basis because the objections are filed on that basis. I see you are shaking your head, Mr. Speaker, but it is my understanding that the way we should deal with these objections, on a provincewide basis and we will go on with whatever province is next on your list, Ontario or whatever. In other words, we will deal with them on a province wide basis. Everybody who wants to speak on the objections which they have on that province has that opportunity to do so. It does not preclude adjourning the debate for further consideration at another time. That seems to me to be the most orderly way to do it.

I think the Hon. Member for Esquimalt-Saanich (Mr. Munro) just wants to know when the B.C. objections would be heard so he would have an opportunity to debate his objections at that time. I hope that is the basis on which we will proceed after lunch.

The Acting Speaker (Mr. Blaker): I want to make clear to the Hon. Member and to any other Hon. Member who may be either suffering from a misunderstanding or who may wish, indeed, that we would proceed in the fashion as described by the Hon. Member for Algoma (Mr. Foster) that in fact, we are not proceeding in that manner. That was determined in the ruling made by the Deputy Speaker previously in the Chair. My understanding is that Hon. Members understood me clearly and understood my predecessor clearly. We are going to proceed riding by riding without distinction of provincial boundaries. That is the ruling made already.

I will give Hon. Members an example of how we will proceed. The debate currently is on the riding of Lachine in the Province of Quebec. It will be followed by debate, although it is not clear from the format, on the riding of Glengarry-Prescott-Russell, in the Province of Ontario. That will be followed by a debate on the riding of Rimouski-Témiscouata, in the Province of Quebec. The following after that will again be Quebec. The following after that will be a riding in the Province of Newfoundland. It is clear to Members that they will be proceeding by ridings without reference to provincial boundaries.

I repeat again the debate will continue at two o'clock on the subject matter of the riding of Lachine.

Mr. Prud'homme: Mr. Speaker, if I may contribute a little to this debate, what seems to be quite confusing to Members is this. I was under the impression that we would proceed province by province. I think we could certainly agree at least to proceed district by district within provinces, which will make more sense. If there are Members who want to make representation, at least they will be aware at a certain time in the day or at a time later that their province will be called. They will have to wait their turn if they want to speak about a certain district within a province.

• (1300)

I would just like to put on the record for supplementary consideration during the lunch hour that we will not jump from one region of Canada to another one. I put to my good friend with whom I co-operate all the time, the Hon. Member for Yukon (Mr. Nielsen), whether it would not be more orderly if we proceeded district by district but within each province of Canada.

I will not participate in the debate. I want to listen to it, though; I am very interested in listening to my colleagues. I made no representation; I only signed one for a colleague of mine in the Province of Quebec. I think we would proceed more orderly if we proceeded province by province, eliminate the possibility of debate within a province and then move on to another province. I have no strong feeling on that, but I wanted to submit it for consideration during the lunch hour.

Mr. Evans: Mr. Speaker, I think there has been a great deal of confusion here. That confusion is unnecessary because yesterday when the House order was put forward and given unanimous consent, the President of the Privy Council (Mr. Pinard) was asked by the Hon. Member for Esquimalt-Saanich (Mr. Munro) how we would proceed, and because the debate was on a Friday, there were Hon. Members who would not be here but who would want to participate in the debate. At that time the President of the Privy Council indicated precisely what was the meaning of the House order.

As reported on page 27151 of *Hansard*, the question by the Hon. Member for Esquimalt-Saanich was:

> Madam Speaker, my point of order is about the debate on the objections to the electoral boundaries. The President of the Privy Council mentioned the objections from a variety of Provinces, including Quebec and British Columbia.

There were probably others. It is not clear to me, however, whether we will be dealing with them seriatim or whether they will be mixed and anyone can rise having objections under Quebec, then British Columbia and then Ontario. I think clarification on that is required.

Then the President of the Privy Council, who drafted the House order which was passed unanimously yesterday, responded by saying, as reported at page 27152 of *Hansard:*

Yes, Madam Speaker. As soon as they are recognized, Hon. Members will be able to express their views and speak to the objections of their choice, whatever the Province. That is why we do not want the debate to be terminated at 3 p.m., since we realize that not all Hon. Members will be able to speak tomorrow, considering the number of Provinces involved. However, as the Hon. Member for Yukon (Mr. Nielsen) pointed out, by law, we have no choice but to start the debate, and we want it to cover all the Provinces and Territories I mentioned earlier, but, as the Hon. Member pointed out, when a Member is recognized, he is free to speak to the electoral boundaries of a constituency in any of the four or five Provinces and Territories I mentioned before.

The confusion we now have has arisen for some reason, but there is no doubt in *Hansard* what was the intent of the President of the Privy Council when he put forward that motion. The explanation was clear prior to its being given unanimous consent by Hon. Members of the House.

Mr. Nielsen: After, after.

Mr. Evans: I would like now to call it one o'clock and perhaps prior to two o'clock we could come to some agreement as to the precise meaning of this so that we can commence the debate as intended at two o'clock.

The Acting Speaker (Mr. Blaker): In response to the remarks of the Hon. Parliamentary Secretary, obviously it is to the benefit of all Hon. Members of the House the decision be made now so that Hon. Members coming in at two o'clock will know where they are going.

May I in the briefest way indicate to Hon. Members what has happened. The Hon. Member for Yukon rose. He referred to various aspects of procedure and made various quotations from authorities on the subject. He sought a ruling from the Deputy Speaker as to whether or not objections to ridings would be debated seriatim, as he said, in the order they were presented to the Chair. The Deputy Speaker ruled that they would be in that order. That means there will be a transfer from one particular province to another. That ruling is perfectly clear.

As the Hon. Member for Saint-Denis (Mr. Prud'homme) suggested and as I think the Hon. Parliamentary Secretary is suggesting, the House may decide that it should go a different way, by grouping ridings by province. The Chair has no difficulty in that regard. What I am faced with, however, is that my predecessor has made a ruling and obviously I will not overrule it. Hon. Members can easily find a way out. If by unanimous consent they wish to proceed in another manner, there is no difficulty. I thought it would be a courtesy to the House to have the decision made before the lunch hour so that Hon. Members could return knowing what is happening.

Mr. Prud'homme: One o'clock, Mr. Speaker.

Mr. Nielsen: One o'clock.

The Acting Speaker (Mr. Blaker): Then I have to say, as I have already indicated, that we will proceed on the ruling which is in effect as of this time. At two o'clock Hon. Members will find on their desks lists of the ridings in the order in which they have been handed to the Chair for the purposes of debate. If the House decides on some different approach at two o'clock, so be it.

It being after one o'clock, I do now leave the chair with some relief until two o'clock this afternoon.

At 1.06 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, Hon. Members who were present at that time will recall that there were several points of order raised as to the manner in which the House might best proceed for discussion of the objections which have been provided to the Chair, and now to the House, related to electoral redistribution in the various provinces of Canada.

This morning, my predecessor in the chair, the Deputy Speaker, had ruled on a point of order raised by the Hon. Member for Yukon (Mr. Nielsen) and the ruling in effect requires that discussions in the House proceed, not by province nor grouped by province, but seriatim by riding in the order in which the objections were brought to the attention of the Chair.

Following that, several Hon. Members suggested that it might be more convenient if the objections to the individual ridings were raised and dealt with province by province. Since it is not the intention of the Chair to overrule the ruling of my predecessor, it would then be a matter for unanimous consent if the House decides to proceed in some fashion different from that ruled on by the Deputy Speaker.

I would like to make one thing particularly clear to all Hon. Members. It may lurk in the minds of some Hon. Members that if an Hon. Member does not raise an objection to the Electoral Boundaries Commission redistribution of ridings today, such an Hon. Member may in some fashion lose some right or prerogative which he might otherwise have.

• (1410)

It is the intention of the Chair, just prior to three o'clock, at which time the House Order calls for an adjournment of the debate, to read the list of ridings, whether grouped by province or not is irrelevant, and to indicate that debate on objections to those ridings will adjourn and has been adjourned as of three o'clock.

Further debate is entirely in order but to underline the point I am making, no Member, whether present or absent, whether he or she speaks or does not speak to the subject matter of an objection to a riding, will in any way lose his or her right to

entertain or to enter into debate at another time, subject of course to the usual proceedings and the matter being again brought before the House.

At this moment I have before the House debate on the subject of the riding of Lachine in the Province of Quebec. I would point out to Hon. Members that it is a particularly interesting case as it happens to be the riding I have the honour to represent, but I am not allowed by regulation or by Standing Order to enter into discussion in that regard. In that case I would proceed to recognize the Hon. Member for Vaudreuil (Mr. Herbert).

I am also aware that in one particular case one of the Ministers of the Crown has a flight to catch and will ask whether she might seek the unanimous consent of the House to accommodate her in that regard.

I will now recognize Hon. Members on points of order so that we may proceed.

Mr. Nielsen: Mr. Speaker, you have stated what the intention of the Chair is to be at three o'clock. With great respect, I suggest that that initiative is a Member's initiative and not that of the Chair. It was my intention, and I so conveyed it to the Parliamentary Secretary to the President of the Privy Council (Mr. Evans), that I would be rising at five minutes to three to make a suggestion to the House, which I think will be acceptable, as to how to deal with these matters by three o'clock, by unanimous consent.

With respect to the Hon. Minister who has an airplane to catch, we would be very pleased to accommodate her if you would be disposed to call the objection she is interested in prior to the calling of any others.

Mr. Peterson: Mr. Speaker, I commend you on the clarity with which you defined the situation. Prior to the luncheon adjournment you indicated that it might be possible to have a list of the objections by electoral district or riding distributed to every Member. I wonder if it has been possible for the Clerk to arrange for that to be done.

The Acting Speaker (Mr. Blaker): May I refer Hon. Members to the projected order of business for the day. The Clerks at the Table have accepted the request made earlier through the Chair that the series of objections be made available to all Members of the House. They are in the order that I have described, that is, by time reference to when they appeared in the hands of the Chair. Unless the House chooses some other mechanism of doing business, that would be the order in which I propose to continue.

That leaves me a problem and perhaps I can resolve it by suggesting that if the Hon. Member for Vaudreuil is agreeable to the proposal made by the Hon. Member for Yukon, we would put aside debate on the riding of Lachine for the moment and allow the Minister of Consumer and Corporate Affairs (Mrs. Erola) to proceed with the objection in which she is interested.

Is that agreeable to all Members of the House?

Some Hon. Members: Agreed.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the convenience of being able to present my objections this afternoon and I thank Hon. Members of the House for their kindness.

I rise today on a matter of supreme importance to my constituents. I might add that I had promised them that today was going to be the day I raised these objections, and they are most keen to hear them.

I might add as well that I am doing what I think is the most important thing a Member of Parliament is elected to do, and that is to protect and fight for the people we represent.

There are few more solemn bonds in our national institutions than those between the electors and the elected. To the elected official, the people in the communities he or she represents are not numbers on a StatsCan ledger, or social insurance or telephone numbers. They are not a faceless collection of nondescript human ciphers. Our constituents are the women, men and children we meet in our offices, on the street, in the schools, stores and businesses, at the untold number of meetings and social gatherings we attend. They are real people with real concerns, opinions, and attitudes. They have something to say and it is my job to listen and bring their concerns to the House. We must see that whatever subsequent action that may be required is taken to make government represent fully their interests and satisfy their wishes.

It is true that the women and men elected to represent a constituency by necessity assume a sense of geographic parochialism. In most cases it is a sense of home and family. One does not arbitrarily toss a dart at an electoral map and declare an intention to run for office and then pretend to truly represent the people residing therein. We are elected not because we hope to descend from on high and offer our services to the people we hope to represent. No, Mr. Speaker, we must be totally a part of the people, chosen through their collective wisdom as the person they feel most comfortable with as their voice in the larger institution of government.

Consequently, a Member of Parliament regards the people of his or her riding with not only respect, a sense of service and a desire to better their lives, but with a certain reverence much akin to the sanctity of the family. Each and every person who resides in my riding is important to me, no matter what his or her political affiliation, regardless of whatever disagreements there may be with my particular views on any number of issues. Let me assure you that they let me know! As in any family, differences exist, but the bond of commonality, of shared interests and experiences, transcend the strains which may occur from time to time.

So, Mr. Speaker, I stand here today in this chamber, so distant in geography and daily experience from the people of Nickel Belt, to come to the defence of communities in my riding which threaten to be orphaned—literally orphaned—by the electoral distribution process.

Quite frankly, Mr. Speaker, I never thought I would find myself forced to justify to the higher powers the inclusion, the continued membership in the Nickel Belt family, of the Town

of Nickel Centre, the east side of the community of St. Charles and surrounding townships. I can only compare this situation to the Mayor of Toronto having to argue that the CN Tower is part of Toronto, or the Mayor of Montreal arguing that the Olympic Stadium is in Montreal, or the Mayor of Ottawa having to convince others that Parliament lies within the national capital. This is no exaggeration or histrionics, Mr. Speaker. Nickel Centre is as much a part of Nickel Belt as is Walden, Valley East, Onaping or Whitefish, where I reside.

Mr. McGrath: All aboard.

Mrs. Erola: Come aboard! We would love to have you but there are no fish there, unfortunately.

St. Charles, Mr. Speaker, has been placed in what can only be described as a totally ludicrous situation. On one side of the street a person who needs to contact his or her federal representative would, as is now the case, come to my office in Sudbury, while his neighbour on the other side of the street would have to go to Kirkland Lake, a locality, pleasant as it is, as different in makeup as Calgary is to Sudbury.

What I find most surprising, and I must say disturbing, Mr. Speaker, is that in the original redistribution proposal, Nickel Belt was threatened with the loss of the town of Onaping Falls. We dealt with that through proper channels. This community is not only bonded to the Nickel basin communities by reason of geography and commerce, but is actually a member of the regional municipality of Sudbury.

This proposal to lop off a limb of the Sudbury tree was vigorously and vehemently opposed by me and hundreds of concerned parties from the entire region. We made our representations very forcefully and I am pleased to see an obvious absurdity has been corrected. However, you can imagine my surprise when the changes were unfolded and I was faced with an identical situation by the proposal to take the Town of Nickel Centre to a patently unnatural electoral family.

● (1420)

Nickel Centre, like Onaping Falls, is also a member of the regional government, with all the attendant interlocking services which governments of a region offer. While Nickel Centre, I might add, takes pride in its individual character, it is nevertheless an integral component of the regional municipality with its focus being the City of Sudbury. It looks to the Sudbury population centre for its commercial interests, its transportation needs, its media coverage and information systems.

To suggest that the people of Nickel Centre should or could cut themselves out of the Sudbury basin orbit and then develop an arbitrary affiliation with the riding of Timiskaming, with its nucleus in Kirkland Lake, is really quite silly to the residents of the area. It would be laughable if it were not such an affront to the years of traditional association these citizens cherish with their fellow citizens in the other Sudbury basin communities.

I am quite sure that the designers of this anomaly could not have done so deliberately, having an awareness of the on the street impact which such a change would create. I point now to another town, that of St. Charles.

[*Translation*]

As far as St. Charles is concerned, Mr. Speaker, I must say that a community divided is a sad sight to see. As I pointed out earlier, this proposal means that this community and its neighbours, in a relatively isolated area, will be divided in two and forced to seek political representation in two geographically separated areas, namely Kirkland Lake and Sudbury. In addition to the inconvience to residents in the eastern part of the village, the entire community is affected by this confusing situation.

[*English*]

While this suggested alteration may have been made in a well meaning way, I urge the commission to look more closely at its implications and to restore the cloven Town of St. Charles in its original fullness and vitality to the Nickel Belt constituency.

A point I must make, Mr. Speaker, in this discussion, and the reason I am here today defending my constituents on the more vulnerable outer flanks of Nickel Belt, is that there is an apparent disproportionate allocation of population among northern Ontario ridings. The reason Nickel Belt has been nibbled at in various redistribution schemes—and I might add this is not the first crack—is that my riding has the largest population base of the northern Ontario ridings, and Timiskaming to the northeast has the least. Consequently, when the commission went shopping for more electors, it was obvious that I was the prime candidate.

I suggest to the commission, Mr. Speaker, that the allegedly inadequate population base in Timiskaming, which has prompted the quest for electors, is a skewed and inaccurate picture of the current population figures in my neighbouring riding of Timiskaming. It is my honestly held belief, and I feel this belief is shared also by the current sitting Hon. Member for Timiskaming (Mr. MacDougall), that the 1981 census was taken at a time of abnormally low population levels, in a territory which is cyclically prone to fluctuation due to the boom and bust of the mining cycle in that area.

I will argue that the population today is substantially greater than it was at the time of the census, and I will go even further to suggest that before the next election or the implementation of redistribution, whichever comes first, I know that the measures of this Government to maintain and expand the industrial, commercial and agricultural base of Timiskaming will continue to bear results, and Timiskaming's population will increase accordingly.

I would add, Mr. Speaker, that while one may expect the most populous riding to be picked on when it comes to justifying the continued existence of a riding, or creating a new riding configuration, the population figures of my riding do not exceed by a remarkable amount those proscribed by law. I will be very specific. The Electoral Boundaries Readjustment

Act stipulates that the electoral quota for the riding should be 82,143. However, if one considers that the Act permits a variance of 25 per cent plus or minus that figure to an upward maximum at 102,679 and a low of 61,607 Nickel Belt at 85,000 fits quite comfortably in the middle and very much within the guidelines.

However, the damage inflicted on the cohesion of my riding by the random search for numbers—and I say "random", mere numbers—far outweighs any cosmetic, statistical advantage gained in shoring up the figures of less densely populated ridings. If the goal is to preserve 11 or 12 northern Ontario ridings, I firmly believe more logical and less disruptive alternatives exist.

In making the case for preservation of portions of my riding which are threatened by redistribution, I have the added confidence of knowing that there is virtually unanimous local opposition to the proposed changes. I would say that the reaction to the boundary changes contradicts and refutes the conclusion of a recent Gallup survey that Canadians believe their Parliament is irrelevant. The response to the redistribution proposals has been overwhelmingly negative and, I might add, very emotional, indicating to me that the people's attachment to their riding runs deep and has a very personal significance.

Let me put on record just a few of the comments I have received. First, from the Township of Ratter & Dunnet, I quote:

> It would create a great hardship for the voters to have to adjust to such drastic changes. The Timiskaming constituency office is located in Kirkland Lake, this being some 200 miles away from Warren, making it practically impossible for residents to meet with their MP.

From Phil Bonhomme, councillor of the Town of Nickel Centre, I quote:

> Logic dictates that radical shifts create chaos, additional costs and leave the public in a state of frustration.

From the Corporation of the Township of Casimir, Jennings and Appleby, I quote:

> I am sure you can appreciate the effect it would have on our small community to have our town cut in half by this decision to use the Highway 535 to determine the boundary of these ridings.

From the Regional Development Corporation of Sudbury, I quote:

> It is our strong belief that if the Regional Municipality of Sudbury is to continue to strive for economic diversification, it must do so as a strong and united force, especially in its dealings with the senior levels of government. To lose the Town of Nickel Centre to the Timiskaming riding would result in a fragmentation of this united front, thereby creating a negative impact on the region's economic development aspirations.

From a brief submitted by the Town of Nickel Centre, I quote:

> The entire Sudbury regional community is astonished by the commission's decision. There has been no advance notification of the commission's intention to remove the town from the Nickel Belt riding, nor was there an opportunity for a public hearing on this latest proposal. There is a deep feeling that the community's interests, both present and traditional, affecting the Town of Nickel Centre, have not been respected.

In addition to the representations I have just quoted are resolutions from the councils of the Regional Municipality of Sudbury, Capreol, Onaping Falls, Walden, Valley East and the City of Sudbury. I have received a tide of personal letters from concerned citizens, not only from the affected areas but from all parts of Nickel Belt, reinforcing the obvious kinship the communities of my riding feel for each other. I have received petitions containing hundreds of names which I am prepared to submit to the House.

I cannot adequately express, Mr. Speaker, how strong the feelings are in opposition to this proposed change, a change which I must restate came completely unexpectedly, a change which we feel is so ridiculous it could not have been anticipated at the hearing of the Commission. This is our last chance to fight for the continued harmony of the communities of Nickel Belt and I cannot help but feel as if one of my own, one of my family, is about to be taken away. We are threatened by an absurdity, a Kafkaesque predicament.

[*Translation*]

There is no logic, no sensitivity to local dissatisfaction with the decision to draw the boundary between Nickel Center and Nickel Belt through the middle of St. Charles. I cannot and will not believe that the Commission cannot understand that this mad chase after figures to meet certain quotas will never justify the distressing state of affairs that would result if this proposal were to be implemented.

• (1430)

[*English*]

I know each Hon. Member feels fiercely protective of his or her constituents, as do I. I know they can appreciate when justice or reason is, or in this case is not, being served. I know the commission in its wisdom will take another look at this proposal and recognize that it makes no sense whatsoever and will restore Nickel Belt to its original state.

Once again, Mr. Speaker, I would like to thank Hon. Members for giving me this time to present my objections.

Mr. Nielsen: Mr. Speaker, if there is a disposition, and if there are no other participants in the objections raised by the Hon. Member, we would be happy to have the debate with respect to that objection adjourned.

The Acting Speaker (Mr. Blaker): Debate, item No. 19. The Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to add a few words to the debate commenced by the Hon. Member for Nickel Belt (Mrs. Erola). I appreciate her concern with the redistribution which occurred in her constituency.

The Acting Speaker (Mr. Blaker): Order, please. My apologies for interrupting the Hon. Member, but the Chair has made an error. Following the remarks by the Minister of Consumer and Corporate Affairs (Mrs. Erola) there is a period of ten minutes for questions and answers should any

Hon. Members wish to avail themselves of that opportunity. I neglected to indicate to Hon. Members that opportunity is available and perhaps I should correct that immediately.

Questions and answers dealing with objection No. 19 and the address made by the Minister of Consumer and Corporate Affairs.

Then, debate. The Hon. Member for Algoma, with my apologies.

Mr. Foster: Thank you, Mr. Speaker. I wanted to add only a couple of words to the remarks by the Hon. Member for Nickel Belt because I have received the same representations, as I am sure other Members from northern Ontario have, on the objections of the Towns of Nickel Centre and St. Charles. I am sure the Commissioners will take into account all those representations made by the Hon. Member.

I just want to make a few comments generally about the process because, although we were rather frightened with the original maps published for northern Ontario where we seem to have a great deal of difficulty with the redistribution process, I think with the exception of the Nickel Belt riding and the obvious difficulties which the Hon. Member has outlined today, there has been a general acceptance by other Members in northern Ontario that the final maps prepared dealt generally very well with the representations and suggestions made at the hearings last January in Sudbury and Ottawa. Indeed, the Commission, I think, did an admirable job in establishing an average population for the 11 seats in northern Ontario at 70,993 people, whereas in southern Ontario it was about 15 per cent more, or 83,449 electors per constituency based on the 1981 census. That takes into account the vast size of the constituencies, the difficulty of drawing lines and getting a reasonable balance of size and community of interests, and the possibility of the Members serving those constituencies after they are elected. For example in my own constituency they recommended that a large portion of the area north of Sault Ste. Marie be put in with the Kapuskasing-Cochrane-Superior riding, and indeed they responded to those representations, I think, in a very good way.

I believe the vast majority of Members in the north are quite satisfied with the redistribution, with the exception of the Hon. Member for Nickel Belt. I am sure the representations that she has made here this afternoon so effectively will be taken into account by the Commissioners in their final proclamation of the electoral boundaries. I think it is important that Members not only say when there are objections but also when things are right, because sometimes boundaries tend to be changed if nobody stands up and says what is right about the redistribution.

There are a couple of small, technical objections which I would like to make concerning the Algoma riding. I am generally very happy with the redistribution which has taken place, mostly because it represents a continuation of the existing boundaries and it is very confusing for people who are not very conscious of political boundaries to have those changed every ten years. Of course, they are not only changed federally but provincially.

There are a couple of small, technical suggestions I would like to make to the Commission in drafting their final boundaries, and one is the Carscaden poll which is located immediately adjacent to the Town of Onaping Falls in the Nickel Belt riding. I ask that it be located within the Nickel Belt riding because of the community of interests, the geography and the general means of transportation between those areas.

Likewise, in the City of Sault Ste. Marie, at the opposite end of my constituency towards the West, in the drawing of the boundaries between the Algoma constituency and the City of Sault Ste. Marie constituency, I think it would really simplify matters a great deal if they were to run the boundary line between the two constituencies along People's Road from the second line to the city boundaries just to make it more simple and easy for people to remember where the boundary is and to easily identify it. I would like to see those two small amendments taken into account by the Commission in their final boundary determination.

I think the process has worked fairly well this time. It has been generally responsive to most of the ten Members in the north, if not to the Hon. Member for Nickel Belt. But I am sure they will be considering her objections.

I think we as Members recognize that when you are dealing with 88 per cent of the land mass of the Province of Ontario and trying to carve up northern Ontario into 11 constituencies, it is a difficult task to bring together a community of interests to a manageable size and to take into account transportation routes and systems, media systems, distribution of information and all the rest of it. I think that on the whole they have done a very good job in the north, and I just want them to know that so that in any additional changes they make those suggestions and recommendations will be borne in mind.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my intervention will be a brief one but it does arise from the concerns expressed to the House by the Hon. Member for Nickel Belt (Mrs. Erola). If the Electoral Boundaries Commission for the Province of Ontario were to take seriously and answer the grievances presented to the House by the Hon. Member for Nickel Belt, the vast region of northern Ontario, one of the very important resource regions of this country, could be facing once again the dilemma and agony we faced at the last redistribution, namely the loss of another seat.

• (1440)

Some Hon. Members in the House will remember the last redistribution and the extreme disquiet and dismay that was felt by the Members of Parliament for northern Ontario and the people they represented, not simply on the question that one Member of Parliament might not have a seat and could not continue on. That was not the issue. The issue involved the northern part of the Province of Ontario which, in terms of its land mass, in excess of 50 per cent of the Province, has always

felt at a grave disadvantage in seeing that it has its fair share of interest from the national Parliament of this country.

I want very quickly to repeat what the Hon. Member for Algoma (Mr. Foster) said and indicate to the House that I think the work done by the Electoral Boundaries Commission for the Province of Ontario, as it applies to the north of the Province of Ontario, was exemplary in every way. It did an outstanding job. It was responsive, sympathetic and understanding. I can just give one example without boring the House with details. There were some suggestions in its first report which my constituents found to be unacceptable. Certain community of interest principles were seriously violated. I, and representatives from these communities made representations in Sudbury. The Commission responded positively and every recommendation that was put forward was accepted, because it was acceptable and it recognized a basic principle that we in northern Ontario all must accept, and that is that if we want to retain our level of representation, there must be a little give and there must be some take.

That is what bothered me so much when I listened to the speech of the Hon. Member for Nickel Belt. Here we are not speaking of a constituency being picked on. We are not speaking of a constituency being dealt with in some kind of random fashion. We are not speaking of being fiercely protective of our own little constituency in terms of population. What we are speaking of is a region of this country that deserves to be represented in the Parliament of Canada. I suggest that those interests go far beyond whether a community in one corner of one constituency of northern Ontario will be relocated in another. There is a larger issue here, and it is for that reason that I have risen to speak in the debate.

I said that the Electoral Boundaries Commission was responsive in Sudbury, but there were those who made representations in Sudbury along the lines of "Do not in any way touch my constituency; do not alter it in any fashion whatsoever because I have become very attached to it, it is mine; it belongs to me and leave it the way it is". I found that kind of representation to be reprehensible. I heard it again today and I think it is unacceptable. At the end of those proceedings in Sudbury, I commented to the Commissioners; "if you listened to the arguments that you have heard here today of not touching one constituency that has a rather larger number of persons than other constituencies, if you were to follow that pattern, then northern Ontario would again suffer the loss of a constituency". All of the Commissioners nodded their heads affirmatively and quite vigorously, agreeing that that would be the exact outcome.

There is no comparison between the present Electoral Boundaries Commission for the Province of Ontario and its predecessor which drew up the boundaries with which we had to deal in 1979. This is an enlightened Commission which was responsive, doing an excellent job. The one in 1979 was close-minded, doing severe damage to northern Ontario. We are still suffering from the effects of its decision which was a totally unnecessary one.

Because it is so directly related, it might now be a good moment to pay a word of tribute to the late Hon. R. K. Andras, who took such a profound and deep interest in the whole region of northern Ontario for which he had responsibility. When the Electoral Boundaries Commission made its unfortunate decision, I remember well how the Hon. R. K. Andras, in this very House, drafted a Bill which would have allowed northern Ontario to retain its level of representation. Only in the dying moments of the debate, because there was not enough time allowed, and because we needed unanimous consent and someone would not give it, did we fail. However, I want to pay tribute to a man who not only had a great national constituency and was an outstanding Parliamentarian in terms of representing his own riding, but also one who, when it came to paying attention to his regional responsibilities and doing it in a way which was genuine, coming from the heart, demonstrated that kind of leadership which is difficult to replace. We sadly miss the Hon. Bob Andras in northern Ontario.

I will close by saying again that the Electoral Boundaries Commission for Ontario has done good work. If it listens carefully to what the Hon. Member for Nickel Belt said and it can make some modest changes to meet her demands, that is fine. However, if it must reduce northern Ontario by another seat, then I say to the Commissioners: "Reject totally and out of hand the representations made by the Hon. Member for Nickel Belt".

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

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, when I came to the House of Commons in 1965, I had a small, neat, compact constituency of only 55,000 square miles. After the redistribution that took place in 1969, my constituency expanded to about 75,000 square miles, but the Commission did so by taking the heart of the constituency out so that when I wanted to go from one end of the constituency in a north-south direction to the other, I had to go through the constituency which was then represented by the Hon. Member for Cochrane-Superior who was then the Hon. Member for Thunder Bay. The next redistribution took my constituency to a size of 155,000 square miles. The proposed redistribution will reduce it to about 150,000 square miles.

The prospect in my constituency has been massive increases in size. The problem is that there has been no one centre in my riding. What I have is a group of small little towns scattered so that there is no one centre one can go into with a view to being able to capture the attention of the bulk of the population.

We have accepted the fact that this constituency has grown with such tremendous force over the last 20 years because the price of doing so has been to allow northern Ontario to maintain more seats than it might otherwise have had under another kind of distribution system. Our dilemma is that our population is marginal from the point of view of holding 11 seats. Furthermore, the population tends to be concentrated in particular areas, leaving vast areas with relatively small populations.

What we have come down to is the classical trauma of northwestern Ontario in a redistribution period. The Hon. Member for Cochrane-Superior (Mr. Penner) mentioned the last redistribution. It was very traumatic for us because it cost us a seat in northern Ontario, reducing our representation. I think that in terms of regions the size of ours, we were about the only region in Canada to lose seats. It meant an enormous shuffling around of constituency boundaries and it caused enormous difficulty to constituents in finding out to whom they were to go. It also made it very difficult for Members of Parliament to discharge their customary duties.

We now have a situation where the redistribution that has come about has been accepted, by and large. We recognized from the beginning, when the process started, that we would have to accept distortions in the representation in order to be able to maintain 11 seats in northern Ontario. I recognize, representing the largest seat in terms of area in northern Ontario and also one of the highest average populations in northern Ontario, that I would not obtain relief from the kind of geographical expansion that has taken place. Other Members accepted the fact that they, too, would have to accept existing and perhaps additional distortions. I think that is a fact of life of northwestern Ontario. If we wish to maintain the kind of presence we have been able to create in northern Ontario, we must accept these distortions and their consequences.

• (1450)

The last point I would like to make is that one of the factors which made it easy for us in northern Ontario to deal with this redistribution was that the Commission in Ontario published reasons for its decisions. There is a section in the Electoral Boundaries Readjustment Act that calls upon Commissions to publish the reasons in their reports upon which they make their decisions. That was the result of a Private Members' Bill that was sponsored by myself and the Hon. Member for Edmonton West (Mr. Lambert) which we were successful in having passed.

This is really the first redistribution in which the Commission for Ontario has taken those recommendations seriously. If one goes over the report that it made, one can find that in each case for each region and many ridings individually reasons are given for the particulary selection of boundaries as well as justification of their decisions.

I have had an opportunity to review the action of Commissions in other Provinces and quite frankly their performance has been spotty indeed, to put it mildly. Many of them have put in the minimum possible to conform with the law, which leads me to believe that decisions in those cases were arbitrary, irrational and indefensible because the Commissions could not be bothered to put the reasons for these decisions in place.

It strikes me that one of the good things about the Ontario Commission and something that leads us in northern Ontario by and large to accept the results of the Commission is the fact that it published in detail—more detail than any other Commission—the reasons it had taken certain decisions. This meant that when we came to appeal certain aspects of its decisions, we had all the data that was required to be able to do that. We were able to have arguments and discussions with the Commission that made sense as a result. Therefore, I want to commend the Ontario Commission for what it has done in general and I want to join with the Hon. Member for Algoma (Mr. Foster) and the Hon. Member for Cochrane-Superior in supporting the over-all directions it has given us in northern Ontario.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I have one question to ask my hon. friend for Kenora-Rainy River (Mr. Reid). When he was referring to prior Commissions being arbitrary, I assume he was referring to it in terms of northern Ontario and not all of Ontario. I want him to know that there is some considerable distress that this current Commission, which I also acknowledge is a good one, has broken up such ridings as Nepean-Carleton and changed the boundaries of Lanark-Renfrew-Carleton and others. That occurs. However, I assume his remarks were directed to northern Ontario in terms of the last Commission?

Mr. Reid (Kenora-Rainy River): No, Mr. Speaker, my remarks were really directed to those Commissions which looked at other provinces and did not publish reasons for their decisions. I recognize with the Hon. Member that there is distress at decisions of the Commission. Inevitably there could be no choice because populations shift, constituencies no longer hold the same amount of population and new relationships are established. At least in Ontario, in each of those cases, the Commission has clearly set the principles that governed its decision and has specifically outlined the reason for specific boundary changes in many cases.

In some other provinces which I shall not mention, the Commission gave absolutely no reasons at all. Instead, they said it was just a general principle and what have you. My condemnation is for those Commissions which not only did not follow the letter but the spirit of the law. I want to praise the Ontario Commission for having given an example to them all.

Mr. Nickerson: Mr. Speaker, I have one question for the Hon. Member for Kenora-Rainy River (Mr. Reid). Let me preface it with the remark that in comparison to some of us, at some 150,000 square miles he still has a relatively small constituency.

I understand that there are 11 federal districts in northern Ontario. This afternoon we have had the benefit of listening to presentations from four of the Members from that part of Canada. The score seems to be one opposed to the recommendations of the Commission and three very much in favour of the recommendations. Would it be unfair to ask if the general consensus among the remaining Members from northern Ontario, most of whom are on the other side of the House at this time, unfortunately, is that they are indeed satisfied with the recommendations of the Commission and that the view of the Hon. Member for Nickel Belt (Mrs. Erola) is very much a minority view?

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I think it would be fair to say that we all expected distortions to take place, particularly in the Sudbury basin. The reason for that is that it is the largest concentration of population in northern Ontario.

I used the example of my own constituency in terms of the rest of northern Ontario as a great distortion in itself. However, I would think it would be the general consensus in terms of northern Ontario that we by and large support the over-all direction of the Commission. I would stand with the Hon. Member for Cochrane-Superior to say that if there are in fact changes that can be made in the Sudbury basin around the seat of Sudbury in Nickel Belt without causing distortions to flow out throughout the rest of the area of northern Ontario, we would then support those.

But we do recognize that because of the location of population in northern Ontario there will be this tension between the allocation of seats in northeastern Ontario. It would be my judgment that the bulk of the Members would support the recommendations of the Commission.

The Acting Speaker (Mr. Blaker): In my own view it is within the ambit of the responsibility of the Chair to propose that debate be adjourned on Item No. 19, but the remarks made earlier by the Hon. Member for Yukon indicated that he thought perhaps the motion ought to come from the floor of the House. The Chair is disposed to either procedure. Does the Hon. Member for Yukon wish to make the motion or shall I handle it from the chair?

Mr. Nielsen: Mr. Speaker, it should come from the floor and I will make that suggestion, that consent to adjourn this objection be had.

The Acting Speaker (Mr. Blaker): Since I wish to protect those who follow me in the chair, I might say that it is my understanding that it does not need to come from the floor. However, we do not need a procedural difficulty in that regard.

May I have a proposal by an Hon. Member that debate on Item No. 19 be adjourned? It is so moved by the Hon. Member for Ottawa Centre (Mr. Evans), seconded by the Hon. Member for Vaudreuil (Mr. Herbert).

Accordingly, we will revert, under the agreement discussed earlier, to Item 10 which concerns the riding of Lachine in the Province of Quebec and on which the Hon. Member for Vaudreuil (Mr. Herbert) indicated he wished to speak.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have a few remarks to make in support of the objection which you yourself have filed under the provisions of the Electoral Boundaries Readjustment Act concerning your own riding of Lachine.

I have found it somewhat difficult to understand the insensitivity of the Electoral Boundaries Commission to the objections that have been raised by Members concerning name changes. Of course, you are my neighbour, Mr. Speaker, and have raised an objection which is very similar to the objection which I have in my own riding. We each have a name by which the constituency is well known. Yours is the riding of Lachine and my riding is Vaudreuil.

The Electoral Boundaries Commission makes some relatively minor adjustment to boundaries but then decides to change the name of the constituency. If in each of our two cases the name change had some logical reason and would not cause confusion, I suppose we would not be raising the objections at this time. But as you have pointed out in your objection, the principal provincial constituency within the proposed federal constituency of Jacques-Cartier being also referred to as Jacques-Cartier will inevitably lead to confusion.

I represent a riding presently called Vaudreuil which covers the whole of one constituency and much of two other provincial constituencies. The one provincial constituency is called Vaudreuil-Soulanges. What does the Electoral Boundaries Commission decide to do? It gives the federal constituency the same name as one of the provincial constituencies, that of Vaudreuil-Soulanges. If that is not going to cause confusion, I do not know what is. I believe it is exactly the same in your case, Mr. Speaker. I am certainly not discussing boundaries. I have asked the Commission to explain to me why it would take such an action; why it would not leave things well enough alone. Vaudreuil at the present time is the name of the Marquis de Vaudreuil who was the first Governor of New France born in Canada. Under those circumstances, Mr. Speaker, I suggest that the Electoral Boundaries Commission respect your objection and my objection and leave our names alone.

● (1500)

Mr. Nielsen: Mr. Speaker, I have had discussions with the Parliamentary Secretary to the President of the Privy Council (Mr. Evans). I believe that if you were to ask, you might find a disposition in the House that each of the remaining objections that have been filed and were to be debated by three o'clock today be deemed to have been debated and that debate on each of the remaining objections that were to have been dealt with by three o'clock be deemed to have been adjourned. I believe that is acceptable to the House.

Mr. Evans: There is such an agreement, Mr. Speaker. Just for clarification let me say that that gives rise to the situation where each of the objections raised up to three o'clock and each of those not yet physically debated would be open for debate when debate is resumed at a later time.

The Acting Speaker (Mr. Blaker): There is a small difference in the wording of the Hon. Member for Yukon (Mr. Nielsen) and the Parliamentary Secretary to the President of the Privy Council (Mr. Evans). I see the Hon. Member for Yukon nodding his head in agreement. The motion to adjourn debate would apply not only to those items which have not yet been raised or noticed for debate but also to those which have been debated as well. As I understand it, that is the agreement of the House.

It is so moved by the Hon. Member for the Yukon, seconded by the Parliamentary Secretary. It would follow that it being three o'clock, pursuant to Order made Thursday, September 15, 1983, consideration of the objections now before the House or having been put before the House up until this time or still available for debate at some future date, are deemed to have been adjourned and all outstanding objections are deemed to have been considered and adjourned.

Mr. Nielsen: Mr. Speaker, deemed to have been debated and adjourned. I believe there is a legal requirement for debate to have occurred. The deemed clause has to refer to the debate, that is, they have to be deemed to have been debated and deemed to be adjourned in each case.

The Acting Speaker (Mr. Blaker): The Hon. Member for Yukon points out the use of the word "debate". The expression used in the form that I read is "considered". We will take it as read that that includes the meaning of the word debate.

It being three o'clock, the House may wish to proceed to the next order of business pursuant to Orders of the Day. I understand the Bill under consideration is Bill C-110.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Thursday, September 15, consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

The Acting Speaker (Mr. Blaker): When the House last dealt with this question, the Hon. Member for Calgary East (Mr. Kushner) had the floor. In the circumstances, some Hon. Member may wish to indicate that the time of the Hon. Member be reserved, otherwise it is lost because he is not present to continue his debate.

Mr. Forrestall: Thank you, Mr. Speaker, for that indication. If that could be agreed by the House, it would be appreciated by the Hon. Member for Calgary East (Mr. Kushner).

The Acting Speaker (Mr. Blaker): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): I see an indication that it is. It is understood that at the next suitable opportunity the Hon. Member for Calgary East will continue his remarks and that the normal ten minute period of questions and answers would follow as it would in the ordinary case.

Mr. Forrestall: Mr. Speaker, to avoid any confusion as we go on, I am sure the distinguished Member would enjoy his normal course of intervention plus the ten minute question and answer period. But I think we are on ten minute speeches at this point.

The Acting Speaker (Mr. Blaker): Debate. The Hon. Member for Kindersley-Lloydminster (Mr. McKnight).

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I appreciate the opportunity to take part in the debate on Motions Nos. 3 and 5 put forward by the Hon. Member for Mississauga South (Mr. Blenkarn). The amendments to the Bill as we are debating them in Motions Nos. 3 and 5 call for the authorization of capital to the Export Development Corporation to be reduced from $2 billion as requested in the Bill to $1 billion, $100. Motion No. 5 lumped with Motion No. 3 for debate is the borrowing by the corporation. Basically that will limit the corporation to borrowing up to what it is worth. I am sure all Members on this side of the House, if they are at all concerned, would not have a corporation borrowing more or being allowed to borrow more than it is actually worth. Most bankers would have trouble with that if I came to them with that type of request. I am sure the taxpayers of Canada would expect us to operate a Crown agency in the same manner.

When it comes to Crown agencies and to the experience we have had in this House over the past number of years, even the Secretary of State for International Trade (Mr. Regan) is on the public record as saying that he believes accountability of any expenditures of taxpayers' money must return to the Parliament. Also, that the Parliament of Canada must be able to scrutinize on behalf of the taxpayers the loans and operations of Crown Corporations and Crown agencies.

Let us take a look at the experience we have had over the past few years. In 1982-1983, we see that Canadair, a Crown corporation, lost some $1.4 billion; de Havilland lost $265.2 million; and VIA Rail lost $449 million in 1982. The estimated loss for VIA Rail for 1983-1984 is a horrendous $755 million. These are the taxpayers' concerns with regard to the accountability of Crown agencies in the expenditure of their money. It is not our money, Mr. Speaker, it is not the Government's money, it is the money belonging to the taxpayers of Canada. We can look at Canadian National which had an exceptionally poor year and lost money. Air Canada should not be compared with the other Crown agencies I have mentioned because for the first time in six years it has experienced a loss in its operations.

Let us come to one Crown agency that most Canadians deal with and are familiar with. I am speaking of Canada Post, which lost about $300 million. Taxpayers of Canada are saying, they are reiterating it to us as their Members of Parliament—and I am sure they are mentioning it to Members on the Government side—that there has to be some form, some way, some method of making these bodies more accountable for the expenditures of taxpayers' money. The people deemed to be entrusted with this responsibility must justify

their actions to the House of Commons or to the Parliament of Canada.

Legislation says that Crown corporations must file reports within three months of the end of their fiscal year. Let us look again at Canada Post. It is perhaps not a good example but it is an example which the people of Canada understand and deal with daily. Canada Post is now some 14 months overdue in the filing of its annual report.

We have heard during this debate that the Canadian Export Development Corporation will be called before a standing committee of the House of Commons and in that way will have to justify last year's operations. If we have legislation which allows Crown corporations to delay the filing of their annual reports for some 14 months, certainly the scrutiny of their books would be considered to be after the fact. There is not much that I or any other Member of Parliament could do in "after the fact" scrutiny when they are 14 months out of date. Approximately 65 per cent of Crown corporations or agencies do not meet the three-month deadline for filing annual reports at the close of the fiscal year.

● (1510)

In the consideration of this Bill there has been much discussion about the implementation and establishment of a similar organization under the direction of another Minister, namely Canagrex. The only difference between the establishment of Canagrex and that of the Export Development Corporation is Clause 29(4) of Bill C-85 which gave birth to Canagrex. It reads:

> The accounts of Canagrex shall be audited annually by the Auditor General of Canada and the Auditor General may, where he deems it necessary, conduct a comprehensive audit of the affairs of the Corporation.

We see that as a step in the right direction. My understanding is that there is certainly a difference between a comprehensive audit and a general audit, as is the case with the EDC. A comprehensive audit provides the ability to go into the deep and internal operations of each department, the expenditures made and the ability to point out almost daily operations, either corrections or adjustments, whereas general audits are basically the balancing of numbers, taking a look at audit sheets and saying that the numbers are correct as they appear.

With the sad experience which Canadians have had, I do not suppose the Export Development Corporation is one that comes to mind. As we all know there are a great number of Crown corporations, some 300 of them. This does not necessarily bother me or Hon. Members on this side of the House. There is a great deal of employment in Crown corporations. Some 263,000 people are employed in such corporations. But in looking at the operations of Crown corporations, according to the 1982 report under the section entitled, "Matters of Special Importance and Interest", the Auditor General indicated:

> Yet, in the aggregate, they represent a hole in the taxpayer's pocket, resulting, as they often do, in a consistent negative return on investment.

While I know that the Auditor General is not talking about the Export Development Corporation and that that corporation does not enter into the same area as many agencies to which he referred, it must be incumbent upon those of us who are entrusted with the care of taxpayers' dollars, which they work very hard to earn, to have the ability to bring in a check, to bring to question and then change the activities of any Crown agency that is requesting, as is the EDC, a very substantial increase in its borrowing ability.

That borrowing ability amounts to a huge borrowing bill. For example, my Province of Saskatchewan has a $2 billion plus budget. Under the proposed Bill to reorganize the Export Development Corporation, there is included a borrowing ability which could be from $40 billion to as high as $60 billion. There is no recourse in the legislation to bring before Members of Parliament any accounting, with the exception, in fairness, of the annual report. If we go over annual reports of the past, as I have mentioned, we are lead to say that as much as we on this side recognize the value of trade and the energy and ability of the people involved in the EDC, to counterbalance and justify our existence here there must be some way of holding the corporation responsible to the Parliament of Canada.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I cannot tell you how delighted I am to be here and to be able to speak to the House for a few moments today.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): It is a pleasure to follow my good friend, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), whose speech I listened to with great interest, and at the same time to see the Minister of State for International Trade (Mr. Regan) in the House to hear his Bill debated. It is becoming almost a precedent when the Minister responsible stays in the House for a debate, particularly on a Friday afternoon. I think he should be commended for being here. Also I am pleased to see the Hon. Member for Sarnia-Lambton (Mr. Cullen) in the chair. We serve together on the Special Committee on Standing Orders and Procedure, and what I will say in the few minutes I have relates to the work of that committee and the issue of accountability.

I wanted to say those things at the outset because the Minister should understand that there is no objection from this Party, indeed from any Party, to any reasonable effort made by the Minister of State, the Ministry, any of his officials or any Crown corporation to increase trade. It is a trite to say about our country that trade is its lifeblood, but without it the country would wither and our standard of living fall; we would not enjoy the quality of life we have come to expect. It is not that quality with which I am dealing. The amendments deal with a matter of importance which is equally coming to the fore in terms of the operation of this place, the role of Hon. Members on all sides of the House of Commons and their place in the scheme of government—that issue is accountability.

Export Development Act

The Hon. Member for Provencher (Mr. Epp) spoke yesterday in the debate. As reported at page 27157 of *Hansard* he said:

—the question that is before the House today in this amendment is whether or not the amount of money requested, $20 billion, which would increase the borrowing capacity of the Export Development Corporation, is being requested and scrutinized in the proper manner.

That is the issue. For 18 months I have had the privilege of serving with other Hon. Members on the Special Committee on Standing Orders and Procedure of the House of Commons, the parliamentary reform committee. We have concluded—and I draw this particularly to the attention of the House and the Minister—the seventh report of that committee, entitled the Huntington-Lachance report, the report of a Conservative and a Liberal both of whom directed and guided the committee to its unanimous conclusion that with respect to Government accounting generally and with respect to Crown corporation accounting particularly, it was hopelessly inadequate and something had to be done. The purpose of this amendment concerns in the context of Bill C-110, an objection to this lack of accountability.

● (1520)

If I may, Mr. Speaker, I would like to read from that signal report, the seventh report of the special committee which deals with this issue. I am reading as follows from Paragraph 3 of the seventh report:

Your Committee feels that "accountability" is fundamentally important in a parliamentary democracy. The Committee is united in its commitment to establish a better system to permit the House of Commons to exercise greater influence in the examination of public expenditures and finance. The mechanisms we propose will permit the House of Commons and its committees to exercise new influence on the business of government. It is important to stress that this Committee is seeking for Parliament an increased influence—

And influence is underlined—

—in the analysis of governmental policies, not direct control of the Government.

Parliament is not the executive nor is the executive Parliament but there is an influence which Parliament should bring to bear. Continuing on, I quote:

The Committee fully accepts that the Executive must be free to make its judgments and to govern, subject of course to maintaining the confidence of the House of Commons.

That was the broad statement made with respect to that. As a result of that, the committee has proposed the establishment of a government corporations and agencies committee among others.

My friend, the Hon. Member for Kindersley-Lloydminster mentioned that there are well over 300 Crown corporations. Some of them are Crown corporations as we understand them to be, some are Crown corporations created by Crown corporations, some are Crown agencies and some are subagencies. God knows that they proliferate, although Parliament does not know nor does the Government. This lack of accountability is something the Canadian people simply will not tolerate.

It is not that Crown agencies per se are bad. Some of them are quite necessary, but we are hopelessly at sea on the question of accountability, and something must be done about it. Accountability must be given back to this institution which is the only institution to which the public has some input, however indirect, with respect to the accountability of the instruments of government.

We on that committee learned about how these agencies had been created and we were struck by the fact that a serious gap occurred because not all Crown corporations, not even those as defined in the Financial Administration Act, table annual reports that are made the subject of the mandate of the Auditor General. The system is clearly one that developed early on and is now inadequate.

As the influence of government moves through Crown agencies and departments the likes of which I have described, it becomes absolutely essential that each agency and department be made subject to the concept of accountability to Parliament, a concept which was basic to the establishment of Parliament in the first place.

That is why, Mr. Speaker, I support the amendments we are dealing with, amendments 3 and 5, and that is why I believe the Government ought to think twice about what it is asking Parliament to approve for a corporation which has generally carried on a good and essential service in the operation of the Government of Canada.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, it gives me great pleasure to be afforded the opportunity to speak today on the amendments to Bill C-110 as proposed by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), because I believe that what we are debating today goes to the very core of the responsibility of every Member of Parliament.

We as elected representatives of the country are empowered with the responsibility of protecting the public purse by ensuring that safeguards and controls are put in place for Parliament to be accountable to the taxpayers for the spending of every one of their dollars. I take that responsibility very seriously, as I am sure does every Member in this Chamber.

The mandate of the Export Development Corporation is to facilitate and develop Canada's export trade by providing insurance, guarantee and loan facilities. I am sure there is no Member in this Chamber who would argue with the fact that trade is of the greatest importance to the country. We are a nation that should exploit its trade possibilities to the limit. We produce goods and services beyond those which we as a nation can use ourselves, and it is therefore vitally important to our economy that we seek out those markets for export purposes.

The fundamental purpose of the Export Development Corporation is to assist our manufacturers to seek new customers on the international marketplace and to ensure and guarantee that the exporter will receive payments for these sales. These manufacturers must be protected from non-payment by foreign purchasers who may be unable to pay for their imports due to internal economic and political strife in their own countries and, of course, many other economic fluctuations.

Our manufacturers must also be able to compete with other countries to enable them to take advantage of that export market. The corporation, through its loan guarantees at lower interest rates, enables more competitive offers to be made.

As I have stated, the matter of developing our export market is not the concern that is before us today. I am concerned with the efficiency with which the corporation functions and, more important, the accountability to Parliament for the corporation's expenditures, its operation and its administration.

The Export Development Corporation was described by Professor Andre Raynauld of the University of Montreal as "rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient". There is a great deal of merit to that statement when one looks at the number of employees employed by the corporation. EDC employs over 613 people, almost ten employees for each separate loan customer or one and a half employees for each insurance account. With statistics of that kind, I would question the productivity of the corporation and indeed the efficiency of its administration.

I turn now to the amendments that are before us today. These amendments were introduced for the purpose of bridging the gap created by some glaring inadequacies of accountability that are present in this Bill and to effect some measure of parliamentary control over a Crown corporation.

We have seen, time and time again, blatant examples of Crown corporations administering taxpayers' money at their own will without the discipline of good, sound management, while incurring huge losses and plunging the country deeper and deeper into debt. The scandalous situation surrounding Canadair, which has incurred losses of some $1.4 billion, is a prime example of how some Crown corporations are mismanaging the taxpayers' dollars that come from what is thought of as a bottomless trough, the public purse.

I believe it is absolutely imperative that we bring back to Parliament effective control over the public purse. We must work toward this goal at every possible opportunity.

The amendments that we are debating today, if they were to be adopted by Parliament, as I would urge that the House do, would indeed prove to the Canadian people that we as Parliamentarians are putting into place those safety nets that will ensure a certain degree of control over taxpayers' money.

As I understand it, Bill C-110 is a request for approval of, among other things, the increase of capital authority to the Export Development Corporation from $1 billion to $2 billion. This would give the EDC the authority to borrow up to ten times against that capital authority. That would give it the authority to borrow $20 billion. That is $20 billion worth of borrowing authority which is beyond the control of Parliament and is on the credit of Canada. In other words, the Export Development Corporation will have the authority to borrow huge sums of money without ever having to come to Parliament for approval and without being accountable to the Parliament of Canada for the administration of the spending of those funds. I find that totally unacceptable.

Slowly but surely through legislation of this kind, we are seeing the erosion of Parliament's control over Crown corporations. If this Bill is allowed to proceed in its present form without the adoption of these amendments, we will see the further erosion of Parliament's control over Crown corporations and their ability to spend tax dollars without being accountable.

• (1530)

It is essential, in my view, that Parliamentarians recognize this problem and bring it to the attention of the Government at every possible opportunity, in every possible way. I value most deeply the responsibility placed in me as a Member of Parliament by the electorate, to ensure that their interests are well served, and unless there is that accountability to Parliament, I as a Member of Parliament am not fulfilling my responsibility and duty to the constituents of my riding.

The Royal Commission on Financial Management and Accountability stated:

> Accountability is the fundamental prerequisite for preventing the abuse of delegated power and for ensuring instead, that power is directed toward the achievement of broadly accepted national goals with the greatest possible degree of efficiency, effectiveness, probity, and prudence.

I believe most strongly that there is a need for effective legislation that will allow scrutiny and control over the expenditure of public funds, which is something we do not have with any degree of adequacy at present.

A poll taken recently showed that 64.6 per cent of the general public had little or no interest in the work of the House of Commons, which I find most unfortunate, and it is something which saddens me deeply. I believe that to a great extent, this indifference, this apathy toward Parliament, displayed by the majority of the Canadian people, comes from their loss of confidence in the Government and in the parliamentary system.

The taxpayers of Canada no longer feel that they are getting value for their dollar, and indeed why should they? There have been many, many examples of Parliament's losing control over the constant growth of its size and its expenditures. It is up to us, as Parliamentarians to demonstrate to the Canadian people that we are desserving of the trust placed in us by the electorate; that we demand that Parliament have ultimate and absolute control over expenditures and that Government departments and Crown corporations be accountable to Parliament for all their activities.

I believe it is time for these Crown corporations to be accountable to their shareholders, the taxpayers of Canada, for efficient management of their administration and appropriated funds.

The amendments that are proposed to Bill C-110 are the first steps toward bringing back some degree of accountability to the Parliament of Canada. I would urge all Members to vote in favour of these amendments.

Mr. Chris Speyer (Cambridge): Mr. Speaker, I deeply oppose this Bill and support the amendments. Two issues are involved: one is responsible management and the other is accountability to Parliament. We have heard many Members on this side of the House articulate their position on these matters.

In fairness, however, I want to make it clear that my criticism is not criticism of the Export Development Corporation. In my community the relationship between a large company, Babcock and Wilcox Industries Limited, which employs a great number of people and this Crown corporation has been a good one. In Cambridge, where at a certain point in time unemployment was well over 20 per cent and where Badcock used to employ some 2,000 people, now, because of the recession and Government policies and serious mismanagement, this company employs under 1,000 people. The domestic market for Babcock products has shrunk to almost zero.

From the perspective of my community it is very, very important that sales be significant, particularly those of Babcock and Wilcox in our community, so that people can be employed.

I should like to read a couple of paragraphs from a letter written to me by the President of that company. They read:

> Our major competition is from companies such as Mitsubishi in Japan, Combustion Engineering in the Untied States, and Babcock Power of the United Kingdom. These companies have spent a great number of years systematically developing markets throughout the world. One of the key parameters in this development has been financing, particularly government supported financing from Japan and the U.K.
>
> On a large capital project, the financing can be more important than the products, many of which may be evaluated relatively equal by the customer. Our competition has realized this and has worked heavily with their governments to provide the type of financing necessary. B&W Canada also works with EDC to put together the necessary equipment packages and financing packages to meet the challenge of the international market-place.
>
> The result has been impressive. The co-operation between EDC and B&W has been key to the level of success achieved so far in the much publicized Dendro project in the Philippines.

I have to say, on the basis of my experience within my community, that the issue has absolutely nothing to do with this particular Crown corporation. Why I have advised this particular company that I oppose this Bill concerns the issue of accountability to Parliament.

Let me say at the beginning that the magnitude of the borrowing in the amount of $20 billion is so staggering that it almost defies one's ability to comprehend such an exceedingly large sum of money. To allow a borrowing of $20 billion without any accountability to Parliament is the closest thing I can imagine to giving a blank cheque. It is an incredibly large amount of money. Surely the onus has to be on the Government to justify its need for such a prodigious sum of money as $20 billion.

The EDC is what is classified as a Crown corporation D. It is my understanding that the further down the alphabet a corporation comes—and I think they go to D—the more commercially viable they must be. In other words, the expectation is not that they are an instrument, necessarily, of public policy, but that they be commercially viable. I understand that Polysar and such Crown corporations as Air Canada are—

Mr. Cullen: Oh, oh!

Mr. Speyer: I have just been corrected by the Hon. Member for Sarnia-Lambton (Mr. Cullen) and I accept what he says about the accuracy of the designation of Polysar. I find it incredible, if this particular Crown corporation is to be commercially viable, that it does not honour the rules of any corporation that deals in commerce. One of those has to be that you borrow against subscribed capital. One of the provisions of the Bill, unbelievable as it is, is that it refers to unauthorized capital.

To put this in terms that I understand a lot better, Mr. Speaker, if a person makes an application for a mortgage, he normally has to put up a minimum of 25 per cent of the money, by law, before the mortgage is given. With respect to trust companies, the Act does not refer to authorized capital but says that the money has to be paid-in capital and there must be that much, plus the surplus.

If we are going to honour commercial traditions, as this particular Crown corporation should, I find it unbelievable that the money is not paid into the till, if I may use the words of the street.

In my view, the borrowing must be against subscribed capital. What is unacceptable is that the corporation will be able to borrow an additional $10 billion without Parliament's consent. As I said earlier in my remarks, the onus is on the Government to demonstrate a need.

I have looked through the Minister's speeches and those of other Members of the Government in an effort to find out why, at this point of time, we need a further $10 billion. It is such a prodigious sum that it is the closest thing I can think of to writing a blank cheque. No clarification has been forthcoming, however. Why do they need that amount?

The other thing that concerns me and my constituents is the fact that the Crown corporation would not be accountable to Parliament for the spending of that money. That is, I suppose, the essence of my concern. There is a secondary, but as important a matter to me, and that is with respect to the EDC and when the Government, as a matter of public policy, chooses to spend money on a particular project which may very well be too risky for the EDC. Under this particular Act the Government, as I say, when it believes that it is in the national interest, can, by Order in Council, pledge the credit of the people of Canada to a further $10 billion, which is an incredible amount of money, even without EDC approval.

● (1540)

I would have a lot more confidence in such a policy in circumstances where the management was controlled by a private board of directors. Indeed, I was very, very surprised, on the one hand, and I do not believe we have received an explanation, on the other hand, when the Minister said, in answer to the Hon. Member for Calgary South (Mr. Thom-

son) on June 27, that consideration had been given to a balanced board, and I believe I am quoting him accurately as having said, "We were kind of thinking of a balanced board, as Mr. Thomson had suggested, and we like the idea of six from the Government and nine from the private sector". If that appealed to the Minister, I would like to how why that has not been forthcoming as an amendment to this particular Bill. It would certainly be attractive to Hon. Members on this side of the House, especially in circumstances where the Government itself can spend money pledged against the credit of the people of Canada where it is too risky for the EDC. That is the particular area which concerns me a great deal, Mr. Speaker.

I conclude my remarks by making the simple point that my criticism is with regard to accountability to Parliament, of which there is very little, and responsible management. At the same time I would like to make it clear that within my community there have been excellent relations between Babcock and Wilcox Canada, which used to employ 2,000 persons, and the EDC.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I wish to join today with my colleagues to debate Bill C-110, an Act to amend the Export Development Act, to speak against the Government and bureaucratic excesses which this Bill in its present form will allow, and to speak in favour of the reasonable and sensible amendments put forth by the Hon. Member for Mississauga South (Mr. Blenkarn).

As you are well aware, Mr. Speaker, the Export Development Corporation was originally organized to ensure export transactions. This is very worthy, in other words, to provide Canadian producers with credit insurance, insuring the credit worthiness of their foreign purchases and sales, and to protect the producers against problems of non-payment from foreign countries because of political interference and so on. Of course, all of this we applaud.

As well, Mr. Speaker, the corporation's business is to become a lender, perhaps even a lender of last resort, certainly an important lender of moneys to expedite the sale of Canadian goods in foreign markets. That is the Export Development Corporation's necessary mandate, but it is even today a mandate which carries with it very little accountability to Parliament and to the taxpayers of Canada.

What the Government proposes to do with this Bill is to make the EDC even more unaccountable to Parliament. One would hope and expect that an agency which is charged with the disbursement of huge sums of money to be an effective and efficiently run body. Let us look briefly at the management of the corporation to see if that is so. The facts raise serious questions as to the efficiency of the corporation because there are at present some 613 employees of the Export Development Corporation. Last year, in 1982, the corporation dealt in loan accounts with 62 exports. This represents one customer for every ten employees.

Mr. Clarke: That is ridiculous.

Mr. Gilchrist: What bank does anyone know of which has ten employees per customer? Do Canadian taxpayers not have a right to an explanation of and correction of such waste of their dollars? The corporation, as I have previously pointed out, is involved with insurance. It had slightly in excess of 900 separate insurance policies placed during 1982. That is approximately one and one half insurance policies per employee. And we talk about productivity! In many senses this corporation is bureaucracy gone wild, and from that point of view alone should it be carefully examined. In these difficult times Canadian taxpayers cannot—and I suggest will not—afford such extravagance. These facts alone should cause the Minister to be seriously concerned with the efficiency of the operation of this Crown corporation.

How can a corporation which has transactions with but 62 companies justify offices—elegant offices—in Vancouver, Toronto, Montreal and Halifax, together with a head office here in Ottawa? Does nobody in the Government care about taxpayers' dollars? Parliament should be seeking more control of bureaucratic waste, not less control. Liberal Members should be demanding that the Cabinet exercise more control over waste and inefficiency, not sitting back while billions more taxpayers' dollars are assigned to this huge tax dollar gobbling machine. But no, Parliament will have even less control than it does today if this Bill passes.

Let us look at one part of the present Act which clearly illustrates how we, as Parliamentarians, have literally no control over the actions of the corporation. I will refer to Section 31 which reads:

> Where the Minister reports to the Governor in Council that
>
> (a) the Board is of the opinion that a proposed loan or guarantee of the kind described in section 29 would, if made or issued, be for a term or in an amount of excess of that which the Corporation would normally undertake in relation to any one export transaction . . . and
>
> (b) in the opinion of the Minister it is in the national interest that the proposed loan be made or guarantee issued,
>
> the Governor in Council may authorize the Corporation to make the proposed loan or give the proposed guarantee, as the case may be.

Effectively, loans of this nature can be made by the corporation up to $2.5 billion, and all that is necessary is an Order in Council, even if the corporation's executive itself decided the loan was not worthy. Obviously, Parliament is not necessary in this kind of an arrangement. The present arrangement whereby the Government of Canada can decide to take on export transactions by Order in Council, to take huge sums of money from the Consolidated Revenue Fund, put the matter through as an advance without any parliamentary debate or question, is just incomprehensible. This type of arrangement and back room government must be stopped and not expanded.

Under Section 32 of the Export Development Corporation Act, as mentioned, the limitation of the Government to enter into Section 31 type transactions is $2.5 billion, as I have noted. The Government's effort in Bill C-110 is to increase this allowable amount for Cabinet generosities of dubious or questionable transactions to $10 billion. Remember, this $10 billion would be for the backroom boys in Cabinet to give out loans which the EDC itself had decided were bad risks. Can

you believe that, Mr. Speaker? In effect, the Canadian people could be involved in more Algerian muniment deals, or Russian pipeline deals, as the Government may wish, to the extent of $10 billion without an aye, yes or no by any vote, by any Parliament, at any time. We on this side of the House cannot accept this section. No Member of Parliament should vote for this type of approval of borrowing and advancing vast sums of money with no strings attached.

Let us for a moment, Mr. Speaker, look at the concept of subscribed capital, as my colleague, the Hon. Member for Cambridge (Mr. Speyer), pointed out a moment ago. Normally a trust company, loan company or bank is entitled to lend a multiple of its subscribed capital and earned surplus. In other words, if it has a million dollars in capital it may be permitted to issue some multiple of that amount, say, $10 million. The Export Development Corporation does not have that type of limitation. Its limitation, Mr. Speaker, is a multiple of authorized capital. In other words, the Government need not put up the money, as private lending companies must; it only has to say it has the capital. The effect of Bill C-110 is to increase the authorized capital to $2 billion, and the consequence of this manouvering is that the authorized borrowing has increased to $20 billion. There is no requirement for the Government to subscribe for capital stock in the corporation. The subscriptions are meaningless. The borrowing limit now is to be $20 billion.

In any case, Mr. Speaker, what I am saying is that the way this Bill stands, the Government can spend $20 billion through the EDC without as much as a single word from Parliament, in effect giving the people of Canada no say in the spending of $20 billion of their hard-earned tax dollars.

The people of Canada expect their elected Members to oppose the hidden spending granted by this Bill and I urge all Hon. Members to do so when the vote occurs.

• (1550)

Hon. Gerald Regan (Minister of State (International Trade)): Mr. Speaker, I would like to say that I am opposed to the amendment and cannot accept it, primarily because of the grouping together of these two amendments and the amount involved in Motion No. 3. The amendment would in effect leave the limits simply as they are and this Bill, which has been before the House in one form or another for some 18 months, would be denied its basic purpose. The other amendment, which of course has the effect of making the Export Development Corporation a subject of debate here in the House on individual loans, is simply not the best way to operate if we are going to be helpful to the exporters of the country.

I thank a number of the Hon. Members who made constructive suggestions, and I would like, at this stage, to comment on some of the remarks made. I also want to say to those who have expressed a concern about the amount of the increased loan limit, I want to emphasize, that it is obvious we must have an increased limit because of the success of the corporation and because it is coming very near to the limit of authorized loans at the present time. That is why it is rather urgent that this legislation move forward. But I believe it is the responsibility of a Minister in this House to listen to Members on all sides who have suggestions, and if any accommodation can be made by altering the amount of the increase, I am prepared to consider some alterations. But I am not prepared to change the principle under which the EDC has operated successfully for ten years, a success reflected by the attitude of industry in this country.

If you go to the exporters, Mr. Speaker, you will find they are well satisfied and anxious that this Bill move forward so that the corporation is able to get on with its work. I regret the fact that some Hon. Members, and I say some, seem to be playing politics by talking about all sorts of other Crown corporations with reference to the efforts of exporters to improve the standard of living in this country.

Some Hon. Members: Oh, oh!

Mr. Regan: We have had speeches from a number of Members saying what evil things Crown corporations are, how many of them have lost money, and matters of that type. The hard, cold facts are that the EDC has never had a money-losing year in its entire operation. That is a matter of great laughter for the Hon. Member. In 1982 it had a $1.1 million profit, in 1981 it had a $2.2 million profit. I think if there was to be any criticism at all, it could be that it should not be making profits because of the fact that if it is going to best help the exporters of the country, then it should perhaps be taking a slightly greater risk in order to bring about the maximum amount of sales and therefore the maximum amount of jobs in our country.

Mr. Kempling: What is the return on investment?

Mr. Regan: Mr. Speaker, the Hon. Member for York-Peel (Mr. Stevens) compared it with the U.S. Exim Bank and spoke of how their method of lending money was preferable. I want to point out that that bank has to have conditional approvals in many instances, and that is a system under which exporters cannot efficiently operate. They never know if the loan is going to be approved. It is a substantial disadvantage. I also want to point out that statistics comparing the size of the United States with the size of Canada and the amount of their loans are not realistic because of the fact that this country is much more dependent upon sales abroad than is the United States. There is no country amongst industrialized countries more dependent on trade than Canada. We count on our exports for more than 31 per cent of our Gross National Product. We would not be able to have the standard of living that we have if we did not have the exports we have.

Some people have also been critical of the number of clients of the EDC and the fact that they are small in number and all of the loans are made to a relatively small number of organizations. What is not taken into account—and an Hon. Member referred to Babcock and Wilcox—is that many of those loans affect the sales of a great number of sub-contractors, as often happens with a company like Babcock and Wilcox. That is

why we are hearing from the exporters of this country, because a great number of them are affected, not just a few. It is also often the case that a consortium is involved.

Here we have a system which has worked well for ten years, Mr. Speaker. Why do these tinkerers always want to change something that is working well? I believe that if something works well you leave it. Here is a Crown corporation which has never had a loss, which is well run, which is servicing the exporters of this country in a way that pleases them, and it has to come here because it is nearing its loan limit and also to expand the board so that, as Hon. Members opposite desire, there can be more members from the private sector.

Today we found the Hon. Member for Cambridge (Mr. Speyer) using up the time of the House, instead of letting this Bill go through, in talking about the makeup of the board and the number of private members on the board and wondering why we did not codify it. He did not even read the *Hansard* record of the debates of two days ago or he would have heard exactly the position we have taken, that we guarantee to provide more private members, indeed a majority, but we are not prepared to codify the division between private and public sectors on any Crown corporation because that would not be a useful thing to do. It would be useful if Hon. Members at least prepared themselves by doing their homework before deciding to hold up the Bill further.

I also want to say a word about the Hon. Member for Victoria-Haliburton who just spoke and read at some considerable length something that sounded as if it had been written for him, although I am not prepared—

An Hon. Member: Scarborough East.

Mr. Regan: Scarborough East (Mr. Gilchrist)? I am sorry if I had the constituency wrong.

Mr. Gilchrist: You had the writing wrong, too.

Mr. Regan: Well, I do not know. I asked who the author was in the midst of it because I always found the Hon. Member much too intelligent to believe that he would be saying what was indicated. What he suggested here, Mr. Speaker, is that we should destroy the essence of the success of the Export Development Corporation and make it a plaything for politicians. He wants every loan of any magnitude made overseas for the sale of Canadian goods and services a subject of debate here in the House. You have the situation of an arm's length Crown corporation, and his own Members have said in relation to the members of the board from the private sector that they are not political, and a system which has worked well and resulted in a tremendous growth in our exports, but he wants instead approval by Parliament in relation to these big loans.

He also said there should never be such a thing as a Government account loan, with which I disagree. He referred to what he considered a horror, the Algerian monument deal. The Hon. Member might be interested in knowing that that was the purchase of Canadian Engineering services and materials, which resulted in a great number of jobs in this country. It is a fabulous success which has helped the esteem of Canada in Algeria and a great number of successive sales as a consequence. So I suggest some of the Hon. Members opposite stop talking out of both sides of their mouths. They stand up to say piously that they are in favour of exports, but then hold up the Bill and knock the Export Development Corporation. The Export Development Corporation is a first-class organization helping the exporters, solidly supported by the private industry in this country, and only opposed by the Conservative Party.

• (1600)

We have now been at the report stage for two and one half days, if my memory is correct. I suggest to Hon. Members that it is time to get on with passing the Bill and not trying to change the basic structure of something that has worked well for ten years.

Mr. Deputy Speaker: I recognize the Hon. Member for Vancouver-Quadra (Mr. Clarke). The Hon. Member for Scarborough East (Mr. Gilchrist) has already been recognized.

Mr. Gilchrist: I would like to ask a question.

Mr. Deputy Speaker: There are no questions permitted, according to the rules, at this stage.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I listened with interest to the Minister's non-political remarks. I must say that they raised a few questions in my mind. I heard him speak of the profit the Export Development Corporation had made, and it was as large as $2 million in one year, he told the House. However, he did not tell the House what the profits should have been relative to the investment of the Government in the corporation. I worked out the return on investment to be less than half of one per cent. That, for an investment on the part of a Government which pays 12 per cent to 16 per cent or whatever per cent interest on its debt, is a shocking performance. It is just incredible, and no person in business could ever exist with that kind of performance.

The Minister also told the House that the corporation was close to the end of its borrowing authority now, whereas the EDC, with borrowing authority of $10 billion, as of the end of the last fiscal year had used less than half, leaving it with $5 billion in the kitty still to use, and of its currently authorized $2.5 billion Governor-in-Council advances, only $700 million has currently been used.

In rising to discuss Motions Nos. 3 and 5 I wanted to illustrate the importance of the debate and the importance of the financing of Crown corporations in general. These two amendments are proposing to cut back the Government's proposal in Bill C-110 for borrowing authority because they want a multiplier of ten times the share capital authorized. That would be $20 billion instead of the current $10 billion. The amendment is proposing to cut it back to a slight increase over the present $10 billion borrowing authority. The other amendment concerns the authorized capital, which could be any amount. It is the amount of capital that one can raise and

spend that is the important feature. Therefore, this perfectly reasonable amendment in Motion No. 5 proposes to cut the borrowing authority back to ten times the aggregate of the paid-in capital and earned surplus, a much more reasonable figure.

Let us consider this situation involving Crown corporations for a moment. The particular corporation under discussion, the EDC, is one of 23 Crown corporations known as proprietary Crown corporations and listed in Schedule D of the Financial Administration Act. That is a reasonable number, but these 23 corporations have been rather prolific and have amongst themselves 114 subsidiary companies and 58 associated corporations. Altogether, the Government has identified 306 Crown corporations which employ some 263,000 people and which had assets, at the end of the last fiscal period, March 31, 1982, of $74 billion and liabilities of $63 billion. The Crown corporations are already $63 billion in debt, and in this one Bill the Government proposes to increase the total borrowing authority of one Crown corporation by $35 billion.

The Crown corporations themselves, at $63 billion, owed as much as the total budgetary estimates for the whole Government of Canada for the fiscal year ending March 31, 1982—an incredible amount. The amendments we are discussing today propose to control the amounts of these borrowings.

The Bill proposes a total increase of the borrowing authority of the EDC from $27 billion to $62 billion, an increase of $35 billion. The Hon. Member for Cambridge (Mr. Speyer) explained that $1 billion or $10 billion was a large amount. I will give an example which I usually do not use in this Chamber to describe exactly what $1 billion is because today we are discussing a total of $35 billion in extra borrowing authority. If one had commenced on day one of the year zero A.D., in the first year of our Lord, with $1 billion and had started spending it at the rate of $1,000 a day, or $365,000 a year, an income exceeding that of most people we know, I am sure, such individual would today, on September 16, 1983, have over a quarter of a billion dollars left to spend, $276,311,-000. That would be the amount left, after 1,983 years, of $1 billion only. Here we are discussing $10 billion.

This problem of the Crown corporations is not a new one. I know Your Honour has studied the problems of Crown corporations at some length when you were a member of the Public Accounts Committee. Over the past seven years, I can tell the House that there have been many attempts to study, control and improve the accountability of Crown corporations. The Auditor General has mentioned this in many of his reports, the Government itself has conducted studies and commissions have dealt with Crown corporations. Many reports of the Public Accounts Committee have commented and made recommendations on handling and accountability of Crown corporations. There have been Bills introduced into Parliament. Today, we might ask ourselves where all of that has brought us. The progress was so feeble that the Auditor General was moved in his last report to make three pertinent recommendations, which I would like to read into the record as follows:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

I have already referred to the enormity of the dollars involved with these corporations.

Another recommendation in the current report of the Auditor General is as follows:

> Broad legislation for the accountability of Crown-owned corporations should be developed that will include provisions relating to each of the elements of authorizing and mandate, financing, directing, controlling and reporting. Such legislation should provide that these corporations be subject to comprehensive audits.

That is a very interesting subject. The other current recommendation on the same subject is as follows:

> Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

I want to make it clear that my comments in the debate are not in any way to be construed as a criticism of the EDC itself. The Auditor General himself had kind words for the EDC. It is one of the better run Crown corporations. To its credit, the executives of EDC appeared before the Public Accounts Committee on the subject of comprehensive audits. The EDC is an example of one of the good corporations that accepted and enjoyed a comprehensive audit. It was prepared to come and tell the committee and other Crown corporations what benefits were available to them if they agreed to a comprehensive audit.

● (1610)

The danger is that some Crown corporations will become instruments of Government policy rather than being allowed to run as they are. Because the amount of credit being proposed for this Crown corporation is as large as it is, that danger is multiplied many times. If the Crown corporation that becomes an instrument of public policy is successful, the Government will take credit for its success. But when things go badly, such as in the recent example of Canadair, the Government is all too ready to blame the civil servants, the executives or management of the corporation, or something else, such as the Opposition, the weather, or whatever comes into its mind. While the reports on the Canadair issue are not yet forthcoming from the Public Accounts Committee, it is my own presently held view that the Government is trying to make the management in that case the scapegoat and take the heat off what was obviously a determined Government policy. I see you rising, Mr. Speaker, and I will end my remarks now.

Mr. Bill Kempling (Burlington): Mr. Speaker, I wish to add a few words to this debate. As we know, the amendments with which we are dealing are motions No. 3 and 5 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). These amendments should be allowed to pass and be added to the Bill.

I listened very carefully to some of the Minister's remarks and I found his attitude rather strange. I might say that I have a high regard for the EDC and the people who run it, and that is what concerns us. My concern, and I think that of many of my colleagues, is that we do not trust the Minister and the Cabinet with what they are trying to do to EDC. When we look back upon some of the other fiascoes we have seen in Crown corporations and some of the messes which have been created by Consolidated Computer, Canadair and others, we are concerned that this not happen to EDC. That is the reason for my colleague's amendment, which seeks to codify the number of directors from the private sector who should be on the board of directors of EDC. We simply do not trust what the Government will do, and that is the basic problem. The Government could indicate that there will be a predominance of directors from the private sector in the first year and then change it all around in the next year in order to suit its own purposes. That is how devious the Government is.

One statistic of EDC which concerns me is the small number of accounts which it handles. The Minister said that the 62 members of the private financing export club have a lot of spin-off work for subcontractors. While it is true that there is much subcontract work, and I can remember sitting on the Finance Committee several years ago when EDC would not handle anything under $1 million , I am amazed to find that it still has a very small select clientele with which it deals. I believe that is deplorable.

There are many small and medium sized corporations in this country which could be involved in the export business. In fact, the Government has suggested that the small and medium sized business sector is the engine with which to turn the economy around and employ some of the 1.5 million unemployed. What greater way to achieve this than by involving many of those companies in export financing? One needs only to talk to some of those small and medium sized companies to find out what results they had from discussion with EDC. It is a shock to find that it does not seem to be interested. I had a personal experience with this before I became involved in Parliament. I had an experience in an export venture. We called EDC, which said it would return the call. We called it again, but we never heard from it. We eventually arranged the whole deal with a merchant bank in London, England, over the telex. While we still made our sale we could not do it through the EDC. In the final analysis I discovered that EDC was not interested in the size of the deal we put together. It amounted to only a few hundred thousand dollars, which may be nothing to the EDC but a great deal to a small company. For that reason I want to see more directors and a greater diversification of directors from the private sector on the board of EDC.

I am somewhat shocked at the number of employees which it has for the number of its clients. In commercial terms the ratio of approximately 10 EDC employees for every client it handles is ridiculous. While I am aware that export work is specialized and needs specialized knowledge, I can say that there are many companies in the private sector which do just as technical work as EDC, looking into financing of export sales, but certainly do not have that employee-client ratio.

If we look at this in straight, crass commercial terms, the EDC today is employing about $741 million in its capital account. The Minister has said that it made $1.1 million in its operations last year. This is absurd when considered as a return on investment because any board of directors or management group in the private sector which employed $741 million in capital and had a return of $1.1 million would be thrown out of the doors at the next shareholders' meeting. The Minister said that the greatest thing about EDC is that it has not lost any money. I hope that it would not lose money with all the backing of the Government of Canada it has. We should realize that when it goes to the private money market to borrow money it borrows it at a preferred rate, which is a better rate than the private sector has because it has the covenant of the Government of Canada behind it.

One place where it earned its money last year was not on its operations but on the insurance that it sold. That insurance is five times the cost of comparable insurance in the private sector. In other words, if the company wants its financing it must buy its insurance. That is where the EDC made its money, and not on its operations.

Why did it not make money on its operations? I would like to see a complete analysis of the sales that it made and the deals that it has refinanced. How many times is a deal refinanced and still called an asset? I would like an answer to that question. While some people may make comparisons such as putting the capital account of EDC into the bank where it would receive 10 per cent and therefore make approximately $100 million by doing so and comparing that to the $1.1 million which EDC made, it is only part of the mumbo-jumbo which people who do not know business like to deal with. I prefer to deal with the real world. In this case I can sense another Canadair or Consolidated Computer deal, and any number of others we have seen as a result of this increase in capital.

I am also concerned that control is being further removed from Parliament. Our only defence is to put in an amendment to urge that more private sector people be appointed to the board of directors and the vice-chairman of the board to be elected by the board preferably be someone from the private sector so we can have some kind of balance. I just do not trust the people in the public sector who are on a myriad of these Crown corporations with which we have all sorts of problems. I hope that we can convince the Minister to change this provision so at least we can keep whatever bit of sanity there is in the EDC.

● (1620)

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I take pleasure in rising to speak for ten minutes on this clause dealing with the Export Development Corporation. I would point out that of all Parties in this House ours is most interested in the stimulation of trade. We want to see as little government intervention as possible. We want to see as much

foreign trade as possible. In principle, we support this kind of measure in terms of promoting the solid progress of any kind of export development. What we object to is the kind of open ended financing which the Government wants for this corporation.

I repeat, in terms of concept, if there is a way in which we can stipulate foreign trade and help Canadian companies grow and let a government corporation like this be a facilitator of foreign trade for our Canadian companies that will provide jobs for Canadians, we are all for it. However, I think we could list examples where this concept has turned out to be the reverse, where it has hurt and cut out Canadian jobs rather than stimulating them.

I listened with interest to what the Minister of State for International Trade (Mr. Regan) said a few moments ago in defence of the Algerian monument deal consummated a few years ago. He said, "The Algerian monument deal was a fabulous success" quoting the Member sitting behind him from Montreal who is Chairman of the Standing Committee on External Affairs and National Defence. It was a fabulous success, we heard. Let us assume, in terms of providing jobs for Canadians, that that project did that. It provided jobs for design engineers, for fabricators and so forth. But what was repugnant to Canadians at the time, and still is today, is that through Canadian Government financing, support financing, that deal went through at something like 9.5 per cent interest. The Hon. Member for Ottawa Centre (Mr. Evans) is listening very carefully. I think he will agree with me that the deal went through at about 9.5 per cent interest at a time when Canadians were financing businesses and homes at rates ranging from 18 per cent to 24 per cent. If it was good for the Government of Algeria, why could we not provide financing for Canadians at the same rate? That is what was repugnant to Canadians. It was not the fact that a deal had been struck with Algeria. It was the kind of concession made to a foreign Government when there was no room for Canadians at the same time for a concession of that kind.

The Minister also objected to the fact that some Members would like to see an examination by Parliament as to the kinds of deals made with foreign Governments. I can understand his reservations. I do not think that Parliament should examine every precise detail. There should not be that kind of intervention.

Two years ago we discovered almost by accident that Canada helped to facilitate a deal with the Soviet Union selling partially refined uranium which, in turn, would complete the refining process and then sell it to other countries. Is that kind of facilitation in the best interests of our country? Should we sell uranium to the Soviet Union which in its process can then sub-trade that produce to the Federal Republic of Germany, to Argentina, to Italy or to some unfriendly countries? Is that in the best interests of Canada?

We had an example today in the House. One of the Members from Hamilton raised the issue of Lada cars. In Moscow, Lada cars sell for $12,000. In Canada they sell for $6,000.

Mr. Munro (Esquimalt-Saanich): Some of the NDP people drive them.

Mr. Friesen: Is that providing jobs for Canadians when an export corporation can help put together a deal whereby a foreign product can be dumped on the Canadian market at 50 per cent of the price tag of its sale in its own country and in the process cut out jobs in the steel industry and in the automobile industry? As my friend, the Hon. Member for Esquimalt-Saanich (Mr. Munro) said, the NDP Member who raised the subject ought to know that Members of his own Party are driving those cars. We wonder about that. That is why we have questions about that kind of activity. But what we object to most is the change in the role and the size of this corporation. It used to be a kind of insurance company so that Canadian companies dealing with a foreign company would have insurance in case a deal fell through after delivery had been made and payment was not forthcoming. Insurance would be there so the company would remain solvent and it would get its money.

Now, by the provisions in this legislation, that will be only a small appendage, only a small part of that business. As my friend, the Hon. Member for Burlington (Mr. Kempling) mentioned, insurance happens to be the money-making side of the corporation, even though the interest of the corporation is now in financing. With good reason we can understand that the return on investment is only about one-half of 1 per cent.

The other objection we have is the size of the corporation. It is mushrooming out of all context to its previous role. It looks so innocent to see a provision in this clause which says this corporation wants to have an infusion of $2 billion. The general public may not understand that that $2 billion mushrooms to a total of effective financing of $62 billion. With $2 billion it extends by tenfold the borrowing authority of the corporation on its own. You already have $22 billion there. Then the Cabinet is allowed a $10 billion override above that. If the corporation decides there is a deal that is not in the best interests of the corporation but the Cabinet likes it, Cabinet can override the decisions of the corporation to the tune of $10 billion. Then the Cabinet can give an extra $10 billion in loan guarantees outside the purview of the decisions of this corporation. As well, there is $20 billion in insurance that can be added on top of that. What looks like a $2 billion infusion of capital is actually a $62 billion extravaganza now at the disposal of this corporation.

Mr. Munro (Esquimalt-Saanich): How much?

Mr. Friesen: This is why we object to the lack of parliamentary control over the activities of this corporation. The $2 billion we can perhaps understand. But the $62 billion is out of all reason. If the corporation wants to do business to the tune of $62 billion, we think it should have to come back to Parliament for approval at certain stages before it can spend that kind of money for insuring that kind of money. Therefore, we have introduced these amendments which would limit the amount the corporation can do, so that Canadian taxpayers will not be in a state of jeopardy as a result of the open-ended

financing which is now available to the Export Development Corporation.

• (1630)

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, various speakers for my Party commenting on this Bill have endeavoured to make it clear that we are very much in favour of increasing Canada's exports and export capability. We very much recognize that in the world of international trade today the utility of the Export Development Corporation or a corporation of that type to help in the financing of international transaction is very useful, in fact perhaps even essential given the competition from other countries. The fact that we are in favour of export financing and the fact that we recognize Canada must compete are insufficient reasons for the Government to ask us to set aside our responsibilities as Members of Parliament and the other considerations as responsible Parliamentarians that we should bear in mind and simply rubberstamp what the Government is asking us to do. There is simply too much borrowing authority asked for in the Bill. Simply too much is being asked for, with no opportunity for Parliament to call to account, to discover or to exercise any sort of control over how the borrowing authority is utilized.

Whether we are talking about taking tax dollars from Canadian citizens and spending them or pledging the assets of Canadian citizens for a loan, the effect is exactly the same. There is no difference in substance. Yet for some reason one would get the impression that the Government thinks there is. I am sure it would never ask the House for $60 billion in cash taxing authority and say, "Never mind how it will be spent; just give us the $60 billion cash and we will spend it wisely". I do not think the people of Canada would tolerate that; the Government would not ask for it. But in essence that is exactly what is happening here.

Since I have been a Member of Parliament for the last 11 years, there has been a constant issue which started before I came, that is, the question of how we control Government spending. There has been a prevailing feeling substantiated by evidence and a concern expressed by responsible Canadians from all walks of life about the nature of Government spending and the controllability of Government spending. Over the last few years the portion of the Gross National Product being spent by Government continues to grow in spite of what are apparently the best efforts of Government to try to control it. We have had task forces, royal commissions and any number of investigations by Government agencies, non-Government agencies, private institutions and academics looking into the fundamental problem of how to control Government spending. The solutions have been varied. Some have been introduced by Government—the envelope system in Cabinet and so on. There has been a consistent theme from everyone who has proposed solutions, whether it be the Lambert Commission to which the Hon. Member for Vancouver Quadra (Mr. Clarke) referred earlier or the Glassco Commission, that there has to be openness about Government spending. The people have to know how much is being spent and how it is being spent. In other words, there has to be accountability to Parliament. That has been the fundamental bedrock. That in itself will not bring Government spending under control, but without it there is no hope of bringing Government spending under control. That has been the consistent theme of everyone who has looked at it.

This Bill is simply inconsistent with that consistent theme. This Bill indicates that we as Parliamentarians will delegate to this independent body the authority to spend $60 billion. We certainly will have no right to intervene in that spending, none whatsoever. We will not even be able to find out how it will be spent. I know, I have inquired of this particular corporation in the past about a number of transactions, only to be told, "I am sorry, these are commercial transactions and there is confidentiality involved because of the commercial nature of the transactions". Merely being a Member of Parliament, only having been elected by the citizens who are responsible for the money that corporation is spending, does not give me the right or ability to find out how it is being spent! No one shall know except themselves.

It is a source of frustration and indeed anger that so often we have a position or philosophy with which the Government agrees, such as the question of accountability, responsibility or openness about spending. I am sure no one on that side would say that be is in favour of keeping Government spending secret. No one would say that he is in favour of the public not knowing how its money is being spent. They would all insist that in fact the public should know and Parliament should know. I am sure that is the position of the Government. In spite of that position, it produces legislation like this saying, "But in this instance, so as to help trade and to give this corporation more money we want you to delegate your right to control the public purse and give this separate non-accountable group the authority to borrow and spend $60 billion". That is simply unsatisfactory. Also I would suggest that it is very shortsighted in terms of the Government's other responsibilities.

I have heard Ministers of Finance say to the House and to the public that the difficulties they had controlling the Canadian economy, influencing it or doing things about interest rates, unemployment and growth, were that the federal Government's direct spending as a portion of total Government spending had been decreased; that in fact the amount of spending through the Consolidated Revenue Fund which was not statutory and over which they had influence and the decisions they could make were relatively limited. A great deal of Government spending is established by statute. Their flexibility is very limited and, because of that limited flexibility, they are unable to exercise the kind of control and beneficial regulation of the economy which they might choose to do. If that is the case, why in blazes is the Government delegating to this separate group, over which it will have no day to day control, the authority to spend $60 billion? How can it rationalize the two positions? Yet we get that constantly. How can it justify this kind of Bill in the face of its decision not to proceed with the Crown Corporations Bill introduced in 1979 by the Clark Government which had in fact been written before that? How can the Government justify this extraordinary amount of

money to this Crown corporation when we do not have legislation which allows the House to exercise the responsibility on behalf of taxpayers that taxpayers expect of us? One could perhaps forgive this legislation if it had been preceded by a Crown Corporations Bill that would provide that authority.

• (1640)

I regret to see that you are rising, Mr. Speaker. I was just starting to clear my throat and get warmed up. Perhaps I will have another opportunity to speak.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to be able to speak on the amendments to the Bill to limit spending by this Crown corporation to $1 billion from $2 billion in terms of capital expenditure.

One of the problems that is faced by this country is the problem of debt. I believe that it is increasingly becoming a concern of the constituents of the country, and more particularly the taxpayers of the country, that spending, particularly by the Government we have had for the last 15 years, has gone out of control. It is interesting to note that when I came to the House in 1979, the total debt of the country was something like $78 billion. I am now given to understand that the total debt of the country is something like $160 billion.

Mr. Kilgour: Are you responsible for that?

Mr. Gustafson: No, I am not responsible for that. That is a pretty dramatic increase in debt and I believe that that is what we are talking about in the type of amendment that the Hon. Member for Mississauga South (Mr. Blenkarn) is endeavouring to put forward. We are endeavouring to control this type of exaggerated spending.

I would first like to point out that in terms of the Export Development Corporation and international trade, our Party stands very positively in favour of getting into the export markets to create trade which would bring to the country a balance of payments that would be in the best interests of the country.

As you know, Mr. Speaker, I have had the pleasant experience of being appointed the critic for the Canadian Wheat Board. The Canadian Wheat Board is a good example of a Crown corporation that has had a very positive effect on the country. In fact, export trade in wheat has brought a surplus to the balance of payments of the country of some $6 billion, with very direct credit, I believe, first to the producers of the country and also to a well run Crown corporation.

If that were to be the end of the story, it would be a very positive story. However, that is not the end of the story. There are some 306 Crown corporations in the country, the accumulated debt of which I understand is in excess of some $62 billion. I can say that the taxpayer is very concerned about the country's ever-escalating and accumulating debt. If this trend is to continue, we must ask ourselves what the outcome will be. Will it be a situation in which we give credit to those who do not need credit? I personally believe in charity. I am all for it. I believe that there is a definite need for charity when we know that we are helping the starving.

Mr. Forrestall: It begins at home.

Mr. Gustafson: But it begins at home, that is right. This Crown corporation happens to be one that has not used the full extent of the credit in its coffers. It is my understanding that there was some $500 million worth of credit available that was not used. Yet the Government is seeking an extension which goes even beyond the portion that was not used by the Crown corporation. Because of this, we must certainly strike a balance when seeking out new opportunities.

One would say that we stand only to criticize the direction taken by the Government. One would immediately ask what positive direction we would give to an export corporation and what kind of positive effect we feel it should have on the country. I am certain, and it looks very positive from a political standpoint, that within a few months, there could be a change of Government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gustafson: The direction that the country is taking could be changed from one of ever-increasing debt to one that is very, very positive. It will become very important that agencies such as the Export Development Corporation have a positive influence on primary producers, not only in the areas of agriculture, timber, mining and other resources but that it have a very positive effect on every area in which the primary producer is involved. I believe that that is our number one responsibility.

An Hon. Member who spoke earlier complimented the Export Development Corporation on the fine job that it has done. That is important, but it is also important to continue in a positive way, not in a way which will create even greater debt for the taxpayer. It is important to create a climate in which the primary producer can do his job and put his goods on the export market in a way that will have a positive effect upon the nation of Canada and a positive effect upon the primary producer. This is most important to the farmer, someone who is familiar with the hard work that goes into production at the primary level. I believe that it is very important to the producers that we have the responsibility for handling the funds that are so necessary.

In the past few years, we have seen an economic downturn. If there has ever been a time when it has been important to handle the finances of the country in a very delicate and concise way but in a way which is responsible, now is the time. We do not see from this Bill that the Government is doing that. We do not see that the Government is carrying out its responsibilities when calling for excess amounts of money to be used. There is a possibility of doubling the authorized capital of $1 billion and ten times that makes a total of $20 billion worth of taxpayers' money that could be used in extending credit, which would throw the country further into debt.

I believe that the time has come when we must take a very, very close look at the creation of debt that the Government has been involved in. We must turn that around and create a positive involvement in export sales, which will have the positive effect of building up the country and lessening the load on the taxpayer. We should build for the future of this great country and the generations that are to follow.

• (1650)

Let us look positively at the future, Mr. Speaker. Let us look forward in a way that would not enslave our taxpayers and put them further into debt so that when we come back here in five years, we will not be dealing with $200 billion as opposed to $160 billion but, rather, that we can look at the positive side of the sheet and say that Canada is strengthened economically, to the benefit of all its people.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I welcome the opportunity to participate in this debate because we are dealing with what is, potentially, one of the most serious problems facing the country.

I want to put it on record that there is not one Member of the Progressive Conservative Party who is not madly in love with the Export Development Corporation. We believe in it; we believe it helps Canadians with their exports, but we do not believe it should be abused in the way the Government proposes. It is an important institution which helps us compete in the export market.

Having said that, Mr. Speaker, just because we believe it is a good and important institution does not mean that we should not criticize the attempt to administer different areas of the corporation in ways with which we disagree. We believe it has done an excellent job over the years and will probably do a better job in years to come—especially when this Party forms the Government, as we hope will be the case.

We should not abuse such important institutions or allow them to fall into disrepute because of the manner in which we manipulate them for the purposes of the Government—purposes, I might add, which the Canadian people are sick and tired of.

Let us consider one of the main reasons why the Progressive Conservative Party is so popular in the polls today and why the Liberal Government is so unpopular. It is because the people are sick and tired of the Government spending money which it does not have, and thus creating a larger and larger national debt. The Prime Minister (Mr. Trudeau) is not going to be around to pay it off, but his children will be. Fortunately, they are going to inherit a few million dollars, but the average Canadian realizes that his children are going to have to struggle. They should not be faced with even greater taxes imposed by future Governments in order to pay off mammoth debts created by the present Government because of its incompetent financial management.

That is the key thing to remember, Mr. Speaker, that Canadians are worried about the deficit and the unrestricted borrowings by this Government. The deficit this year will be $28 billion, give or take a few hundred million here and there.

Let us see what the Government is trying to achieve through this Bill and what the amendments would stop it from doing. At present the Export Development Corporation has paid up capital of $700 million and is entitled, under the present legislation, to borrow a total of $4.7 billion; right there it has $5.4 billion. Then there is insurance of about $2 billion. I am not sure at this date how much there is in guarantees but say about $2 billion. There is also the Government account; to cover instances when the Export Development Corporations says, "There is no way we want to touch that lemon" but the Cabinet says, "Oh, yes, this is politically desirable." That account is around $700 million, I believe. It ends up with commitments of around $10 billion.

Under the present legislation the Government has the right to continue to expand its borrowings up to approximately $27 billion, so we are $17 billion away from a complete ceiling. What would the Government's rights be as a result of the amendments? It wants to increase the paid up capital to $2 billion. At ten times that for loan purposes, it would end up with about $22 billion. It wants $10 billion set aside for the Cabinet to pass Orders in Council on its own account after the Export Development Corporation turns applications down but for political reasons the Cabinet thinks the corporation should let them go through. That brings it up to $32 billion. The Cabinet wants to have another $10 billion on top of that so that it can give loan guarantees to people like Maislin—perhaps not Maislin, but to various other organizations, for something that other bankers have turned down. That brings it up to $42 billion. Then it wants a $20 billion proviso for credit insurance. The total is about $62 billion, Mr. Speaker. It has now only used up to $10 billion of its allowance of $27 billion, so it is $17 billion short. However, it wants to increase its rights to $60 billion before it has even used up that other $17 billion.

When we consider that in the last 20 years it has used up $10 billion, we must ask if the Government is going to become completely crazy and spend all of the excess before it is kicked out of power. It has to call an election before February 18, 1985—18 or 19 months from now. Unless every Member of Cabinet proved to be a drunken sailor on a spending spree, it would be impossible to blow that amount of money in the time left to the Government.

The people of Canada do not trust the Government now because of the way it handles money. When it only has 19 months left to be in power, why should the people give it the right to give loan guarantees of $20 billion here, insurance guarantees there and to order things on its own account up to such a mammoth amount? Why does it not come back to Parliament every one or two or even three or four years to get approval for these things?

If we open this up to the amount of $62 billion that, along with the deficit and along with the other Crown corporations that are entitled to build up deficits, all of which comes back

on the shoulders of the Canadian taxpayer, then it is no wonder people are worrying about the future.

That has not happened yet. Canada is a country of great promise and it will have even greater promise when we get a new Government. In other countries which had promise, where Governments have gone berserk like Brazil, Jamaica, Turkey, Argentina or Mexico, the people are having to pay the price of governments borrowing more money than even optimism, hope or the good fortunes of those countries will make possible to be returned in future.

It is foolish for us to fall into that trap. Being cautious, we do not want to give a spendthrift Government the right to be more of a spendthrift. The Canadian public is very upset at the way the Government has spent the money and how it has increased the national debt in the time it has been in office. We, as Members of Parliament, have a right to try to protect the public purse on behalf of taxpayers instead of giving the Government a blank cheque which would allow it to spend for years, even if it were to spend prudently.

We encourage the Export Development Corporation to seek parliamentary approval every second year or perhaps every third year. We would like to examine these matters in a much detailed manner.

I am sorry that my time has run out, Mr. Speaker, because there are many more matters for which I have great concern.

[*Translation*]

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until eleven o'clock Monday morning, pursuant to the provisions of Standing Order 2(1).

At 5:00 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, September 19, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Friday, September 16, consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

Hon. George Hees (Northumberland): Mr. Speaker, I am pleased to have the opportunity to address a few colleagues on amendments Nos. 3 and 5 to Bill C-110. My colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), deserves a great deal of credit for moving these amendments because by doing so he is drawing to the attention of Parliament a scandalous situation. Canadians are all too aware of the mounting deficits incurred by Crown corporations. Canadair, de Havilland, the Post Office, Consolidated Computer and VIA Rail have all made headlines recently as deficit-ridden corporations. As each corporation makes the headlines, the question arises as to how it could have happened. The blame is ultimately shifted to Parliament and it is to Parliament that Canadians look for redress. But, Mr. Speaker, no redress is found because Governments have given away Parliament's authority for reasons of political expediency.

• (1110)

Bill C-110 is designed to place the Export Development Corporation well beyond Parliament's reach. If the legislation passes without our amendments in place, then we have given the EDC an extremely long rope, and if it hangs itself on that rope Parliament will have very little to say about it.

The problem with the legislation is quite simple. It increases the authorized capital of the Export Development Corporation from $1 billion to $2 billion, which in turn increases the EDCs borrowing authority from $10 billion to $20 billion. Hence the EDC will be free to borrow as much as $20 billion before having to trouble itself with Parliament again. We cannot accept that, Mr. Speaker.

What is perhaps just as galling is the fact that there does not appear to be a particularly good reason for increasing the authorized capital or the borrowing authority at this time. The Export Development Corporation's 1982 annual report set out existing authorized capital at $465 million and borrowing at less than $5 billion. Both figures are less than half existing limits. Why, we might well ask, do the limits need to be doubled? I believe it behooves the Minister of State for International Trade (Mr. Regan) to provide the House with a full explanation for not accepting Motions Nos. 3 and 5.

In addition to this explanation, Mr. Speaker, the Minister should ask himself if the EDC will receive entirely the wrong message from that legislation. Despite the statistics, it remains a time of restraint. The federal Government cannot let the deficit rip in good time as well as in bad. There comes a time, and I suggest that time is near, that the Government must start trimming its sails as the private sector opens theirs.

The Export Development Corporation has not been a model of sleek efficiency. Last year 613 employees were on hand to cope with 62 exporters. Two of these exporters accounted for 50 per cent of the funds. That is almost ten employees for each customer, Mr. Speaker. In addition to the 62 customers, the EDC employees wrote up approximately 900 export insurance policies or about one and a half policies per employee over a one-year period. I am not launching an attack on the EDC, Mr. Speaker. I am simply pointing out that additional borrowing authority is neither necessary nor advisable. If the signal from the Government to the EDC is one of: "Here is an extra $10 billion on top of the $5 billion you have yet to use", then where is the incentive to run a lean operation? The EDC would have more credit than it could use and neither the EDC nor the Government would need worry about Parliament for a long, long time.

We have seen that the track record of too many Crown corporations has not been good. These corporations have escaped public scrutiny precisely because of legislation like Bill C-110. We on this side are of the opinion that the public has had quite enough of this and wants to see Parliament reassert control. No control is possible if the Government continues to use its numbers to ram through legislation which sidesteps Parliament. The Auditor General has already referred to Crown corporations as a subgovernment.

Part of what the Auditor General is getting at is the new relationship which is becoming too much the rule, the new relationship between the Government and Crown corporations. Parliament is excluded from that relationship because Parliament has been legislated out of an active place in the Crown corporation's existence. The time to halt this slide into irrelevance is now, and one positive step would be to adopt Motions Nos. 3 and 5.

• (1115)

Before concluding, however, I believe it is worth our while to see how the Export Development Corporation's United States counterpart has operated. After all, the Minister of State for International Trade has recently concluded that our trade interest lies chiefly with the United States. The Minister might then wish to go a step further and see how the Americans operate. I wonder, as an aside, if one of the high school classes in my riding of Northumberland could have reached the same conclusion about Canada's trade policy at a great deal less cost to the taxpayer.

The Export-Import Bank of the United States is a rough counterpart to the Export Development Corporation. That bank has paid-in capital of $1 billion and borrowings of $16 billion. What is proposed in Bill C-110 is authorized capital of $2 billion, twice the amount of the United States counterpart, and borrowing authority of $20 billion, a great deal more than the Export-Import Bank. Who is the Government trying to kid? Our population is one-tenth that of the United States, and our trade volume is considerably less, yet the Americans are operating at less potential cost than is proposed in Bill C-110.

I suggest that it is time to put Canada's tax base into perspective. The taxpayers of Northumberland naturally want to see Canada's trade expanded, and we all do, but not at any cost. If the Government's intention with Bill C-110 is to increase the dollars available to subsidize loans to foreign purchasers, then I am even more adamantly opposed. It is not much of a sale if the selling price is less than the cost. Surely to goodness, it makes far more sense to use the taxpayer's dollars to assist Canadian enterprises which can or could make bona fide overseas sales. Monuments in Algeria do not help the unemployed in the county of Northumberland.

The Canadian people have made it abundantly clear that they want Parliament to tighten its control over runaway expenditures. People are sick to death of scrounging for rent and mortgage payments while reading about billion dollar deficits. Accountability is a must, and Bill C-110 cripples that. We on this side do not expect to be able to stop the legislation, but there can be little reason for the Government not to adopt Motions Nos. 3 and 5. I strongly urge it to do so.

• (1120)

Mr. Bill Wright (Calgary North): Mr. Speaker, I am pleased to rise this morning to speak to Bill C-110, an Act to amend the Export Development Corporation. I am also pleased to see the Minister here since it is relatively unusual to see Ministers in the House day after day listening to comments for or against their Bills.

The amendments presented by the Hon. Member for Mississauga South (Mr. Blenkarn) are in Motions Nos. 3 and 5. Motion 3 proposes to reduce the authorized capital from two billion, one hundred dollars to one billion, one hundred dollars. Motion 5 is to limit the borrowings so that they do not exceed ten times the paid-in capital and surplus of the company.

If we look at some of the statistics related to the Export Development Corporation, we see that it now has an authorized capital of one billion, one hundred dollars. It has a paid-in capital and surplus of $651 million and its earnings in 1982 were approximately $1 million. In order to earn that $1 million it placed $2.46 billion in loans in 1982 through 63 transactions. There were 613 employees to carry out these 63 transactions. In other words, there were ten employees for each transaction.

When we study this information further we find that for the $651 million which the Government has invested in this corporation it only earned $1 million in 1982, which represents one-quarter of 1 per cent return on capital. What Canadian could operate a business with a .25 per cent return on capital? In effect, this means that it is an inefficient corporation. There are no checks and balances in this corporation, which I will expand upon in a few minutes when I talk about the paid-in capital versus authorized capital.

There is no efficiency lodged with EDC because of this provision. Since there is no efficiency built into the corporation, it does not have to obtain a reasonable rate of return on its capital. Yet the citizens of this country are subsidizing this corporation when it receives a return of .25 per cent on its capital.

I believe the Minister said that no industrialized country in the world is more dependent on exports than Canada. While I admit that we are dependent on exports, I suggest that his statement is not true. Technically speaking, Japan is more dependent on exports than Canada. Certainly we are dependent and need exports, but to say that no industrialized country is more dependent than us is an overstatement at least.

Where is the need for this increased lending? EDC has not demonstrated that it needs to increase its authorized capital. It is not using all that it has at the moment even though we disagree with some of the provisions. When a private sector corporation seeks to increase its authorized capital, it usually demonstrates the need. This is not so with Government organizations such as this. In effect, the Government wishes to remove this control of borrowing authority from Parliament and lodge it with the bureaucracy which is then not accountable to Parliament.

If we look at some of the corporations that the Government has set up, we can see some very peculiar things. One can think of Petro-Canada and what a great corporation it is for Canadians. Its potential loss this year will be approximately $15 million. It has laid off 25 per cent of its staff over the last year. It recently negotiated the leasing of 240,000 square feet in a building which it leased in Calgary last year at $21 a square foot. The building has been empty since that time and Petro-Canada is offering to sublease the building at zero rent; one only has to pay the operating costs for the space. That is the "efficiency" built into the bureaucracy by this Government.

• (1125)

We do not have to look much further than Canadair which lost $1.4 billion last year. If that is not bad enough, the new corporation which the Government intends to set up to oversee these corporations, the Canada Development Investment Corporation, will take on all of the debts of Canadair amounting to $1.35 billion. The Canadian people have to pay that sum. We now have to assume Canadair's debts. This is an example of efficiency in Crown corporations.

We can talk about de Havilland which lost approximately $364 million in 1982 and will have a substantial loss again this year, as will Canadair. We can talk about CIDA. CIDA provides loans to other countries. At the end of the Government's fiscal year, it is not unusual for the Government to give countries which apply for loans more money than they ask for. This is done because the agency wants the money spent before year end, otherwise its allotment could be cut back. This is the "efficiency" built into these Crown corporations. There are no checks and balances. There is no control. We in this Party are trying to restore that control. We do not think the additional capital is needed.

The Government wants borrowing authority ten times the authorized capital. Motion No. 5 by the Hon. Member for Mississauga South seeks to restrict that borrowing to ten times the paid-in capital. That will put a balance and check into the corporation so that efficiency would become the norm rather than the exception. The corporation will have to attempt to increase its earnings. This will allow it to loan out more money based on its built-in surplus. At the moment there is no indication that the corporation has to earn any money.

We are not opposed to the principle of the Bill, but we are opposed to some of the provisions. The amendments moved by the Hon. Member for Mississauga South are worth-while motions.

I would like to conclude by reading a couple of points from the Auditor General's Report. Since 1976 various Auditors General have been indicating their concern about the lack of accountability of Government organizations. The first quotation is this:

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually nonexistent.
>
> This, together with the results of a prior year's study of similar practices in departments, led the Auditor General to express the deep concern that Parliament—indeed, the Government—had lost, or was close to losing, effective control of the public purse.

The Auditor General's report goes on:

> Parliament's involvment both in establishing and overseeing Crown-owned corporations is essential for effective accountability.

At the present time Crown corporations are not accountable to Parliament. Only Members of Parliament are. Unless we bring back that control, we will lose complete control over Government spending.

• (1130)

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to talk about the Export Development Act for a few moments and to refer specifically to the Export Development Corporation, which provides yet another example of a branch of Government that is out of control and no longer accountable to Parliament. The fact of the matter is that the Export Development Corporation is rapidly on its way to becoming a bureaucratic nightmare. It has a history of making unsound loans to foreign countries, borrowing and lending money at ever increasing rates, extending its empire, and involving Canada in deals which are both expensive and can be proven very inefficient. For instance, the corporation quite often does business for the Government of Canada and, under the provisions of the EDC, can authorize up to $2.5 billion just by Order in Council, a decision of Cabinet, a decision that never comes before the elected representatives of the country. As of December 31, 1982, the Government spent $753 million of taxpayers' money in this manner—Orders in Council.

But this is only the beginning of an horrendous nightmare. There are some 613 employees of the corporation. They have offices in Vancouver, Toronto, Montreal and Halifax, with their head office in Ottawa. This translates into almost ten employees for each separate loan customer. This is a fine example of Government mismanagement and economic inefficiency. What bank, what trust company or what lending institution could exist on a ratio like that? It is little wonder that we are burdened with the billion dollar deficit figures which continue to restrict and impede our economic recovery.

For instance, after investing $691 million of public capital, the corporation was able to show a profit of only slightly more than $1 million. This type of gross ineffectiveness is unacceptable to this Party and I am sure to the people of Canada. To make matters worse, we Parliamentarians have literally no control whatsoever over the workings of the corporation.

It is the serious question of accountability which I would now like to address by analysing a number of inequities that arise out of the Export Development Act. To begin with, I would like to discuss Section 11(2) of the Act which reads:

> Where the board recommends that the Minister subscribe for unissued shares of the corporation, the Minister may, if the Minster of Finance concurs, subscribe for such shares at par as he considers desirable and there shall be paid to the corporation the amount of each subscription out of the Consolidated Revenue Fund at such times and in such amounts as the board requires.

In other words, this authorizes the Government to treat the matter as statutory, as law, effectively eliminating the possibility of a parliamentary vote. We have seen examples of that in the not too distant past. As usual it means that taxpayers are denied the basic rights of a democratic society, and their hard-earned dollars are displaced at the whim of yet another bureaucratic monster.

Also I would like to draw attention to Section 31 of the Act which reads:

> (1) Where the Minister reports to the Governor in Council that
>
> (a) the board is of the opinion that a proposed loan or guarantee of the kind described in Section 29 would, if made or issued, before a term or in an amount

in excess of that which the corporation would normally undertake in relation to any one export transaction, person, country, government or agency thereof or in relation to a particular export transaction, person, country, government or agency thereof, and

(b) in the opinion of the Minister it is in the national interest that the proposed loan be made or guarantee issued, the Governor in Council may authorize the corporation to make the proposed loan or give the proposed guarantee, as the case may be.

In effect, loans of this nature may be made by the corporation, by the convenient method of Order in Council. Once again parliamentary authority has been drastically superseded and the current Government has managed to go one step further in eroding the magnanimous institution known as Government.

While continuing its assault on parliamentary tradition, the Government simultaneously manages to interfere at an alarming rate in the business of the private sector. This is very disturbing to our Party. It is by now quite evident that a great deal of the activities currently delegated to the Export Development Corporation could successfully be turned over to private enterprise with the proper reorientation and structuring, where the dollars would be spent with far more justification than, as referred to earlier today, in monuments built in Algeria. Also the funding has been conducted on a narrow basis with a great deal going to limited sources.

In conclusion, the Progressive Conservative Party looks upon the Export Development Corporation, as it does all other Crown corporations, with a great deal of scrutiny and concern for control of the public purse. There is a serious need for increased control by Government and increased accountability to Parliament as recommended by the reports of the Lambert Commission, the Auditor General and the Standing Committee on Public Accounts. I am afraid from time to time that these reports go unnoticed by the Government.

The present structure of the corporation being discussed today is not conducive to efficiency and cost accountability. Funds must not be allowed to be granted solely by Order in Council or a decision of Cabinet behind closed doors without proper parliamentary debate. For this and many other reasons, the arrangement currently prevailing must be eradicated by amendments in favour of a structure more accountable to Canadian taxpayers.

We have had enough of monuments being built at taxpayers' expense. We have had enough of Crown corporations spending at will the dollars of Canadian taxpayers without a word being said in this place about where such decisions should be made. I am sure Hon. Members on the Government side as well as those on the Opposition side would like to know more than Cabinet knows about decisions concerning the spending of taxpayers' dollars. We hope there will be sufficient amendments to the Act we are discussing today to return accountability to where it should be, here in Parliament with its elected Members, whose sole job it is to represent the constituents who sent them here to speak on their behalf.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am pleased to speak on behalf of my Party to the amendments now before the House. The entire question of the Export Development Act and the institutions for which it provides are very important to the country. Anything concerning the relations of a modern state such as Canada with other countries and states is important. Naturally I am interested in different parts of our relationships with other countries. The export development part is extremely important. Another area of particular interest is the matter of international aid. Both these areas are closely linked.

I have difficulty accepting some of the facts which the Progressive Conservatives bring forward about the misuse of aid. The example which has been given repeatedly of a monument in Algeria—unfortunately I have never seen it—is a poor example of Canadian aid; but I know of hundreds of examples where aid has truly helped and brought about better lives for many people. I would say that a broader look in this regard is required.

In so far as these amendments are concerned, I think we are at a small logjam. Yesterday I travelled through a portion of Quebec and saw some logs. As soon as I saw them I remembered the stories about logjams. In a logjam, the logs pile up because certain logs will not break loose. If someone finds the logs causing the problem and dynamites them or uses some other means, the logs begin to move again. With regard to this Bill, if the Minister was willing to discuss some concessions with the Opposition, we might be able to get out of our present logjam and get this Bill moving again.

• (1140)

There are basically two problems with the amendments now under discussion. The first is that the Government is asking for $2 billion in this Bill and the Opposition is speaking to $1 billion. As others have mentioned, $2 billion is a large amount. I wonder whether there is a possibility of the two sides coming to an agreement and rather than $1 billion or $2 billion, there could be a meeting of the ways somewhere in between. It is necessary to reach a compromise in order to get the Bill moving. Possibly we could speak about $1.5 billion and agree to such an amendment.

I suggest that the Minister and the Opposition think in those terms. Possibly we could find a middle of the road solution which recognizes the Opposition speaking against the $2 billion in funding, but at the same time satisfying the Government.

There is a second matter holding up the passage of this Bill. Here, too, a compromise could be reached. The Opposition is asking that the majority of the directors be from the private sector. I can see that as something the Minister could accept. Everybody who would be a director would be a Canadian. I cannot see that the ministry would suffer if people were selected from both the public and private sectors, with the majority from the private sector. I do not see any difficulty with that. If we want brains, skills, history and experience, the Minister should be conscious of the fact that that kind of Opposition move is an interesting point of view. I do not think the Bill or Canada's relationship with other parts of the world would suffer.

I ask the Minister to look seriously at the two problems I have mentioned and to work with the Opposition in finding a solution in order that we can clear up the logjam and get the Bill under way. What is important is that we live in a very mobile, rapid society. International society is moving at a great speed. Anything that stops Canadian input into the world society causes a problem. It is a problem that we face and one which affects every Canadian.

This Bill could be moved along with compromise between the Opposition and the Government. All of us want to see an Export Development Act put in place, one that will bring about international relationships between Canada as a modern nation state and other modern nation states.

This is a complicated world and this is a very complicated situation. Even if we bring in more people from the private sector as directors, I do not think that will be an absolute solution. I do not see that in our modern times. If the brains, skills and goodwill are there, the Minister should consider appointing the majority of directors from that area of the country. We will not lose anything in the long run.

The Minister should also consider the fact that the Opposition is opposed to the $2 billion figure. It is just too much. At the same time, the Government is considering cutting back on our aid program. I suggest if we could cut back with this Bill, some of those funds could be used for aid programs. If the Minister and the Opposition could discuss these points, I feel that the Bill could move forward. That would be for the good of us all. It would be the right thing to do.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am pleased to participate in the debate on Bill C-110. The tragedy of Canada is that the federal Government continually demonstrates that it has no feel for the mood of the country and has no apparent desire to understand the psychology of its people. This is the product of a Government that is stale, having been too long in office. For more than a decade the only thing important to this Government was to appeal to central Canada's electoral majority, ignoring in the process any necessity to relate to the yearnings of the people generally.

Ignoring people has become the mark of this Government. We have seen this in a number of issues of the day, such as metrication and in the objectionable, insensitive manner in which it has pursued the legitimate goals which pertain to Canada's two languages, as well as in the national energy policy. We have seen this in the Government's mammoth appetite for spending which has produced deficits so large as to be unimaginable just a few years ago. We have also seen it in Government interference and the injection of regulations into nearly every aspect of the life of the individual and the business community. Unfortunately, we have seen it in the divisive nature of its dealings with the Provinces and other areas.

Now, when the people of Canada are crying out for governments to truly show restraint by paring their expenditures and demands on the Treasury, the national Government of Canada persists in maintaining its extravagances and its waste based on a detailed commitment to control the economy and the nation.

The single act of restraint by this Government was the enactment of the six and five legislation. Having done so little in the direction of reducing its commitment to spending the nation into poverty, this Liberal Government now shows through every piece of legislation which it puts before the House and the nation that its real intent is to expand its influence and its control over Canadians in every aspect of their lives. This is at a time when people throughout the world are begging governments to back off. In Canada we saw this desire of the people demonstrated in Saskatchewan, which rid itself of a burdensome socialist Government. The people of British Columbia made that same point in re-electing the Government headed by Premier Bill Bennett. For those who may not show much interest in what happens outside of central Canada, I might point out that the main issue in that election was the question of Government spending. If elected, the NDP proposed to provide more programs, fewer constraints and to spend more, which has been the tradition of that Party wherever it has achieved power. The people of British Columbia soundly rejected the NDP platform, supporting Mr. Bennett's call for a leaner, more efficient Government service, more accountable to the people.

The necessity of greater accountability was identified last fall by Canada's Auditor General, who said:

> Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

It is because of this focus of accountability that we are being most critical of Bill C-110. It is within the areas of restraint and accountability that the Government has been most irresponsible in carrying out its mandate.

● (1150)

Bill C-110 is another example of this. Let us look at what it attempts to achieve. It would alter the current structure of the board of directors, thus increasing its power. It would increase the number of directors that the Government can appoint to 15 from 12 to reflect Government priorities. It would give full authority to the Export Development Corporation to take property as security. It would double the authorized capital to $2 billion of taxpayers' money. It would permit the corporation to borrow up to $20 billion for any of its purposes. It would permit the corporation to accept insurance liabilities up to a further $20 billion. It would expand the definition of the types of transactions in which the Export Development Corporation may involve itself. It would give authority to the corporation to subsequently alter an agreement or guarantee which had been undertaken on the direction of the Governor in Council.

It is interesting to observe that any loss, expense or default which may ensue would be chargeable to the taxpayer through the Consolidated Revenue Fund. Elsewhere in the Act there is a built-in authority for the Cabinet to intrude and force upon

the corporation actions which may not be in its interests or in the interests of Canada as a whole. All of this is done outside the purview of Parliament.

Bill C-110 will increase from $2.5 billion to $10 billion the amount of liability which the Cabinet can impose upon the corporation by Order in Council, and always without going to Parliament for approval. In this, as in so much of its legislation, the Government bypasses Parliament with a blank cheque provision. According to Professor Andre Raynault of the University of Montreal, the Export Development Corporation is "rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient."

The amendments to the Bill that we have put forward are designed to restore the degree of accountability to Parliament which is a necessary ingredient of parliamentary democracy. We would leave the authorized capital at $1 billion and, most important, to bring rational economic considerations into play, we would restrict the corporation's borrowings to ten times the actual paid-up capital, plus any earned surplus.

Our friend to the left said that he did not appreciate the references to the Algerian monument to Marxism. I believe this incident requires repeated emphasis because it demonstrates the length to which the Export Development Corporation can go if it is allowed a free hand, given too much money and the licence to spend money to create its own priorities. We are not impressed by such deals as the Algerian monument to Marxism. The Export Development Corporation lent that country nearly $100 million at 7 per cent interest at a time when Canadians were paying 20 per cent or more. Restricting the amount of the borrowing authority of the corporation would certainly serve to curb this type of excess which so offends Canadians.

Financing of the Export Development is obtained by the corporation borrowing on the credit of Canada on the international money markets so as to finance the sale of Canadian goods. With the Government guarantee, the corporation is able to borrow money on the international market at a cheaper rate than any commercial borrower. The farmers of Canada would ask the Government why the Farm Credit Corporation, which is so restricted in capital that it is no longer making loans in some areas, has not been given the authority to borrow on the capital markets of the world at a favourable rate so that it can service Canadian farmers to a greater degree.

It is the purpose and responsibility of the elected Parliamentarians of Canada to exercise control over the purse strings of the national treasury. I find it difficult to understand the reluctance of Hon. Members opposite to accept that democratic principle.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I appreciate this opportunity to speak in this debate concerning Bill C-110, to amend the Export Development Act, and the motions moved by the Hon. Member for Mississauga South (Mr. Blenkarn).

Once again, Mr. Speaker, I find myself in my place in the House of Commons debating a piece of Government legislation which seeks to circumvent the prime responsibility of Parliament. Once again, I find myself in opposition to another Liberal attempt to deny Parliament its historical right as guardian of the taxpayers' funds.

What I find particularly obnoxious is that the federal Government can produce funds like pulling rabbits out of a hat for the Export Development Corporation for activities the public is not even aware of, while on the other hand it has difficulty providing funds to the Farm Credit Corporation for Canadian farmers who are in real need.

At first glance one would believe that Bill C-110, a Bill to amend the Export Development Act, and particularly Motions Nos. 3 and 5, are truly comparable to the motherhood issue. After all, who could speak against the export of capital goods from Canada and therefore the creation of much needed jobs? But we must also realize that there is something far greater at stake here, and that is the role of parliamentary authority and control of the public purse.

Fiscal responsibility and the lack of accountability to Parliament is the real question raised in this Bill. The Bill allows the Export Development Corporation's board of directors to spend $60 billion dollars without accounting to Parliament until after it is spent. The people of Canada are beginning to ask questions about how the Government has spent and is spending their money. Because Crown corporation after Crown corporation has lost the confidence of the Canadian public, people want parliamentary control of public funds. It is not unreasonable to expect that appropriations should come before the House as they are required, but not with this blank cheque approach. The House of Commons has lost control over Crown corporations, to say the least. We do not even know how many there are, let alone how much money is involved or for what valid reasons they are doing business. No one is questioning the validity of the EDC. What is being questioned is the authority of Parliament and our ability to question the spending of public funds before, not after, they are spent.

It is difficult to imagine what $60 billion really is, but I am told that just $1 million in $1 bills laid end to end would stretch from this Chamber to Sharbot Lake, a community in my riding 80 miles away. Just imagine how far $60 billion in $1 bills would go.

We are now considering $20 billion of borrowing authority to be lent to various concerns around the world. The Farm Credit Corporation needs another $300 million but the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Lalonde) say no. The amendment we are dealing with today reduces the capital to $1 billion, $100 instead of authorized capital of $2 billion.

We hear a great deal of flak from Government Members about what a PC Government would do. Mr. Speaker, this Party has for some time, including 1979 when we were the Government for a short period, promoted parliamentary reform. Parliamentary procedures must be put in place that scrutinize expenditures before they are spent rather than after.

● (1200)

I urge the Minister responsible to consider these amendments to this Act and to start the process of giving some accountability back to Members of Parliament and, therefore, to the people of Canada. Year after year the Auditor General warns that financial management and control of departments and agencies is well below acceptable standards. The raising and spending of money goes to the very heart of the role Parliament plays. My colleagues and I are determined that this institution shall retain the integrity and responsibility with which it was originally endowed.

Recently I read in the local press that over 50 per cent of the Canadian population believes that the role of Parliament in our society is limited. With the current situation which the federal Government is trying to develop, I see this situation deteriorating, not improving. Fiscal accountability is fundamental to the rights of Parliament. Unless that responsibility is strengthened and preserved, I am afraid the institution we know as Parliament will cease to exist.

My colleague, the Hon. Member for Mississauga South, has pointed out, among other things, the lack of private sector businessmen to sit on the reconstituted board of directors of the Export Development Corporation. Our desire to place businessmen on the board of directors of the EDC is to inspire a sense of reality in the decisions of the Crown corporation. As has been stated on several occasions in this House, the monument to the Algerian revolution which was financed by Canadian taxpayers is an example of where the isolated world of the civil servant lacks credibility.

In the same vein, I shake my head in disbelief when I witness this Government's response to the agricultural community. My Party has advocated on numerous occasions policies which would help farmers who are currently caught in the web of high interest rates, policies which would provide long-term credit at affordable interest rates. However, the Minister of Finance does not believe that farm bankruptcies are occurring, and he does not believe that the current situation in which a farmer finds himself when he approaches major lending institutions is cause for concern. It was reputed earlier this year that a mid-eastern country offered Canada money at 7 per cent interest to be repaid with food supplies, and the Government refused. The Minister of Finance is said to have stated that we did not need it.

The Government now wishes to develop a new wrinkle in deficit financing for its Crown corporations. Currently, a trust company or other financial institution must have money in the till to do business. They are able to borrow in ratio to their paid-in capital and earned surplus. This Act will allow the Export Development Corporation to borrow ten times its authorized capital. In layman's terms there may be only one dollar in the till, but the company is authorized to borrow $10 billion even if it has nothing with which to back this borrowing. The federal Government will allow this to occur. This represents no control whatsoever and is totally irresponsible.

The federal Government can find money to build monuments to a revolution in Algeria, but when the federal Government is requested to provide the necessary funds to help the average Canadian farmer produce food and hold off bankruptcy, a condition which has not developed through any action on the part of the farmer but through the high interest policy of the Government, the federal Government states that current funding is adequate.

Past experience dictates that parliamentary control of spending is necessary. Out of the 62 companies which received EDC financing last year, three companies received more than half the total. EDC has no business financing foreign development which will jeopardize jobs in this country. However, it would be remiss of me to claim that a double standard exists because I do not believe this Government operates by any standard of conduct. This Government could regain some stature if it would allow Parliament its natural historical prerogative of accountability for the taxpayers' dollars.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, you will have heard in the last few days a number of speakers rise in their places in this House and address themselves to Bill C-110, an Act to amend the Export Development Corporation. The reason, Sir, that a number of Hon. Members have been rising to speak is in the dim, fleeting hope that somehow or other the Government might get the message that there are major things wrong with the Bill which it is presenting to the House. We hope, like advertising with its repetition, that with the repetition of that message to the Government it will finally sink in. I have been watching the response of Government Members this morning and I must say to you, Mr. Speaker, that I really do not see the dawning of any recognition on their faces as yet. I can hope and I can pray, and I trust that they will come to that recognition before this debate is over.

The amendments which have been put forward by the Hon. Member for Mississauga South (Mr. Blenkarn) are really worth while considering. There is no question but that they would improve this Bill. Beyond the amendments which the Hon. Member has put to the House, there are ramifications in this Bill which extend well beyond Canadian trade policy, well beyond the Export Development Act itself, well beyond Crown corporations, and which come to the fundamental reason why this House exists and what parliamentary tradition is all about. It goes to the very heart of our system of government.

I would like to make it clear, Mr. Speaker, right at the outset, that we all understand, appreciate and value the position of trade policy in our over-all operations, in our economy. We know how important it is. We think there should be greater emphasis by the Government on creating the proper economic climate, the proper environment in this country for an expansion of Canadian trade policy. Not that it will be limited, not that it will be restricted, but that it will be expanded. That will mean a stronger economy. It will mean more jobs. It will mean greater prosperity in this country. It is necessary, indeed, that Government provide that climate as much as possible. It is, therefore, not a question of trade policy which is under scrutiny or attack here. It is the provisions by which the Government is trying to bring about the extension or

the amendment of the mandate of the Export Development Corporation.

As we have seen, the Government intends to double the authorized capital of the Export Development Corporation. This means that the corporation will then be able to borrow up to $20 billion as opposed to the original $10 billion which it had been authorized to borrow. The Government may also now make insurance commitments by Order in Council which are not of a proper commercial nature. It will be able to make these commitments up to a ceiling of $10 billion instead of the original $3.5 billion. This will all be done without any parliamentary approval.

That is what I meant when I said that this Bill goes much beyond trade policy or the Export Development Corporation or Crown corporations. It is the fact that the Government is trying to do this without proper parliamentary approval, which I oppose most strongly and which my Party opposes most strongly. It is in an effort to redress this situation that my colleague, the Hon. Member for Mississauga South, has put forward his proposals.

As elected officials representing Canadians from coast to coast, we as Hon. Members of this House have a responsibility to see that the public purse is scrutinized at all times. That is where Parliament began. That is the foundation upon which it was laid. And, Sir, not only are parliamentary expenditures to be scrutinized, but it is to be shown to the people of Canada that those expenditures are not being abused. Because, after all, it is not our money or the Government of Canada's money; it is the hard earned income of millions of Canadians which is being discussed here.

● (1210)

There will be people, Mr. Speaker, who would like to ask whether the borrowers who are able to take advantage of the borrowing measures under the EDC are going to get more preferential rates than, say, the small business community in Canada. More importantly, will the small business community of Canada ever know what those preferential rates might be? So much of this is done in secrecy, Sir, without the scrutiny of Parliament. If one were to look, as has been mentioned here many times, at some of the readily available examples of spending which have not been approved by this House or even come before this House, then one can see the potential for abuse which lies in the Bill as presented to us. It becomes very clearly visible. Some of these examples have been mentioned on a number of occasions and I wish the Government would take them to heart.

The fact is that Canadair lost $1.4 billion and that was never allowed to be scrutinized by Parliament. de Havilland lost $226 million, Via Rail lost $440 million, and Canada Post lost $300 million. There was no scrutiny by the elected Members of Parliament of those Crown agencies which together lost a total of over $2 billion. No one here in this House of Commons or in a parliamentary committee had a chance to examine that situation, and these are just four of more than 300 Crown corporations presently in existence.

Sir, I would like to refer to a statement made in the Report of the Lambert Royal Commission on Financial Management and Accountability some four years ago. The Report warned the Government of what would happen if the essence of accountability was further eroded. Commissioner Lambert said this:

> In examining the bewildering array of Crown agencies we have found that existing provisions for classifying them and for accountability for each category have been rendered obsolete. The resulting state of confusion, if left unattended, will seriously impair the value of these agencies as instruments of public purpose and do further damage to the tenuous and sometimes obscure accountability links that . . . they now have with the Government and Parliament.

He talked about the obscure accountability links and said they were in danger of being further eroded. Despite this warning the Government is now seeking to increase the funding available to another Crown corporation which is not adequately accountable to Parliament, and more importantly not accountable to the Canadian taxpayer; and we on this side find this simply unacceptable.

The importance of having Crown corporations strictly accountable to Parliament, Mr. Speaker, was emphasized once again in the Auditor General's Report last fall, which said this:

> The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for over-seeing receipts and expenditures of public funds.

I see you are rising in your place, Mr. Speaker. In closing, I just want to reiterate that what the Auditor General was talking about was the fundamental responsibility of Parliament to be accountable for the expenditure of funds. I remind you, Sir, and through you the Government, that King Charles I lost his head because he refused to acknowledge the supremacy of Parliament. I predict, Mr. Speaker, this Government will lose not only its head but its position to your right, Sir, because it continues to ignore the supremacy of Parliament.

Some Hon. Members: Hear, hear!

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my friends on the Government side and to my left in the New Democratic Party may find this almost impossible to believe, but I had no intention of speaking on Bill C-110, an Act to amend the Export Development Act, including the amendments put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). Coming as I do from the world of broadcast journalism, I never exported anything except perhaps ideas. I have never even had relatives who were remotely connected with the Export Development Corporation, at least that I know of. So I have not had the benefit of learning the intricacies of the exporting business, nor do I serve on the Standing Committee of Finance, Trade and Economic Affairs. So Hon. Members can see from my credentials that I enter this debate with a pristine pure mind, without prejudice, without biases cluttered up by technicalitities.

I must say that I do believe in the principle of an Export Development Corporation in terms of its benefits to the

Canadian economy, and the Government must create a climate to expand our trading opportunities.

What has brought me to my feet today, Mr. Speaker, is a weekend's reflection on the many excellent points made by my colleagues in their interventions on Bill C-110 during last week's deliberations on the subject. Members from one end of this country to the other, from the Western Arctic to Erie in my part of southern Ontario, all sounded alarmed about the implications of this legislation if this House passes what the Government wants in connection with the EDC. The two buzz phrases which caught my attention over and over again were "Crown corporation bureaucrats" and "no control by Parliament".

Well, Mr. Speaker, I may not be an expert in high finance but I do know something about the danger to our democratic way of life, particularly the damage to our rising defict, when Crown corporations run by bureaucrats run amok. As one who has watched and reported and loved Parliament for 25 years, I know of, and indeed fear, the prospect that we as elected representatives may have literally no control over the actions of this Export Development Corporation. Even if the average citizen on the street has not the slightest idea of what the EDC is or does, that person understands one thing very clearly: a Government money grab. I wonder how the man or woman on the street would react to the prospect of this Liberal Government allowing the EDC to make loans in the billions of dollars without myself or any other Member of Parliament needing to approve them. That is something that every Canadian citizen can and should know.

What we have before us in Bill C-110 is a bureaucratically controlled mechanism, which means that the Hon. Member for Saint-Denis (Mr. Prud'homme), the Hon. Member for Cochrane-Superior (Mr. Penner), the Hon. Member for St. Boniface (Mr. Bockstael), the Hon. Member for Ottawa-Vanier (Mr. Gauthier), the Hon. Member for Churchill (Mr. Murphy), the Hon. Member for Huron-Bruce (Mr. Cardiff), the Hon. Member for Kingston and The Islands (Miss MacDonald), the Hon. Member for Brampton-Georgetown (Mr. McDermid), the Hon. Member for Parry Sound-Muskoka (Mr. Darling) and any of the other Hon. Members here would not be able to vote upon this and we would be regarded as totally unnecessary. Well, I am sorry, Mr. Minister, but my constituents in Hamilton-Wentworth just will not buy that complete lack of a parliamentary safeguard. Otherwise, why are we here if the House of Commons cannot question and control the Government's spending powers?

Bill C-110 touches the very heart of Parliament. My colleague, the Hon. Member for Bow River (Mr. Taylor), put simply and eloquently why we on this side are so concerned about the accountability and control of the public purse when he said:

● (1220)

Our country has a parliamentary system under which the Government should be reflecting the thinking of the people. I want to tell the Hon. Members of the Government that this section does not reflect the thinking of Canadians. The polls have shown that Canadians are heartsore over what has been happening. The present Government is no longer representing what the people want. It has been telling the people what is good for them for a number of years and this Bill is a typical example of where the Government has given authority to a group of appointed people to spend money that has not been authorized by the House of Commons or the Senate. That is basically wrong.

The section to which my colleague, the Hon. Member for Bow River was referring, is the one that we are trying to correct. Just to refresh the memories of Hon. Members and to point out the importance of the amendments before us, let me read Motions Nos. 3 and 5. Motion No. 3 states:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 5 by striking out lines 23 to 26 at page 3 and substituting the following therefor:

"11.(1) The authorized capital of the Corporation is one billion one hundred dollars divided into ten million and one shares with a par value of one hundred dollars each."

Motion No. 5 states:

That Bill C-110, An Act to amend the Export Development Act, be amended in Clause 7 by striking out lines 39 to 41 at page 3 and lines 1 and 2 at page 4 and substituting the following therefor:

"14. The aggregate amount of borrowings of the Corporation pursuant to sections 12 and 13 shall not exceed the amount equal to ten times the aggregate of the paid in capital and earned surplus in the accounts of the Corporation."

The explanation, as I see it, may be stated quite simply: the Government proposes that there be $2 billion in authorized capital for the corporation and that the aggregate amount of borrowing of the corporation shall "not exceed an amount equal to ten times the authorized capital of the corporation". Therefore, if one puts the Government's proposal against our amendments, one finds that the Government proposes to allow the corporation to borrow $20 billion without further parliamentary authorization. That is the basis for our strong objections, the objections taken by many Hon. Members in the debate.

Several Hon. Members have pointed out that it has become almost routine when dealing with the Government to speak in terms of "a billion dollars" or "a half-billion dollars" or "hundreds of millions of dollars", figures which are almost impossible for the average person to comprehend; yet here in this Bill the Minister of State for International Trade (Mr. Regan) is attempting a money grab of gigantic proportions.

The provision with which we are now dealing calls for a total capitalization of the Export Development Corporation of $2 billion. When one multiplies that by ten—and that is the way the Bill works—one is considering that the Government is asking for $20 billion of lending authority which, in turn, means borrowing authority. That money comes from the taxpayers of this country. The Liberal Government proposes to accomplish this without parliamentary accountability because the Export Development Corporation does not have its spending scrutinized by Parliament. It is not required to table an operating budget, a capital budget or even to provide information on the size of its payroll. The mind boggles.

Earlier I mentioned the proliferation of Crown corporations in this country and how their spending can run amok. Let me conclude these brief remarks by quoting Professor Andre Raynauld, who is president-elect of the Economic Association

of Canada, former President of the Economic Council of Canada, and a former Liberal M.N.A. in Quebec. This is what Professor Raynauld says about the Export Development Corporation:

> It is rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient.

A poll taken during the summer indicated that a large number of Canadians consider Parliament to be irrelevant. People do not feel that Parliamentarians are representing them or protecting their interests. That is what we on this side are determined to do in connection with Bill C-110. Through our amendments we are determined to make the Export Development Corporation accountable to the people. That is why I, as well as many other Members of Parliament concerned about control over the public purse, decided to enter the debate today. I thank the House for its attention.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to take part in the debate on Bill C-110. I am delighted to have the opportunity to speak on Motions Nos. 3 and 5, the amendments which were put forth by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). The amendments to the Bill call for an increase in the capitalization of the Export Development Corporation. Of course, we wish the amount to be reduced from $2 billion as requested in the Bill.

When it comes to Crown agencies and the experience we have had in the House over the past number of years, our main focus of attention should be accountability and control of the expenditure of taxpayers' money.

The amendments brought forth have been introduced for the purpose of closer scrutiny by elected Parliamentarians to correct the inadequacies of accountability that are present in the Bill as it stands. The increase of capital authority to the Export Development Corporation from $1 billion to $2 billion should be further reviewed. This would give the Export Development Corporation the authority to borrow up to ten times against the capital authority. Is this really warranted? This means $20 billion worth of borrowing authority. In total, the Bill will increase to $62 billion the amount of money that the Export Development Corporation can borrow, lend and insure, all without adequate parliamentary scrutiny and control. The Government is asking for a blank cheque, and the answer should be no.

Although there may be good reasons for this extra borrowing authority, the purse strings do have to be tightened. As the Minister of State for International Trade (Mr. Regan) stated in the House earlier in the debate, the Export Development Corporation is not the only organization that finances exports; the vast majority of this financing is done by the private banking system, as it should be. We must see to it that it stays that way in the present Bill. As it stands, these huge sums of money will be borrowed without having to come to Parliament for approval and there will be less accountability by the administration for the spending of these funds.

Surely through legislation of this kind we continue to see the erosion of Parliament's control over Crown corporations. Has the Government not learned anything from its past experiences? Has it such a short memory as to forget Canadair, which I believe was in the red to the tune of $1.4 billion, and VIA Rail, which lost $449 million in 1982? I understand that VIA Rail forecasts a loss in 1983-84 of some $755 million. de Havilland lost $265.2 million last year. The Post Office has reduced its usual deficit and I believe this past year it was only $300 million, and this with its greatly increased postal rates.

I recognize and support the fundamental purpose of the Export Development Corporation to assist our manufacturers and small businesses to seek new customers in the international marketplace. On this point, most Hon. Members will agree. The difficulty in the first place, is that there is no requirement that the authorized capital be in the accounts of the corporation; that is, both used and unused authorized capital.

The recent Economic Council report, "Intervention and Efficiency", devotes a full chapter to the subject of export finance and the Export Development Corporation. Government members opposite would do well to read the report, as its thrust is to scale down and reorient the Export Development Corporation and not to enlarge it. Seven of the report's 31 recommendations relate to the Export Development Corporation. One recommendation is that the corporation do less direct financing and that the private sector do more. We could not agree more. The focus of the Economic Council report, as I interpret it, points to a greater say by Parliament in the operations of the corporation. What the amendments propose to do is in the spirit of the report, as the Export Development Corporation presently does not have its spending adequately scrutinized by Parliament. It is not required to table an operating budget or information on the size of its payroll. Moreover, it borrows money in the name of the Canadian taxpayers without seeking parliamentary authority to do so.

● (1230)

The corporation is quite large, with 613 employees. In 1982 it dealt in loan accounts involving 62 exports. It had one customer for every ten employees. As well, it had just over 900 separate insurance policies in 1982 which represented 1.5 policies per employee.

The Government has approximately 306 Crown corporations employing over a quarter of a million people. I believe these corporations have assets totalling close to $75 billion and liabilities of $63 billion. This Bill will increase the borrowing authority of this particular corporation by $35 billion.

I want to assure the House that our Party is dedicated to improving Canada's trade performance and expanding its participation. It is not, however, dedicated to increasing the lack of accountability and control that characterizes the EDC and other Crown corporations.

Indeed, given that there exists the capacity within the existing EDC financing limits, further study hurts no one. As a Crown corporation, EDC should become as commercially viable as possible. As an instrument of public policy, it

demands accountability, scrutiny, responsibility and good financial accounting. Would we not be irresponsible if we were to allow for this magnitude of borrowing?

The more the corporation grows, the more it will gobble up tax dollars. The larger the borrowing, the greater the risk. The taxpayers of Canada, particularly in my riding, no longer feel they are getting value for their money and they have good reason. There have been too many instances of Parliament losing control over the constant growth of its size and expenditures.

I conclude my observations by urging greater responsibility and scrutiny in relation to the present Bill. I believe the amendments are sound and should be adopted. Finally, the Export Development Corporation as a governing policy instrument should not be abused.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise to speak in favour of the amendments proposed by a Member of the Conservative Party of Canada. I do so with a certain sense of knowledge that our nation of Canada in which we have so much faith needs to do more in terms of exports.

I am reminded this morning that in 1968, when the present Prime Minister (Mr. Trudeau) took office in this country, Canada exported more goods and services than did the nation of Japan. I stand here some 15 years later with the knowledge that Japan today exports twice as much as Canada. That 15-year period of history is an indictment of the Liberal Party of Canada and the policies which it has put in place in this country as they relate to exports.

Today we are dealing with Bill C-110 and two amendments proposed by the Conservative Party of Canada. What is the essence of Bill C-110? In its basic thrust, the Liberal Party of Canada, the Cabinet and the Prime Minister are asserting to Canadians that they want to continue in the direction they have been heading and double the amount of money that is flowing to this corporation. The Government has indicated that it does not want to do so with taxpayers' dollars but with borrowed money. It has the mistaken belief that taxpayers' dollars are not at risk by simply turning around and borrowing money.

I say to the Minister that there are lessons which should be learned from history. I remind him again that this nation exported more than Japan 15 years ago and that Japan now exports twice as much as Canada. Surely the message the Government should learn from that is that we have been on the wrong track as an exporting nation in terms of our policies. Surely we should not have to stand in the House to deal with a Bill which would simply double the amount of money being spent on those policies. Surely 15 years is long enough to make the Government realize that it has been on the wrong track and should not be asking to double the amount of money that it is spending in that direction.

This Bill exemplifies the basic thrust of the Liberal Party's policies over the last 15 years. It represents a denial of the democratic process because it turns power and authority over to appointed bodies with increasing frequency. There are now approximately 239,000 Canadians employed by the federal Government who work in Government departments that are accountable to Parliament's elected representatives. Crown corporations, which are removed from the control of Parliament, employ some 262,000 Canadians. More Canadians are employed by Crown corporations than by the federal Government.

As I sat here listening to the interventions of Members of our Party this morning, I asked myself what the difference between a democracy and a dictatorship was. There is really very little, if any, difference between the two in a governing sense. Governments of both a dictatorship and a democracy make rules which can take away people's liberty and lives. This is done through criminal laws. As well, these governments pass rules, regulations and laws which take property away from people. The classic example of that is the tax law through which the Government can take a portion of one's goods or money. This is done both in a dictatorship and a democracy.

Therefore, if the powers of a governing dictatorship and democracy are the same, what differentiates a democracy from a dictatorship? The essential difference between the two is simply the ballot box. In a democracy we give a group of people, whether a municipal council, provincial government or federal Parliament, power to take away our lives, liberty or our property in whole or in part. In a democracy these people are elected on a regular basis for perhaps two, three or four years. Those people to whom we give that power are held accountable through universal suffrage, the freedom to vote. That is a very precious principle and I suggest to Liberal backbenchers opposite that it is a very important principle. When people are given the power to remove our liberty or to take away some of our goods or money, we have that vote which holds them accountable. If they do not proceed in a fashion which their electors feel is appropriate or correct, they can throw them out at their next opportunity to vote.

● (1240)

What happens when we give that power to an appointed group, when we give it to a Crown corporation, in this case the Canadian Export Development Corporation? Those appointees are not voted into office, and therefore they cannot be voted out of office. In this piece of legislation before us today we are giving this group of people the same powers that we give to governments, and it is done through the medium of a Crown corporation which is not accountable to Parliament. We are setting up a small, mini-dictatorship. We are transferring powers from Canadian voters to appointed bodies. We are transferring them from a democracy to a dictatorship. That has been the characteristic of the policy of the last 15 years by the present Prime Minister, the present Cabinet as well as preceding Cabinets.

We in the Opposition consistently attempt to enunciate that principle with the greatest clarity possible. We say to the backbenchers opposite: "You have a role and a responsibility. You can participate in the erosion of democracy, you can go into the privacy of your caucus or stand in the public glare of

this chamber and say to the Prime Minister and to the Cabinet that democracy is the most important principle at stake. It must be protected. The good of the nation requires it and you can hold the Cabinet accountable."

Time after time after time we are disappointed because the backbenchers of the Liberal Party will not hold the Cabinet accountable. This supposedly small piece of legislation which sits before us today would empower an unknown group of 15 people to put the taxpayers at risk to the tune of $62,000 million; or to express it another way, to the tune of $62 billion. That amounts to better than two-thirds of total federal spending this year which will be put into the hands of 15 unknown people who cannot be ousted through the ballot box procedure. It is transferring $62,000 million to a dictatorship.

I urge all Members of this chamber to hold this Cabinet accountable and to vote for the amendments proposed by the Conservative Member of Parliament for Mississauga South (Mr. Blenkarn).

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am very pleased to speak today to the amendments to Bill C-110, an Act to amend the Export Development Act.

At the outset I want to make it very, very clear that the Conservative Party is fully committed to increasing foreign trade.

Mr. Regan: Baloney.

Mr. Wilson: This has always been an integral part of our policy. In fact, the Hon. Member opposite who just said baloney will have to recognize and acknowledge that in 1979 the Conservative Government first made it a provision to have a Member of cabinet fully responsible for foreign trade, and I had the honour to be that first Minister.

It is very clear that the Conservative Party is very much in favour of increasing foreign trade. Increasing foreign trade is the best way possible to increase employment. The way to increase employment is either through domestic or export business. Clearly the increase in domestic business will continue in a normal pattern; sometimes a little faster and sometimes a little slower, but a normal pattern of growth. If we can increase our share of foreign trade by a small percentage in proportion to the over-all export business in the world today, it can have a very large and significant impact on Canada's economy.

Our opposition to this Bill is very clear. It has nothing to do with our position on foreign trade. It does not reflect any weakening in our resolve to increase foreign trade as part of our over-all policy. Our opposition is based on the concern that we have over the accountability of Crown corporations to this Parliament.

It has been very evident over the past few years that this accountability has slipped, and slipped drastically. The Canadair example is a text book case of how Crown corporations should not be run. There are some clear strains in the Canadair case that apply directly to the Export Development Corporation, and I will be coming to them in a minute, Mr. Speaker.

Bill C-110 asks for a blank cheque for the Government and for the Export Development Corporation. It is asking for borrowing authority that could last quite conceivably for the balance of this decade. I want to point out what Professor André Raynauld of the University of Montreal said. When referring to the Export Development Corporation, he said it was "rapidly becoming a bureaucratic monster". That, I think, says it all. That is something we have to be very aware of and very sensitive to. I hope the Minister is taking account of these observations being made about a corporation under his authority.

The EDC Act normally comes before Parliament about every three or four years. If this Bill goes through in the form proposed, we will probably not see the EDC Act before this Parliament for the next eight or nine years, probably not before 1990. What we are asking for is reasonable control over this Crown corporation. In Motion No. 5 we have asked for a ten to one borrowing ratio on paid-in capital and surplus. Motion No. 3 requests that that authorized capital be limited to $1.1 billion. The current surplus today is close to $200,000. What we have here is an over-all paid-in capital and surplus of $1.3 billion. Ten times that is $13 billion. That means there would be borrowings authorized of $13 billion.

Let us look at what the borrowings are today which total about $4.3 billion. What is the concern? Why are these two amendments, a combination of amendment No. 3 and amendment No. 5, restrictive on the Crown corporation? We have to ask that question and we have not had an answer from the Minister.

We are asking for a borrowing multiplier also on paid-in capital and surplus. The Government has said it wants the multiplier on authorized capital which means capital that is authorized but not necessarily paid into the company. There is quite a significant difference and a very important difference. We have seen how Canadair, as an example, operated on a very low equity basis, borrowed an awful lot of money from banks, from the Government and from international investors, and got into a tremendous amount of trouble, so much so that we had a disaster on our hands and a write-off of $1 billion in taxpayers' money that was invested in Canadair.

If the Government is going to run the Export Development Corporation in the same way as Canadair, we could quite conceivably have another disaster on our hands because there is not that proper check and balance so necessary in running a financial corporation. The Government has not learned the lesson. The Government wants to run this company on fresh air, the same way as it ran Canadair on fresh air. You cannot run a company primarily on borrowings; you have to have that solid equity base. That is why we want to have the borrowing multiplier related to solid equity capital being invested in the company. I am not referring to equity capital in some Minister's mind who says: "Some day we may invest in that company, but not necessarily today". The Minister has not answered that question. He has not stated why the Govern-

ment is not prepared to base its borrowing requirement on hard cash which it is prepared to invest directly in the corporation. I hope he will respond to that in due course.

● (1250)

The fifth amendment would ensure that the borrowing base is money in the company, not out there in an airy-fairy way in some person's imagination. When I look at the details of our amendment, I realize it is more generous than what I originally thought the Bill was allowing. I wondered why we were making an amendment that was more generous. I thought the borrowing multiplier would be based on paid-in capital, and we proposed paid-in capital plus surplus. Then I read it more closely and discovered that it was authorized capital. I look forward to the Minister's explanation on this.

I recognize that there can be some debate on the third amendment. Should the authorized capital be $1.1 billion as we have proposed or $2 billion as the Government has proposed? There is a $900 million difference which represents, with a ten times multiplier, $9 billion of borrowing.

The borrowing of the corporation today which has been built up over its life is approximately $4.5 billion. The difference between what the Government wants to put in and what we want to put in is equal to two times the total amount of borrowings built up over the many years the company has been in existence. That is excessive. It is not responsible and does not demonstrate that the Government is learning its lesson from giving Crown corporations a free hand to run away for three years to ten years before being called to account in Parliament. That is the fundamental issue we are facing today.

I would like to look a little more closely at this area. The growth in borrowings according to the annual report was about $800 million in 1982, the latest year for which we have figures available. That $800 million can be supported by an increase in the capital base of the company of $80 million. The existing authorized capital is $1 billion. That will support borrowings of $10 billion. The borrowings today are $4.5 billion, so there is a tremendous gap between the existing position of the company and where it can go under the current authorized capital, but a tremendous increase over what it wants to do in the next few years.

There has been a lot of pressure put upon us, which I am sure has been instigated by the Minister and his staff, by the exporting community to get the Bill passed because we will reach a crunch where it will not be possible for the EDC to lend any more money to support exports. The Minister has yet to say when that crunch will come. The implication left with us by these people is that it will come in a very few days. I say to the people who are putting this pressure on us that they should show a responsible attitude toward the control of the Export Development Corporation, encourage the Government to show that responsible attitude, and we will show a responsible attitude toward the passage of the Bill. We are reasonable people. We feel that foreign trade should be strongly developed, but we will not roll over or step aside while the Government rapes Parliament and takes taxpayers to the cleaners once again with irresponsible action and uncontrolled operations of Crown corporations.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, lest Hon. Members opposite feel we can move, let me assure them that we will not move until some reason is brought to bear on their apparent unwillingness to move even a little in the direction suggested by the amendments of the Hon. Member for Mississauga South (Mr. Blenkarn). I wish more Government backbenchers and indeed some of its frontbenchers, apart from the distinguished three who are here, were present to listen to the arguments being put forth. Then when it comes time to vote on these important matters, they might not simply react to their Whip or Leader, but possibly might find it a useful occasion in which to exercise their best judgment.

I want to deal just briefly with some of the recommendations concerning the question of accountability, which is our fundamental concern and fear. Also I would like to deal with the size of the borrowings and the extensions provided in the Bill. They are mind-boggling. In fact, they are more than that; they seriously put into question the capacity of a country the size of Canada to deal with this amount of money. If we look at our weighted borrowings, Government debt, public and private debt for the first 116 years, we realize that the Government is doing more here than government process has done since the mid-1800s. It behooves us to look very closely at it.

The Economic Council of Canada considered these questions in its report on intervention and efficiency. It made a number of recommendations. I will deal with those which pertain to the Export Development Corporation because I think they are important. Its recommendations, among others, included the suggestion that the EDC should gradually, not abruptly, move toward providing export credit re-insurance, leaving the field of insurance where it belongs, in the private sector. It further recommended that the EDC serve as the insurer of last resort. Historically it has been attempting to do that, but the Bill before us takes it out of that category and places it in an entirely different position. It is not a lender of last resort, it is not an insurer of last resort. Indeed, Hon. Members over the last several days have indicated that in fact it is becoming a lender of first choice in opposition to the private sector.

Also the report recommended that the EDC continue to provide direct financing for Canadian sales abroad, but only when there is reason to believe that the private sector is unable to provide the required credits. Also it suggested that public financing should be made available only under terms and conditions commensurate with the risks involved, and the cost of such assistance, including the opportunity cost of the funds used, except in cases where it is deemed necessary to take into consideration the export support programs of other countries.

It further recommended that the gradual withdrawal of the EDC from most direct lending activities should be accompanied by an increased concentration of its efforts in the fields of credit insurance and bank guarantees. The corporation

should also stand ready to provide refinancing facilities for private lending institutions engaged in export financing. There were eight or ten fundamental recommendations that in fact made sense, all of which pointed to the general problem of Government supplanting that as a policy or principle. Also it recommended that the Government should continue its efforts at meetings of the Organization for Economic Co-operation and Development and the General Agreement on Tariffs and Trade to obtain an international agreement to limit further subsidized export credit. I will deal with that matter a little later.

May I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXTERNAL AFFAIRS

CYPRUS—CONTINUING OCCUPATION BY TURKISH FORCES

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, nine years have passed since Turkey invaded Cyprus, an independent country and a member of the Commonwealth and the United Nations. The continuing occupation of almost 40 per cent of the territory of Cyprus deprives many Cypriots of their human rights, and hinders the negotiations between the two ethnic communities to work out a formula to live compatibly in peace with each other. The occupation has effectively prevented the United Nations from investigating approximately 1,600 missing persons taken hostage during the days of the invasion, despite repeated resolutions to that effect.

Canada on many occasions in the past has condemned military rule and foreign occupation of sovereign countries, but in the case of Cyprus no such stand has taken place. I respectfully request that our Government demonstrate a more just and courageous position toward Cyprus by voting in favour of all resolutions in the United Nations aimed at condemnation of the continuing occupation of Cyprus, and seeking to resolve the human tragedy of missing persons. Unless the Cyprus problem is resolved according to the principles of self-determination of sovereign nations, the cause of democracy, freedom of all nations, and human rights for all people of the world, will not be sincerely served.

FARM CREDIT CORPORATION

DEMANDS ON BUDGET

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, since 1959 the Farm Credit Corporation has been a valuable tool for farmers in their quest for funding. However, the demand now for Farm Credit Corporation funds grows faster than the Corporation's budget. The Farm Credit Corporation recently asked the Government's permission to borrow $600 million on the financial market, but was allowed to borrow only $250 million. The amount is already spoken for. This action by the Government confirms that it does not understand the importance and need for Farm Credit Corporation money in agriculture.

If the Government is truly concerned about jobs it had better look at the agricultural industry, an area where its action, or lack of it, is causing unprecedented bankruptcies and unemployment. In the short term, the Farm Credit Corporation should be allowed to borrow all the funds it needs. In the long term, an agribond system must be introduced, that is, if the Government is concerned about saving agriculture.

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HUMAN RIGHTS

U.S.S.R.—REFUGEE DENIED PERMISSION TO ATTEND PARENT'S FUNERAL

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, approximately seven years ago Lilia Karp and her husband, Lev Karp, were allowed to leave the Soviet Union, but only after considerable pressure had been exerted by President Ford, Secretary of State Kissinger, and Senator Hubert Humphrey of the United States. The difficulty Mr. Karp had found himself in was that, in his home in Moscow, he had endeavoured to teach Soviet technocrats a number of the new western technologies. By leaving Russia he was able to escape the pressure of the KGB. He and his wife are now living in North York with their two children.

On August 22 the mother of Lilia Karp died in Moscow. Upon learning of her mother's death Mrs. Karp sought to go to Moscow but was unable to obtain Soviet permission. Last Saturday morning Lilia Karp learned of the death of her father who, according to her, died of a broken heart because he was unable to have his daughter with him at the funeral of the mother. The funeral of the father is going to be held next Saturday.

I urge members of the Soviet Embassy here to work with the Karps to ensure that Lilia Karp can be in Moscow for her parents funeral. This is not a time for politics. This is a time for humanity.

PARLIAMENT HILL

PURPOSE OF PEACE CAMP

Mr. Bob Ogle (Saskatoon East): Madam Speaker, on the last sitting day one of my colleagues in the House of Commons complained about the aesthetic damage caused by the Peace Camp on the lawns of Parliament Hill. Probably many people agreed with that. However, I would like to say that if an atomic weapon of the size of the Cruise missile, which can carry a 200-kilaton bomb, which is equal to 200,000 tons of TNT, which is equal to 400 boxcar loads of high explosive, fell on the lawn of Parliament Hill, this building and all the buildings around here would be vaporized. Everybody in this building would likewise disappear.

We would be the fortunate ones because, within the one kilometre to 1.5 kilometre range in Ottawa, all buildings would be pulverized, destroyed, and left in ruin. Within three kilometres, 90 per cent of all people would die. That would include all of downtown Ottawa, as far away as the Governor General's home, and would include Hull and Vanier.

A firestorm would take over for 80 square kilometres and suffocation from heat, and a lack of oxygen would leave the people in Gatineau, Kanata and Old Chelsea dying or dead. A firestorm would start the forests of the Gatineau Hills on fire. Finally, there would be a crater 600 metres across and 75 metres deep where the House of Commons now stands. The demonstration is a bit messy, but what the people there are trying to say is, "stop in the name of humanity".

Madam Speaker: The Hon. Member's time is up.

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ENVIRONMENTAL AFFAIRS

THE FIGHT AGAINST ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I want to express my pleasure at the recent signing of the U.S.-Canada agreement to track long-range pollution, the Captex project. I note that this is the first act of the Minister of the Environment (Mr. Caccia), and I hope that this will be far from his last.

In looking more closely at this experiment, however, I wonder about its real significance. Do we not already know that acid rain comes from the valleys of Ohio? What about the Minister's caution against attaching undue significance to the experiment? What does that mean? Has he that little confidence?

I trust that the Minister will be more optimistic, forceful, and more representative in bringing this vital issue to the attention of his cabinet colleagues. That means more money so that we may have a higher profile and the issue will have the true representation it deserves. In other words, we must put our money where our mouth is.

S.O. 21

INDUSTRY

WHITE FARM EQUIPMENT LTD.—THREAT TO DEALER NETWORK

Mr. Doug Neil (Moose Jaw): Madam Speaker, the jobs of 1,000 employees, and the future of 125 White Farm Equipment Ltd. dealerships across Canada and their employees, will be in jeopardy if the Government of Canada does not take action to ensure that the company continue in operation. It is understood that the Government has refused to consider the offer of the U.S. division of the company which submitted the highest bid, and favours the sale of the technology for the axial flow combine to Massey-Ferguson. Such a move could result in the dissolution of the White Farm Equipment dealer network in Canada with consequent bankruptcies and/or substantial financial loss, and the elimination of hundreds of jobs for those employed by the dealers.

In addition, well over 100,000 farmers across Canada who own White equipment would be unable to take action on the guarantees covering their equipment, would be unable or find it difficult to obtain repairs and at the same time be faced with the situation where their equipment will have little if any trade-in value. This matter is urgent and requires immediate action on the part of the Government to negotiate an arrangement to ensure the continued operation of the company.

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HUMAN RIGHTS

U.S.S.R.—PLIGHT OF LEV AND INA ELBERT ARRESTED BY KGB

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I want to raise with the House of Commons a problem which confronts Lev and Ina Elbert, in Kiev in the Ukraine. You will recall when we were in Moscow I raised with Soviet officials the problem of Lev Elbert, in as much as he had been improperly arrested and jailed simply because he wanted to leave the Soviet Union. I raised that question with them as a result of his wife having come all the way from Kiev to meet with me in Moscow.

When she arrived back in Kiev, she was arrested after KGB agents walked in and picked a book off the bookshelf, opened it, and found some substance which they claimed to be drugs. Her husband is now under detention. He has done no wrong except to ask that he be granted the privileges and rights that are afforded each world citizen under the Helsinki Accord. She is on a hunger strike. She is going to die unless some action is taken to try to right this terrible wrong. I ask each and every Member of Parliament to write today to the Supreme Soviet, asking them to look into this matter and find some reasonable humane solution.

S.O. 21

● (1410)

AUTOMOTIVE INDUSTRY

OPPOSITION TO IMPORTATION OF RUSSIAN-BUILT LADA CARS

Mr. Gordon Taylor (Bow River): Madam Speaker, on November 16, 1982, I moved a motion under Standing Order 43 urging the Canadian Government to take all necessary steps to protect Canadian workers from the unfair competition of the Russian-made automobile, Lada, because many of its parts are made in prison camps and it is manufactured by non-union workers.

A few days later I received a telephone call from someone who would not give his name and who spoke broken English, who wanted me to rescind the motion, and I told him that I had no intention of so doing. He was quite angry and advised me that it would be much better if I did not move any further motions of that kind. I advised him that I intended to continue to deplore and publicize the slave labour of the communists, not only in manufacturing Lada, but also for invading Afghanistan, imprisoning Walesa in Poland, et cetera. He banged down the receiver. Premier Davis of Ontario has now asked Ontarians not to buy Soviet made Lada cars because of the shooting down of the Korean passenger plane, which again indicates the low value the communists place on human lives.

I urge the Canadian Government to prevent the importation of Lada cars or, at the very least, impose a tax or duty that would make their retail price competitive with the vehicles manufactured in countries where the workers receive a living wage for their work.

Why should Canadians help the Soviet communists who would, at the drop of a hat, invade northern Canada just as they invaded Afghanistan—if they determined that we could not defend ourselves?

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PROVINCIAL AFFAIRS

LEGALITY OF BRITISH COLUMBIA BUDGET LEGISLATION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, on July 26, this year I wrote to the Minister of Justice (Mr. MacGuigan) about the British Columbia budget legislation as being an assault on human rights and fundamental justice. I said that in my opinion parts of it could violate the due process clause of the Canadian Charter of Rights. I have a reply from the Minister dated September 13. The Minister refuses to state an opinion as to the legality of the legislation. In my letter I had asked that he give aid, through the Department of Justice, to litigants who want to challenge the legislation in court. The Minister refused to do that as well, saying that the court program is restricted to language cases. It seems to me, Madam Speaker, that this is in conflict with what the Secretary of State (Mr. Joyal) said this summer, and it also makes it very hard for the little guy to fight the legislation in the courts.

I urge the Government to do more than simply monitor the British Columbia legislation because as an assault on human rights in Canada, it could be a foretaste of things to come. I urge it also to give aid to people who would like to launch a case to test the constitutionality of that legislation.

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AIR SAFETY

DEMAND FOR PUBLIC INVESTIGATION OF ACCIDENT AT GIMLI, MANITOBA

Mr. Bill Domm (Peterborough): Madam Speaker, there seems to be an urgent need for a public inquiry into the crash landing of an Air Canada Boeing 767 at Gimli, Manitoba, this past summer, because this aircraft is reported to have taken off with insufficient fuel to reach its scheduled place of landing, with some 69 people aboard.

In the United States there is a tradition of holding public inquiries over safety matters in air travel. In contrast, in Canada there is a "behind closed doors" approach, with that information only becoming public if the president of Air Canada wishes. It should be noted that Members of Parliament will be denied access to the evidence given at the Gimli investigation.

As a matter of public safety in air travel, the Government owes Canadians an open public investigation, with the press in attendance. For an Air Canada jet to be allowed to take off with insufficient fuel is a serious matter in the minds of Canadians. If the Government sits idly by and watches the seven-man commission study this incident behind closed doors, with five of the committee being paid employees of the Boeing company, it will be guilty of a dereliction of its responsibility to the Canadian public. It would be like asking five engineers of the General Motors Corporation if the car they designed is safe. The public of Canada will not accept this Air Canada coverup.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT LTD.—THREATENED LIQUIDATION

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. For months the Minister has been sitting on the problem related to White Farm Equipment. To date, there does not seem to be any resolution of the problem other than the fact that an order appears to be imminent, or has already been given, for the liquidation of the company. This will result in the loss of dealers and the loss of Canadian White equipment

line, leading to the loss of many jobs. What has the Minister done to date to avoid this disaster?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member will recognize that we are not one of the lenders in this specific transaction; all we are is an insurer. The court has appointed a receiver to look at various proposals.

What we and the receiver have been trying to do since the situation first came to our attention has been to find somebody we thought would be interested in operating White Farm Equipment as a viable operation. We have been hoping for someone who, first of all, would try to preserve the dealer network of which the Hon. Member speaks; second, the technology to which the people of Canada contributed almost $5 million and, third, the jobs in Brantford which we think are very, very important. At this point I am advised that no viable offer has been put forward, as determined by the receiver.

MINISTER'S MEETINGS WITH INTERESTED PARTIES

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I understand that a request has gone to the Minister for a joint meeting of all dealers, Borg Warner who has some financial interest in the matter, U.S. White, the Province of Ontario, and the Minister's Department, to resolve any outstanding problems. To date the Minister has apparently refused a joint meeting to resolve the question of technology leaving the country, and so on. Why has he steadfastly refused to this?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): First of all, Madam Speaker, the Hon. Member knows that the situation is under the control of the receiver. I have already met with the dealers and I have met with the UAW. I have had a number of meetings with respect to this situation.

I want to emphasize to the Hon. Member that the receiver is in control of the situation.

TAKE-OVER OFFER BY MASSEY COMPANY

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, despite the fact that the Minister assures us that there has been no offer, it is my understanding—and I stand to be corrected—that Massey has offered $500,000, as opposed to U.S. White's offer of $9 million, for the take-over of the company. Apparently this is being ignored and the push for liquidation is coming from the Minister's office. This totally ignores the fact that many pieces of equipment will be rendered obsolete and that the jobs which dealers provide will be gone forever if another company takes over.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member knows that to fulfil his court appointment the receiver must obtain the greatest recovery to the secured lenders. The Government of Canada is not a lender—I repeat, the Government of Canada is not a lender; it is only a guarantor. The Hon. Member should address his question to the receiver.

We have requested that the receiver do his utmost to find someone who will operate White Farm Equipment as a going concern to protect all the interests the Hon. Member has raised.

With respect to the offers put forward by the receiver—it is the receiver who has rejected the offers put forward to date, not the Government of Canada.

REQUEST THAT TECHNOLOGY BE RETAINED IN CANADA

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is also directed to the Minister of Industry, Trade and Commerce. I appreciate the response the Minister made to my colleague, but surely, where the Government is the guarantor, it will have some input as far as the decision made by the liquidator is concerned.

The Minister said earlier that one of his concerns was that the technology developed in Canada might end up in the United States. Can he advise whether the Government has considered the sale of the company assets, excluding the technology rights, to White U.S., or having the CDC or some other organization purchase the technological rights to the axial flow combine and then licensing the U.S. company to construct the combines in Canada, thus keeping the technology here?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, if the Hon. Member wants to refer to the several questions asked by the Hon. Member for Brant before the summer recess, he will find my response then was the same as it is now. We have done everything we can to ensure that someone will take over this company as a going concern and keep that technology in Canada. Canada has already invested over $3 million and has committed $5 million to the development of this leading-edge technology in Canada. We have also guaranteed on behalf of the people of Canada an additional $10.5 million so obviously, Madam Speaker, we are extremely interested in keeping the company viable to create jobs for Canadians.

MINISTER'S ROLE

Mr. Doug Neil (Moose Jaw): Madam Speaker, has the Minister recently sat down with the liquidator and discussed the problems of this company with a view to trying to determining a scheme to retain the operation and technology in this country? Does the Minister realize, for example, that if this company goes into liquidation, all those guarantees which were given by the company, and by the dealers, will disappear? What will the Government do in that event? What will happen to those guarantees?

● (1420)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I believe if the Hon. Member would like to check with the receiver and with the Ontario Government he will find out it was the Government of Canada, and myself as an individual, who tried to precipitate a decision on this issue over six months ago, in order to try to preserve that technology for Canadians, as the Hon. Member has recommended.

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AUTOMOTIVE INDUSTRY

TASK FORCE REPORT—RECOMMENDATION ON CANADIAN CONTENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. There has been a lot of discussion since the House resumed its sittings about the need to create some additional jobs for people who need them. The Government has had in its hands for over four months a task force report on the automotive industry in Canada, which outlines how we could get an additional 35,000 jobs on a fairness principle, if the Government cared to act. Has the Minister finally made a recommendation to the Cabinet on the basic principle of this report, which is, if the automotive producers are going to sell cars to Canadians, they must start using Canadians to make some of them? Has the Minister made that recommendation to Cabinet? If so, when can we expect an answer from the Government?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member will know that during the month of August the Government of Canada did respond to several recommendations of the automotive task force report, most of which were very well received by the industry.

With respect to the very specific question of content, that decision has not been made as yet, and we are undertaking negotiations with the Japanese automobile companies at the present time.

SITUATION VIS-À-VIS AMERICAN, JAPANESE AND GERMAN COMPANIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, what the Minister has said is that the Government has dealt with all the peripheral matters and has not come to the guts of the issue. Today, as the Minister knows, General Motors Corporation is celebrating its Seventy-fifth Anniversary in this country, and the American corporations, General Motors, Chrysler and Ford, accepted the principle some time ago that, if they are going to sell to Canadians, they have to use Canadian labour to produce those cars and parts. If it is good enough for General Motors, Chrysler and Ford, why is it not good enough for Toyota, Datsun and Volkswagen? Why is the Minister not making that recommendation to his Cabinet colleagues?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member, I assume, was at the Seventy-fifth Anniversary ceremonies this morning. He will also know that General Motors has made a request to the United States government to exempt it from the basic restrictions so that it can import 290,000 cars from Japan for the North American Market. Is the Hon. Member now expressing the view that we should endorse the position of General Motors with respect to importing cars from Japan?

REQUEST THAT MINISTER SUPPORT CANADIAN CONTENT RECOMMENDATION

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister knows that what he has just talked about, of course, was action taken in the United States. General Motors, as well as the other companies, in terms of this country, has said it accepts the principle, and if the Government will act on it, in terms of other producers, General Motors has said it will increase its level of production in this country. Therefore, if the Minister and the Government are concerned about fairness for Canadian workers which will provide 35,000 additional jobs coast to coast, when is the Minister going to make that recommendation to his Cabinet colleagues? When can we expect some action from this Government on that?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am sure the Hon. Member would not want the Government of Canada, acting on behalf of a country which depends on its export market for over 30 per cent of its GNP, to act irrationally with respect to a decision on content, which could hamper our sales to Japan and to other countries around the world. Obviously, we are most concerned about jobs in the automotive industry, our largest manufacturing sector. As a matter of fact, Madam Speaker, I believe there are something like 15,000 more automobile workers working today than there were a year ago. I believe that gives some kind of indication that the Government of Canada is very seriously concerned about jobs in this most important sector.

* * *

INDUSTRY

WHITE FARM EQUIPMENT LTD.—SPARE PARTS FOR FARMERS

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is also directed to the Minister of Industry, Trade and Commerce. The Minister must not be allowed off the hook on this very serious issue because it is just not good enough for these 100,000 farmers to have their question go to the receiver. These people are on the hook as far as repairs are concerned. I am wondering, Madam Speaker, just exactly what action the Minister is going to take in order to protect those farmers, to

ensure they will have repairs, and that the Government will live up to that obligation which it has to supply parts for ten years.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I will not take the time of the House to repeat all of the responses I have already given to this very important question raised in the House. I do want to reiterate one of the points I made, however. It was this Government, and this Minister, who tried to bring this situation to a head over six months ago in anticipation of what would happen today, knowing that the longer we waited the worse it was for the Canadian industry. Therefore, we have used the levers of the Government of Canada which were available to us.

With respect to the parts situation, Madam Speaker, we made arrangements with the receiver and with some of the lenders to ensure that those parts were available during the summer, and we still feel that situation will be rectified. What is more important is that we find some individual or consortium which is willing to take over White Farm and take advantage of the investment the Government of Canada has already made, in order not only to protect the dealers of western Canada and to ensure that parts are available to the farming community right across this country, but to also use the leading edge we have in the technology, which was financed by the people of Canada, for our long term benefit.

REQUEST FOR GUARANTEE OF TEN-YEAR PARTS SUPPLY

Mr. Gordon Towers (Red Deer): Madam Speaker, my supplementary question is directed to the same Minister. Is the Minister going to guarantee that there will be a ten-year time frame in which there will be protection for the farmers for parts?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I do not believe that any Minister of the Crown can undertake that kind of guarantee. We have power, but I do not believe we have that kind of power.

* * *

THE ECONOMY

INTERNATIONAL MONETARY FUND REPORT ON SIZE OF CANADIAN DEFICIT

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. However, in his absence I would be inclined to address it to a candidate for his job.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Chair should ban such blatant campaigning in the House, Madam Speaker.

My question is directed to the Deputy Prime Minister who will be aware of the IMF report released in Washington which indicated that, of the seven major industrialized nations, Canada's deficit was the highest of those nations in proportion to the size of its economy. As the Minister will know, because of his background in finance, this has an adverse effect on interest rates and employment capacity. Will the Deputy Prime Minister tell the House how his Government proposes to correct these disastrous policy errors which have been so clearly censured by the IMF in an international report last week?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have not had the opportunity to read this particular report by the International Monetary Fund. The Fund does annually make comments on the economy of its members and, in the absence of reading it, I cannot put the particular comment on the deficit in context.

Mr. Nielsen: Why have you not read it?

Mr. MacEachen: However, I would think one would have to probe much more deeply than the simple relationship between the size of the economy and the size of the deficit itself. There are other important factors which bear upon the matter, including the savings rate in Canada which, in comparison with other industrialized countries, particularly the United States, is quite favourable and permits the borrowing authorities in Canada to manage the debt without any undue effect on interest rates. I do not feel the size of the Canadian deficit has had that effect. If that were the relationship, then the Leader of the Opposition would have to explain why it is, with current levels of deficits, interest rates have consistently come down.

Some Hon. Members: Hear, hear!

REPAYMENT OF DEBT—GOVERNMENT POLICY

Mr. Brian Mulroney (Leader of the Opposition): Notwithstanding that little homily, Madam Speaker, the Deputy Prime Minister will know that the IMF specifically blamed the Government of Canada for a deficit which has been incurred by expansion in the public sector. There is where the expenditures were made, without any job creation capacity. That is what it is all about.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The IMF zeroed right in on the profligate spending of this Government. That is the reason it gave for its negative report on the economy. Can the Deputy Prime Minister tell us, in light of that—

An Hon. Member: Schefferville.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Wait for it. Simmer down.

• (1430)

Mr. Mulroney: Madam Speaker, to the Hon. Member who just yelled "Schefferville" may I just say firstly I received a letter—one paragraph—

Some Hon. Members: Question.

Madam Speaker: I am sure everyone enjoys the Hon. Leader of the Opposition's barbs, but this is the time for questions.

Mr. Mulroney: I was just about to say, Madam Speaker, that I received a commendation from the Government across the way for our handling of Schefferville and Iron Ore.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In light of this direct and devastating indictment, Madam Speaker, can the Deputy Prime Minister tell us what plans the Government of Canada will be introducing with regard to paying down that debt and to making sure it does not cripple the interest rate structure and job creation in this country? Can he tell us that today, please?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, that is a big mouthful the Leader of the Opposition wants to get in a simple answer. In his budget the Minister of Finance has maintained the deficit within limits. He has indicated it was his intention to reduce that deficit over time, and I believe what has happened in the Canadian economy in the past year, the rate of growth, the relative decline in interest rates, the renewed confidence in the business sector, has justified the approach the Minister of Finance has taken to the deficit. I would be very suprised, Madam Speaker, if the International Monetary Fund has made the kind of judgment and used the kind of headline language the Leader of the Opposition has used—

Mr. Nielsen: You better read the report.

Mr. MacEachen: —with respect to the operation of the economy.

I would tell the Leader of the Opposition, just by way of another little homily he will get accustomed to if he comes into the House more frequently—

Some Hon. Members: Where is the Prime Minister?

Mr. MacEachen: —than last week, that the OECD itself, in the course of the past several months, has graduated the Canadian economy to the top rank of economies in the world which have managed so well that they are able to participate in the renewed recovery. So maybe the Leader of the Opposition would take a look at the OECD report.

INDUSTRY

WHITE FARM EQUIPMENT LTD.—GOVERNMENT'S APPROACH TO RECEIVER

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Has he or his Government, either officially or unofficially, directed or placed an objection to the receiver's selling the White Canada interests to White U.S.A. or TIC U.S.A.? Either officially or unofficially has the Government directed the receiver?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): We have not directed the receiver, Madam Speaker, but yes, we have indicated to the receiver that we do not favour that particular proposal that went forward.

Mr. McKnight: Madam Speaker, that being the case, the Government directing the receiver, the Minister stood in this House and said it was not the problem of the Government, it was the problem of the receiver.

REQUEST THAT LIQUIDATION BE DELAYED

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, the manufacturing in Canada by another combine manufacturer of the axial-flow combine will only mean that, instead of a three-month combine run at Massey-Ferguson, there will be a three-month run out of which two months are conventional and one month will be axial-flow, and the jobs that would have been in the White plant are gone with no increase in jobs in Massey-Ferguson. Will the Minister use his good offices and take this opportunity to delay the disbandment of White until either an organization of White dealers in Canada, or some of the provincial Governments with investments in this operation, have an opportunity to make an offer to the receiver?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, there are two parts to the Hon. Member's question, and I totally agree with the second part. My officials right at this very moment are sitting down with a very important player in the whole process, trying to encourage that particular company to get directly involved with respect to taking it over as a going concern. I have also suggested to the dealers, and I have even indicated in my response to the Minister of Agriculture of the Province of Saskatchewan, that if they are prepared to put something forward we are prepared to assist in every way we can.

I think it is important to note, Madam Speaker, that not only has the Government of Canada some objection to the proposal indicated by the Hon. Member, but so does the Government of Ontario. But the receiver, who does not report to the Government of Ontario or to the Government of Canada, in his own judgment found that there were some deficiencies in the particular application. I understand, as I

have not personally met with the receiver, that it would not only require another $1 million from the Government of Canada on top of our $10.5 million already, but also there would be no assurance that it will be operating as a going concern for the period of time that this colleagues have advocated. So I suggest the Hon. Member and his colleagues take a look at the proposal; I would be very interested to see if they are really endorsing the proposal the Hon. Member has put forward.

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FINANCE

INDEXED SECURITY INVESTMENT PLAN

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of State for Finance in the absence of the Minister of Finance. I think it is perhaps his first time to answer a question, so I would like to congratulate him publicly on his appointment.

Can the Minister tell the House whether it is the Government's intention to proceed with the Indexed Security Investment Plan to be in effect as of October 1, 1983?

Hon. Roy MacLaren (Minister of State (Finance)): Madam Speaker, I want first to thank the Hon. Member for his kind words. I have worked with him in the past and I look forward to continuing that relationship in the future.

Regarding the Indexed Security Investment Plan contained in the budget and subsequently outlined in detail and developed with the business community, it is our intention to bring forward that legislation with the amendments to the Tax Act which will, we hope, be tabled later this calendar year.

GOVERNMENT POLICY ON TAX CHANGES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, would the Minister clarify whether he is going to allow a major change in the Income Tax Act to be put into effect on October 1 without even introducing the legislation in this House of Commons? Is it the pattern of the Government to continue the policy of making mammoth changes in the Income Tax Act, and the treatment of capital gains in particular, without even bringing the legislation to the House of Commons? Is that the way the House of Commons will be treated and the way we are going to have tax legislation treated, and is that his idea of parliamentary accountability?

Hon. Roy MacLaren (Minister of State (Finance)): Madam Speaker, the Hon. Member knows full well that such are not the practices of this Government. We would not engage in such procedures. We shall follow the usual practices of the House and, the good form of parliamentary procedure in that regard. I would add, however, that it is our intention to bring forward the legislation as rapidly as possible as one of many stimuli to encourage the private sector to invest more in productive capacity so as to help ensure that long-term jobs are created in our economy, a goal which I am sure both myself and the Hon. Member opposite share.

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TRADE MARKS AND PATENTS

PROPOSED CHANGES IN DRUG MANUFACTURING LICENCES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs, and I congratulate her on assuming her important new portfolio.

The Minister's predecessor recently proposed changes to Canada's Patent Act which would result in a very dramatic rise in the cost of pharmaceutical drugs to all Canadians as well as massive increases in the cost of provincial pharma-care programs. For example, a drug commonly used by diabetics which costs $280 in the United States costs $14 in Canada as a result of compulsory licensing.

Will the Minister reassure the House and the consumers of Canada that she has no intention whatsoever of responding to the blackmail, effectively, of multinational drug companies and caving into their demands, and immediately scrap the plans of her predecessor which amount to nothing less than an attack on the elderly the poor and sick of this country?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I would like to reassure the Hon. Member that his concern is mine as well, and that raising the cost of these drugs would indeed have a very real effect on provincial budgets and on those people in Canada who can least afford to pay the bill. These concerns were expressed to me last week very, very vividly by my various provincial counterparts with whom I met in Whitehorse at our annual federal-provincial conference. I would like to reassure the Hon. Member that these are considerations that we are weighing in our deliberations.

• (1440)

Mr. Robinson (Burnaby): Madam Speaker, I would hope that the Minister would in fact scrap these proposals.

FORMER MINISTER EMPLOYED BY DEPARTMENT

Mr. Svend J. Robinson (Burnaby): I have in fact learned this morning, Madam Speaker, that former Liberal Cabinet Minister, Martin O'Connell, is still, today, on the payroll of the Minister's Department, advising the Minister and her Department on these proposed changes when the Minister, himself, was in fact a paid lobbyist for the pharmaceutical companies in question. I now call upon the Minister to explain to the House how she can possibly justify this blatant conflict of interest continuing under her portfolio. Will the Minister not fire Martin O'Connell immediately and bring some sense to the Department—

Mr. Nielsen: Standard practice for the Government.

Mr. Robinson (Burnaby): —and put an end, once and for all, to this attack on compulsory licensing in Canada?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): On the contrary, Madam Speaker, Mr. O'Connell has provided a very valuable service to this Department because we must have a very balanced view of what is required in the field of research and development in pharmaceuticals in this country, and, conversely, what the effect would be on the consumers. I think that that balanced view is being provided to my Department at the moment.

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WESTERN GRAIN TRANSPORTATION ACT

EXCLUSION OF BRITISH COLUMBIA RAILWAY FROM PROPOSED LEGISLATION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question, which is directed to the Minister of Transport, relates to his Crow legislation. As he knows, the Crow Bill which is before Parliament specifically excludes, from the receipt of any benefits the British Columbia Railway, which, in turn, would deprive farmers in the Peace River country of British Columbia from receiving any benefits in getting their grain to market. Indeed, it would deprive farmers in the Peace River region of Alberta from using the interchange with the BCR to get their grain to the closest point on the West Coast.

Notwithstanding the deliberations and discussions of the committee on the Crow Bill, has the Minister undertaken thus far to speak with the Government of British Columbia, specifically, and with the railway, as to the kind of arrangement that can be made to embrace the British Columbia Railway in the national system; in other words, to remove from it the stigma which it now has of being a foreign railway?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, let me first say that never will I stand aside the functioning of any committee of this Commons. I think it is very important to ensure that the Commons committee, which travelled across the country and heard a wide variety of representations, be heard and that we carefully listen to its proposals and advice. So, unlike the Hon. Member, I do not put it aside. In fact, in front of the committee I clearly indicated that I would be both willing to listen to its views on the issue, and responsive, as to how we might proceed. I look forward to the recommendations or amendments that the committee would like to put forth.

As far as the British Columbia Railway being a foreign railway is concerned, that is not the case. However, the British Columbia Railway does not recognize the jurisdiction of the federal Government in transportation, particularly the obligation to be under the regulatory jurisdiction of the Canadian Transport Commission. If the BCR wanted to undertake that kind of commitment it would then be much easier for the Government of Canada to reciprocate and therefore deal with it in a way similar to other railways. Therefore, if the Hon. Member wants to indicate to the British Columbia Railway its responsibility, then he can be assured that we are certainly willing to undertake those kinds of discussions.

REQUEST THAT MINISTER MEET WITH RAILWAY AND PROVINCIAL REPRESENTATIVES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, like the Minister, I am very much interested and hope that the Minister will eventually listen to the recommendations which will come from the committee meeting on this particular question. However, I am concerned about the indecent haste with which the Government wishes to push the legislation through the House and through the country. Therefore, I would repeat the question: Does the Minister presently intend to sit down with the British Columbia Government and the BCR within the next two to three weeks to discuss what possible role they would be playing in co-ordinating the kind of transfer of benefits that will flow through the Bill?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I am aware that, according to the Hon. Member's philosophy, change must come slowly, if not at all. However, I would remind him that the matter has in fact been before the country for over two years. Furthermore, the committee of Commons has been undertaking hearings, beginning last spring, going through the entire summer, and has now been meeting for virtually ten hours or 12 hours a day for the last two or three weeks. I would hardly describe that as proceeding with undue haste. In fact, I think what is really at stake is the necessity to reach a decision on the Crow legislation so that we can go ahead and create the jobs that the Hon. Members of the Opposition say they want to create. It is that forestalling of the legislation which is the major detraction of job creation in the country at the present moment.

Some Hon. Members: Hear, hear!

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PENITENTIARIES

LEGAL POSITION OF DOCTORS TREATING INMATES ON HUNGER STRIKE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Minister of Justice. I have now been reliably informed that there are other prison inmates who will require unwanted medical services, or die. What action is the Government taking to protect medical doctors from criminal, civil, and internal professional disciplinary actions if they act in accordance with the Government's wishes to save these inmates' lives?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the result in a case of this kind obviously involves a combination of law and medical practice. I have given my

advice to the Solicitor General in this case, and I can say that it is our advice that it is our responsibility, as a Government, to try to keep these prisoners alive as long as possible. However, that depends on the ethics of the medical profession. That is one of the factors which the Solicitor General must take into account. The Hon. Member may want to raise this matter with him in dealing with this problem. Therefore, it is not something that can be resolved by law alone. It is something that must be resolved by law in keeping with the ethics of the medical profession.

Mr. Lawrence: I will then direct my supplementary question to the Solicitor General. The Minister of Justice said that one of the major factors could be the question of the law, and I thought I was addressing my question to the chief law officer of the Crown.

FUTURE TREATMENT OF INMATES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, because I gather the one medical practitioner who did act on the one occasion will not do so again, has the Solicitor General been able to find any other medical practitioner who is willing to treat these other seriously ill inmates, against their wishes? What guarantees has he been able to give to any such doctor who is willing to come forward to provide life-saving services?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I am not certain if the Hon. Member is speaking of cases other than the one involving the Dukhobor inmates in British Columbia who have engaged in a fast. The advice I have received from the Department of Justice, from my colleague, the Minister, is that it is our responsibility to try to keep them alive. The Hon. Member is right. We have been having difficulties finding doctors who are prepared to do this, although the law, according to my colleague, is very clear. Therefore we have appealed to the Canadian Medical Association to assist us in locating doctors who are prepared to help us keep people alive, those who are fasting within the correctional service of Canada. So far as I know there are medical practitioners who are now available in British Columbia and who are prepared to assist us in keeping inmates alive. That is very much my own preference.

As we are custodians of these individuals during a relatively short period of their lives, that duty is one that I have accepted gladly. I have made every effort through the correctional service and on my own to locate medical practitioners willing to do this.

Mr. Lawrence: What guarantee is there?

SOCIAL DEVELOPMENT

GRANT MADE TO VANCOUVER UNEMPLOYMENT ACTION CENTRES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Minister of Manpower. He will know that about ten days ago the Minister of State for Social Development in the other place gave a cheque of some $600,000 to the Unemployment Action Centres in the Vancouver region which, as far as I know, have listed no telephone numbers or addresses, which would then mean that those who need it the most, the hard-core unemployed, would find no relief at all, which the $600,000 was supposed to provide to them. What demands were made on the people receiving the grant in order to make certain that those who need the help the most will receive it?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, while the Hon. Member addresses his question to the Minister of Manpower. I take it that he means the Minister of Employment and Immigration. I take it, also, that he is making an allegation that the information which is necessary for people to fully use the services for which the grant was given has not been made available. I have only his representation to that effect. I will check to verify if that is indeed the case and, if so, will correct it.

* * *

● (1450)

LABOUR RELATIONS

AUSTIN AIRLINES STRIKE AT TIMMINS, ONT.

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is directed to the Minister of Labour. Since August 22, some 16,800 person-hours of employment have been lost by 105 striking employees of Austin Airlines of Timmins, Ontario. They and their union, the Canadian Airline Employees' Association, have been forced on strike to retain their basic union security clause because the Minister of Labour failed for two months to answer the union's legitimate request for the ministerial consent required to proceed with charges of bargaining in bad faith against their employer under the provisions of the Canada Labour Code.

Why did the Minister wait so long, for two entire months, until last Thursday, to give his consent to proceed with these charges, thus causing the strike, and only then after the union threatened to demonstrate as they did today on Parliament Hill?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I can inform the Hon. Member that I acted as quickly as possible, as soon as I was told about this case. I can also inform the Hon. Member that hearings are to be held during the first week of October, and I hope these will be satisfactory,

not only to the people who are lodging a complaint but also to the Hon. Member.

[*English*]

Mr. Kristiansen: Madam Speaker, that is from July 26 when the intervention was requested until September 15, last Thursday. Is that as fast as the Government can move when the livelihood of that many people are at stake?

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CANADA LABOUR CODE

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

Mr. Lyle S. Kristiansen (Kootenay West): Will the Minister give us his assurance that the proposed legislation, namely, the amendments to Parts III, IV and V of the Canada Labour Code, as promised by two previous Liberal Cabinet Ministers in this Parliament, will be introduced immediately? More particularly, will he guarantee the establishment of the Rand formula as a minimal union security provision in the Canada Labour Code, thus preventing countless other costly disputes of this kind? Will he bring it in now, or immediately after the commencement of the new session which we all expect very soon?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I intend to table amendments to the Canada Labour Code during the next parliamentary session, and I hope the Hon. Member, and indeed all Members of this House, will support these amendments which have been eagerly awaited by the labour world.

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[*English*]

CANADIAN HERITAGE

THEFT OF PETROGLYPHS IN BRITISH COLUMBIA

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is the Minister as concerned as I over the theft of Canada's archeological treasures, specifically, the Indian artifacts stolen from the petroglyph site of the Hartley Bay Indian Band in B.C.? Has he asked the Solicitor General and, through him, the RCMP, to investigate these thefts fully?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker. I appreciate the Hon. Member's concern because it is a truly tragic occurrence when artifacts of this tremendous significance to the history of the Indian people, which have the appreciation of Canadians generally, have apparently been stolen.

I have made note of it. Because of the press reports last week and the Hon. Member's comments on it last week, I have made inquiries in my Department. There is correspondence being directed to my colleague, the Solicitor General, to see if the RCMP might stimulate their efforts to find what can be done about it, in terms of discovering the people who appropriated these valuable artifacts.

REQUEST FOR ACTION TO PREVENT FURTHER THEFTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, will the Minister tell us what measures he has taken to assure us that the desecration of Canada's heritage will not recur?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, he is away this week, but I intend to raise this fundamental question with Dr. David Ahenakew, head of the Assembly of First Nations, as soon as he returns. I intend to find from him, after he has had a chance to consult with some of the chiefs in whose territory many of these artifacts are, recommendations as to what further can be done to protect these artifacts. As soon as we have those recommendations I will be pleased to let the Hon. Member know.

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EMPLOYMENT

STATISTICAL DATA ON WORKERS REPLACED BY MACHINES

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of Employment and Immigration. I was somewhat shocked to discover the other day that the Government of Canada keeps absolutely no statistics on the number of Canadians who are currently being replaced by machines. Could the Minister tell us whether he has plans to keep such statistics in the year ahead? If so, could he give us some of the details of those plans?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I do not think that the Hon. Member is quite accurately remembering the questions which he put to me last week. He asked for the estimates of the impact of technological change on employment within the economy. I told him quite frankly that, in my view, there was no consensus on the degree to which either jobs would be created or replaced by the implementation of new technological processes. He now seems to be redefining his question in simply a rather narrower form to that of machines and putting it in terms of statistics which he claims we are not collecting. I do not know exactly what he means by that question.

Mr. Hawkes: Madam Speaker, for a political Minister from Ontario, a bad memory is probably a good attribute.

REQUEST FOR ESTIMATE OF JOBS LOST THROUGH TECHNOLOGY

Mr. Jim Hawkes (Calgary West): Madam Speaker, in modern Canada workers are being replaced by new technolo-

gy. Can the Minister of Employment and Immigration tell the House how many Canadians will have their jobs replaced by new technology this year? Can he tell us how many were replaced last year, and can he give us an estimate of how many people will be replaced by machines in the year ahead? That is the question I had asked and the one to which I would like an answer. I understand that new jobs are also created, but I simply want to know how many people will be replaced by new technology. Will the Minister give us an answer to that?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I cannot very easily lead the Hon. Member out of the Alice in Wonderland world in which he lives. The mere fact that he has repeated his assertions three times that the introduction of new technology indeed causes unemployment or loses jobs does not make it true. In fact a very large number of critics in the employment scene deny the accuracy of the statement he has just made. He can believe it if he wishes, but he should not expect me to respond to a question which I do not believe is sustained in verifiable fact.

* * *

AIR SAFETY

REQUEST FOR PUBLIC INQUIRY INTO ACCIDENT AT GIMLI, MANITOBA

Mr. Bill Domm (Peterborough): Madam Speaker, my question is for the Minister of Transport. This past summer there were two very serious air traffic disasters, one involving a DC-9 which came down on American soil, and the other involving ad Boeing 767 which came down in western Canada at Gimli, Manitoba. As the lone Government voice from the West, as Minister in the House, would he advise us if he believes it is necessary that there be a public inquiry into the Gimli air accident?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I certainly agree with the sentiments of the Hon. Member that those two accidents caused a good deal of concern on the part of Canadians. I believe that we are reacting in a way which will develop the examination for which he is asking.

As he may know, Air Canada itself has commissioned a group of experts to look into its safety procedures. As a major shareholder of Air Canada, I expect to have that report in my possession within a matter of days and that the results of that report and whatever corrections it will request would be immediately undertaken by Air Canada. I would also like to report to the House that I have asked the departmental officials to undertake a major audit of the operating activities of Air Canada. That will commence at the end of this month, and we will have a full report. That would obviously be a matter of public disclosure at that time.

I would like to take this opportunity to say that when it comes to the issue of examining and having public inquiries on air safety matters, there is a bill to establish a new air safety board presently before the Transport committee. If the Opposition were to co-operate we could get that legislation through very quickly and into the House so that we could have a proper mechanism under which public inquiries could be undertaken.

COMPOSITION OF INVESTIGATING TEAM

Mr. Bill Domm (Peterborough): Does the Minister believe that the appointment of a seven-member commission, five of whom are employees on salary with the Boeing aircraft company, is an upfront, honest attempt to look into the 767 air disaster in Gimli, Manitoba? Does that sound like an honest, upfront and open investigation into the safety of the Boeing 767, when five of the seven are from the Boeing aircraft company?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as I pointed out, the Aviation Safety Bureau, which is an operating division of the Department of Transport, is presently investigating the incident in Gimli itself. That, however, is a sub part of a larger audit that we will be doing of the entire Air Canada procedures. As I have already said, we will be making that whole report available to Members of this House if they so request.

● (1500)

There can be absolutely no compromise when it comes to air safety. We have already introduced measures based on the Dubin Report which have dealt with some 75 of its recommendations. I certainly recognize the tremendous importance of that issue, but I do ask for the co-operation of the Opposition, who have a responsibility as well. If the Opposition will co-operate with us, we will bring that air safety board Bill to this House as quickly as possible and have it passed on a Friday afternoon. Then there will be a proper mechanism in place.

* * *

UNEMPLOYMENT INSURANCE

PLIGHT OF PEOPLE EXHAUSTING BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Employment and Immigration. On Saturday last, of the 20 people I saw in my constituency office, seven were unemployed. Every single one was about to run out of UIC benefits. For me, this is a pattern that has been followed over the last 18 months on almost every single Saturday. These people will not be able to find a job in Hamilton. No one is hiring. Welfare will not provide them with sufficient money to meet their commitments. What can I tell them?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, we all know that unemployment levels are much, much higher than we would like them to be. We all know the difficulties and the personal trauma that causes to a whole range of our population. What we have been doing in

this Government is trying to create jobs in the Canadian economy essentially in two ways—through tax changes which encourage the private sector to create jobs, and through direct action. There is direct action in government programs, both through the Special Recovery Projects and also direct programs in my Department aimed at creating jobs.

I wish very much that at the moment we could provide a job for every single Canadian who wishes to have one. We have succeeded in those programs, not as far as we would like, but we have succeeded with them. We pointed out to the Hon. Member, I think last week, that something like 320,000 seasonally adjusted new jobs have been created in the Canadian economy, largely, I believe, because of the kinds of programs we have adopted.

If the hon. gentleman, who stood up and with emotion and sincerity indicated the plight that unemployment is causing in his constituency, could suggest specific things to me which we are not doing, that we could do that will have an impact, I will be delighted to hear him.

Miss MacDonald: Don't cut back on Canada Works.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

ADDRESS TO PARLIAMENT OF PRIME MINISTER OF UNITED KINGDOM

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Madam Speaker, there have been discussions among the Parties concerning Prime Minister Thatcher's visit next week. If it would be the disposition of the House, I would propose to go to Motions immediately, read the Motion and have it concurred in.

Madam Speaker: Does the House agree to that disposition?

Some Hon. Members: Agreed.

Mr. Collenette moved:

That the House shall adjourn at three o'clock p.m. September 26, 1983;

That the address of the Prime Minister of the United Kingdom, to be delivered in the House of Commons on September 26, 1983, at four o'clock p.m. before the Members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an Appendix to the House of Commons Debates of that day and form part of the records of this House; and

That Prime Minister Thatcher's speech, attendant and related remarks be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Madam Speaker: Does the House agree to the proposal of the Minister of State for Multiculturalism (Mr. Collenette)?

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

PETITIONS

MR. HERBERT—NORMALIZATION OF SITUATION OF MISS CILÉ MERVIL IN CANADA

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I wish to submit a petition from 1,000 constituents, most of whom are from Rivière Beaudette, a petition that was initiated by the mayors of the area, the town councillors and the parish priest.

They are asking, on humanitarian grounds, to have the status of Miss Cilé Mervil in Canada made legal so that she can remain in this country lawfully and without fear, with the possibility of becoming a Canadian citizen.

[*English*]

MR. McDERMID—FOREIGN AID—DISCRIMINATION AGAINST TAMIL POPULATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I have the honour and privilege to present to the House of Commons a petition which has been signed by members of the federal riding of Brampton-Georgetown and other concerned Canadians. These people are concerned with the discrimination and abuse being experienced by the Tamil population who live in Sri Lanka and are asking that aid be suspended from the Canadian Government until such time as an independent body has investigated the situation in Sri Lanka and feels that human rights have been restored.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,751, 4,876 and 4,994.

[*Text*]

COST OF NEWSPAPER ADVERTISEMENT

Question No. 4,751—**Mr. Munro (Esquimalt-Saanich):**

1. Was a full page, or nearly full page, advertisement placed in mid-March in a number of Canadian newspapers by the Department of Energy, Mines and Resources entitled "Petro-Canada Is Growing To Serve You Better" and with a centrepiece "BP Now, Petro-Canada" and, if so (a) what was the total cost (b) in which newspapers was it placed and how often in each (c) by newspaper, what amount did each placement cost?

2. (a) Who designed the advertisement (b) what was the design cost (c) what was the advertising agency's fee?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. No. However, in March of 1983, Petro-Canada Products Ltd. commissioned a series of advertisements designed to inform the public of the BP reidentification program. (a) $377,213.17

(b) and (c) Ontario

Newspaper	No. of Insertions	Cost per Insertion
Barrie Examiner	4	$ 350
The Belleville Intelligencer	4	360
Brampton Daily Times	4	330
Brantford Expositor	4	380
Brockville Recorder and Times	4	290
Cambridge Daily Reporter	4	350
Chatham Daily News	4	355
Cornwall Standard-Freeholder	4	395
Le Droit	4	1,993.17
Guelph Mercury	4	365
Kingston Whig-Standard	4	379
Kirkland Lake Northern Daily News	4	370
Kitchener-Waterloo Record	4	534
London Free Press	4	930
Niagara Falls Review	4	360
North Bay Nugget	4	300
Orillia Packet and Times	4	350
The Oshawa Times	4	375
Owen Sound Sun-Times	4	410
Pembroke Observer	4	370
Peterborough Examiner	4	360
Port Colborne News	2	4,930.36
St. Catharines Standard	4	500
St. Thomas Times-Journal	4	345
Sarnia Observer	4	380
Sault Ste. Marie Star	4	413
The Stratford Beacon-Herald	4	355
Sudbury Star	4	385
The Toronto Globe & Mail	3	13,077.53
The Toronto Star	3	15,997.84
The Toronto Sun	3	5,215
Walkerton Herald-Times	2	467.79
Welland-Port Colborne Tribune	4	355
The Windsor Star	4	715
Woodstock-Ingersoll Daily Sentinel Review	4	340
Burlington Post Smiths Falls Record News Strathroy Age-Dispatch	2) 2) 2)	7,825.14 (combined total cost)
Hamilton Spectator The Ottawa Citizen	4) 4)	30,728.65 (combined total cost)
The Lindsay Post Simcoe Reformer	4) 4)	7,849.36 (combined total cost)

Quebec

Beauce, Nouvelle	2	$ 450
Chicoutimi, Progrès-Dimanche	2	1,460
Courrier Frontenac	2	510
Le Devoir	3	1,799
L'Écho de la Tuque	2	450
Les Échos Abitibien	2	450
L'Éclaireur Progrès	2	450
La Frontière	2	450
La Gatineau	2	450
Le Guide	2	190
Hull, Le Régional	2	600
Le Journal de Montréal	3	7,320
Lac Saint-Jean	2	450
The Montréal Gazette	3	8,621.90
Le Peuple Courrier	2	450
Le Pharillon	2	450
La Presse	3	7,422.13
Le Radar	2	450
Sherbrooke Record	4	1,071.61
Le Soleil	4	4,735.48
Le Touladi	2	450
La Voix de l'Est	4	1,012.49
La Voix Gaspésienne	2	450
Dimanche-Matin Dimanche Dernière Heure	2) 2)	7,704 (combined total cost)
Le Quotidien Le Journal de Québec	4) 4)	16,608 (combined total cost)
Sherbrooke, La Tribune Le Nouvelliste	4) 4)	18,966.52 (combined total cost)

2. (a) Baker Lovick, Calgary, Alberta; (b) approximately $30,000; (c) the Advertising agency's fee was a standard agency commission.

GREAT LAKES SCIENCE ADVISORY BOARD

Question No. 4,876—**Mr. Mazankowski:**

1. Is there a Great Lakes Science Advisory Board under the International Joint Commission and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Board (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Board publish in the fiscal year 1982-83?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Yes. The Great Lakes Science Advisory Board (known as the Research Advisory Board until November, 1978) is made up of an equal number of American and Canadian members. Presently there are two vacancies on the U.S. side. (a) (b) (i) (ii) See list below. (c) Salaries of Board members are not paid by the Board but are the responsibility of their respective employers.

Travel expenses of those members of the Board who are employees of federal, provincial or state governments are paid by their respective employers. Travel expenses for other members of the Board are paid by the Board.

Order Paper Questions

	1978-79	1979-80	1980-81	1981-82	1982-83	Total
Canadian Members:						
P. Foley	—	—	—	—	—	—
G. Francis	443.80	929.65	1,775.14	701.00	732.65	4,582.24
H. Harvey	—	—	—	—	1,235.70	1,235.70
G. LaRoche	—	—	—	—	2,754.57	2,754.57
W. Neff	—	—	—	—	—	—
R. L. Thomas	—	—	—	—	—	—
G. Vaillancourt	—	—	—	—	2,593.63	2,593.63
U.S. Members:						
D. Bacon	—	—	—	—	—	—
V. Bacon	—	—	—	—	614.04	614.04
W. Cooper	—	—	457.63	650.94	947.35	2,055.92
D. Frey	—	—	—	—	1,515.48	1,515.48
H. Humphrey	—	—	—	—	—	—
R. Loehr	1,255.57	1,483.17	—	—	1,785.97	4,524.71

(d) No other direct funding is provided; however, certain secretariat costs, such as office supplies, stationery, ect., are covered by the regional office of the IJC.

2. (a) The Great Lakes Science Advisory Board (SAB) was established pursuant to the provisions of the Great Lakes Water Quality Agreement of 1978 (Agreement). The primary role of the SAB is to assist the International Joint Commission (IJC) in the exercise of the powers and responsibilities assigned to the IJC under the Agreement.

The stated purpose of the Parties (The Governments of the United States and Canada) is to restore and maintain the chemical, physical and biological integrity of the waters of the Great Lakes basin ecosystem. In accordance with this general purpose, and the provisions of the Agreement and the terms of reference of the SAB, the SAB shall be the scientific advisor to the IJC and the Water Quality Board (WQB).

The SAB, on behalf of the Commission, is responsible for developing recommendations on matters related to research and the development of scientific knowledge pertinent to the identification, evaluation and resolution of current and anticipated problems related to water quality in the Great Lakes Basin Ecosystem.

(b) Matters considered by the Great Lakes Science Advisory Board: Polynuclear aromatic hydrocarbons, polychlorinated styrenes and dibenzofurans, diazinon, toxaphene and linoane, asbestos and silver, fish community data bases, sediments as a source of toxic chemicals, metal speciation, epidemiological models, environmental mapping, air sampling methodology, and several issues related to objectives development.

(c) There are no set number of times that the Board Must meet in a given year however the Board meets an average six times yearly.

(d) In the fiscal year 1982-83 the Board published two reports: the Annual Report, special report on aquatic systems objectives in the Great Lakes.

Great Lakes Science Advisory Board

Canadian Members	Expertise	Term
Dr. Paul Foley (Acting Canadian Chairman) Research Coordinator Pollution Control Branch Ontario Ministry of Environment Toronto	Chemical Engineering Drinking Water Wastewater Treatment	September 1982— January 1985
Dr. George Francis Department of Environmental Studies University of Waterloo Waterloo, Ontario	Conservation and Resource Environmental Impacts Socioeconomic Implication Policies	September 15, 1980— December 31, 1983
Mr. William Neff Assistant Technical Director The Canadian Chemical Producers' Assoc. Ottawa	Chemical Engineering Industrial Waste Treatment and Design	October 15, 1980— December 31, 1983
Dr. Guy Vaillancourt Department of Chemistry & Biology University of Quebec at Trois-Rivières Trois-Rivières, Quebec	Aquatic Ecology Thermal Pollution Temperature Effects Biota	February 17, 1982— February 17, 1985
Dr. Richard Thomas Director Great Lakes Fisheries Research Branch Department of Fisheries and Oceans Canada Centre for Inland Waters Burlington, Ontario	Geochemistry Sediments	February 17, 1982— February 17, 1985
Dr. Harold Harvey University of Toronto Toronto	Ecology Acid Rain Fish Biology	January 1, 1983— January 1, 1986

Dr. Gilles Laroche Vice President Vit-Vitaille-Viron Inc. Montreal P.Q.	Environmental Physiology Aquatic Toxicology	January 1, 1983— January 1, 1986
United States Members	Expertise	Term
Professor Vinton Bacon 3M Company St. Paul, Minnesota	Civil Engineering Water Resources and Sanitary Engineering	February 25, 1983— December 31, 1985
Dr. Harold Humphrey Michigan Department of Public Health Lansing, Michigan	Epidemiology	January 1, 1981— December 31, 1983
Dr. Raymond Loehr Professor of Engineering Cornell University Ithaca, New York	Engineering Nonpoint Source Application on Land	February 17, 1982— February 17, 1985
Dr. William Cooper Department of Zoology Michigan State University East Lansing, Michigan	Biologist Aquatic Ecologist	January 1, 1981— December 31, 1983
Mr. Dale Bacon 3M Company St. Paul, Minnesota	Chemical Engineering	January 1, 1981— December 31, 1983
Dr. David Frey Department of Biology Indiana University Bloomington, Indiana	Linnology Micropaleontology Systematics	November 1, 1982— December 31, 1985
Vacant Position		
Vacant Position		

CANCELLATION OF BP CANADA ACCOUNTS

Question No. 4,994—**Mr. Beatty:**

How many customers of BP Canada have asked that their accounts be closed as a result of the purchase of BP by Petro-Canada?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows: Between November 1, 1982 and June 30, 1983, 186 holders of BP Canada credit cards requested cancellation of their accounts. No record has been kept of the reason for these cancellations.

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, at one o'clock I was discussing Bill C-110 and some of the very pertinent recommendations that have been made to Government and to Canadians in general with respect to the efficiency, if you will, and the expenditure of public funds. The difficulty faced by Members on this side, as I was indicating, is the question of accountability; the efficiency and the degree of efficiency with which the Government spends our tax dollars; the degree of efficiency it attaches to the credits that we extend and the degree to which the EDC conducts its operations with respect to insurance.

The Economic Council of Canada has had a number of things to say to us and I was in the process of dealing with some of those recommendations, and in the few minutes I have left I would like to continue. I had started to deal with the role the EDC plays with respect to other countries, the need for the Export Development Corporation to be the last resort, if you will, for lending, for insuring and so on, and the need for the EDC to get out of the private sector. We were talking about meetings of the OEDC, for example, concerning other nations and the absolute necessity for our Government to obtain some agreement from our trading partners to limit further subsidization of exports. In the absence of such an agreement, which is the case and continues to be the case today, the Council strongly recommended the following, and I commend its remarks to Members opposite:

—that Canada use subsidized credit only—

I emphasize the word "only".

—in cases where there is a sufficiently strong presumption that it will facilitate the opening of new markets . . . for Canadian products.

● (1510)

Or, it recommended that Canada use subsidized credit in cases where it could be demonstrated that the present share of these markets for Canadian products would be increased substantially. These points are directed toward the role of the

Export Development Corporation. It is that concern which prompts the Hon. Member for Mississauga South (Mr. Blenkarn) to bring forward his amendments with respect to the legislation.

It is not and should not be the role of Government to continue these high level subsidies. It should be the role of Government to assist where assistance is needed. It is a matter of some regret that the distinguished Minister would not in fact accede to one or two of these points in principle and effect that acceptance by way of further changes in his approach to this piece of legislation.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am pleased to add my comments in support of Motions Nos. 3 and 5 which were brought forward by the Hon. Member for Mississauga South (Mr. Blenkarn) and to those just made by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall).

The question that should be addressed immediately as we look at Bill C-110 is whether or not we are for or against international trade. It should be made perfectly clear that no one on either side of the House is against increasing Canadian trade as far as possible and reasonable in an economic sense. A previous speaker indicated that at present we have around 3 per cent of the international trade market, whereas a short time ago we had nearly 6 per cent. Obviously there has been a decline relative to other countries, despite the fact that all countries face the same serious economic recession.

I have three main points which I would like to make. In contrast to questioning whether or not we are in support of or against trade, I think the essence of the entire Bill and in fact the motions is the question of accountability. In their own ways many speakers have addressed this specific point. Technically the motion limits the amount of money the Export Development Act would allow to be spent without Parliament having to be consulted again.

In the Bill before us the agency is required to have a one in twenty capital case. We are suggesting that that is too high, that it should be one in ten. In addition, we are suggesting that the capital base should in fact be a real one, not one that is just promised by Government. In other words, the Government would have to put its money where its mouth is and infuse those funds directly into the agency. Those are two valuable recommendations in an effort to try to make the agency more accountable, although I would have to admit much less accountable than it should be to Parliament and to the people who, in the end, are responsible for the disbursed funds.

The total amount represented by the Bill would be $62 billion of additional financial ability on the part of the agency. It will take several different forms, but I think the total amount is staggering. We are discussing $62 billion and will probably be finished with the Bill in several days. Then, as elected Members of Parliament, we will never have an opportunity to address it again and Canadian taxpayers will be responsible for those funds in one way or another.

One of the most pungent comments on the accountability factor was made by the Auditor General in his report of 1982. Many references have been made to it in this debate, but I would like to quote one particular comment:

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually non-existent.

According to the Auditor General of Canada, control and direct responsibility are non-existent. He made several recommendations in general about Crown corporations and their impact on the Canadian economy. It is indeed difficult to deal with something we are expected to understand and manage at arm's length without becoming directly involved in the day to day operations, losing control once we appropriate funds and give the initial legislative authority.

Also according to his report, the Auditor General suggested:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

Also he suggested:

> Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

He suggested a number of other things which expand on the basic principle that we should make every effort to involve Parliament in the activities of Crown corporations.

There are numerous specific examples which could be quoted when we are trying to make the case for accountability. Over the past year we have probably had more than our share of these examples. All of us can relate personally to the things that have happened. One of the most interesting examples occurred at the end of 1981. There was an awareness of the activities involved in supporting Consolidated Computer and of the fact that the firm sold its assets for $100,000 when in fact the Government had loan guarantees of $125 million. That was a significant loss. Another example which has received high public profile lately is the Government's involvement in Canadair. To date we have a financial commitment of $1.836 billion. This figure is composed of a $46 million purchase price and loan guarantees of $1.35 billion, with an equity infusion not too long ago of $440 million. The Canadair story is well known so I will not expand on it.

Another example is the involvement of CIDA when it spent $1.4 million on a fisheries vessel which was supposed to cost only $308,000 to purchase and to refit. The Government of Columbia refused to accept the vessel after it had been refitted at the cost of $1.4 million because it was found unsuitable for its purposes.

In February, 1981 CNR, another Crown corporation, spent $66,000 to purchase advertising space to wish CPR, its chief competitor, a happy birthday. That is a small figure compared with the Canadair figure, but these specific examples give us a sense of the kind of management that exists in Crown corporations and the way public funds appropriated to them are being disbursed. While it may not be a large sum in the total

problem, $66,000 could go a long way toward making individual Canadians who are experiencing difficulties more comfortable. I say that with particular reference to some farm and other business enterprises that I know from personal experience are having a great deal of difficulty at the present time.

● (1520)

It is difficult to deal with a business operation at arm's length. That is what we, as the elected representatives, are doing. We are dealing at arm's length with over 400 Crown corporations at the federal level and many more at the provincial level. In dealing with those organizations at arm's length, we have lost a degree of direct involvement and an understanding of that business operation.

When public funds are being used by these corporations, we in Parliament ought at least to have the financial accountability that should come with good management. We have lost that. All we ask in these amendments is that we not give the carte blanche which the Government has been giving to these Crown corporations over the past number of years. We are asking that they back up a little. We say that half of what the Government is asking for is plenty to last the corporation for at least the next decade, particularly in view of the number of cases it is involved with presently. There are not that many; 62 last year. We want an opportunity to look at this again before this Government agency spends that additional amount of public funds.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I rise to add my voice in support of the two motions presently being debated concerning the Export Development Corporation, specifically Bill C-110. As elected representatives of the people of Canada, we are accountable to the electorate. We are responsible, at least we are supposed to be, for the vast sums of money that flow through the hands of this Government.

As my colleagues who have already spoken on this issue have indicated, we are not against the fundamental purpose of the Export Development Corporation. Nothing could be further from the truth. What we are concerned with is the total lack of accountability that we as elected representatives have over the actions of the Export Development Corporation in particular and over Crown corporations in general. This is a matter of fiscal responsibility pure and simple.

Bill C-110 appears to be something we see all too often around this place. It is a carefully crafted piece of legislation, designed by bureaucrats hired by the Liberal Government, legislation that neatly does an end run around Parliament.

Parliament has become a terrible nuisance to this Government and to the ruling mandarins. It is something to be handled and manipulated, all the while giving the impression that it, Parliament, is still the voice of the people and that the best interests of the citizens are being looked after. Nothing could be further from the truth. The way in which this Bill is drafted is typical of legislation we continually see which pretends to "control" Crown corporations.

Last week, during the debate on Motion No. 1, we saw how this Bill proposes to edge out the private sector and can place a preponderance of bureaucrats on the board of directors. This establishes the power. Bureaucrats have almost as much disdain for self-made, successful private sector businessmen as they do for Members of Parliament.

It is interesting to speculate upon the expertise that could be called upon by the bureaucracy and appointed to the board. For example, I wonder if someone will find their way on to the board who previously worked for the Department of Indian Affairs and Northern Development. This is a Department I have some familiarity with, and it is not uncommon to find capital projects completed with up to 500 per cent overruns. We do not have that problem in Indian Affairs any longer because we cannot get the computer print-outs. That is how they solved it. The bureaucrats responsible for these overruns are still on the job. If they had been civil engineers working for a city or town, I dare say they would have been fired.

Will they call upon the experts who presented us with Canadair? Will they second to EDC the civil service geniuses who masterminded the PetroCan takeover of Petrofina? Will they draw upon the wisdom of those who allowed the Canadian taxpayers to lose $125 million on Consolidated Computer? Will they appoint to the board the now fluently bilingual Ed Clark because of his gift to Canada of the National Energy Program?

The track record of bureaucrats handling finances both in Government departments and Crown corporations is lamentable. It is difficult to feel any confidence in this type of management. It is no wonder that we rise in this place day after day and scream for some vestige, some shred, some tidbit of accountability. It is no wonder that 64 per cent of Canadians feel that Parliament is irrelevant. I am willing to bet that 64 per cent of Members of Parliament feel that Parliament is irrelevant.

In Motions Nos. 3 and 5 we see how it is proposed to open the purse strings so that billions of dollars in borrowing authority will be available for the board of directors to dispose of as it sees fit. We have heard from other speakers today that this amount of borrowing authority will last at least until the end of this decade. It is far more authority than is needed.

It is interesting to note how the Minister of State for International Trade (Mr. Regan) has so easily fallen prey to his own bureaucracy. In June he stated to the committee that he had complete confidence in his officials. He admitted that he does not keep a watching brief on outstanding loans. He trusts that his officials will alert him well in advance of any loan default. It sounds very similar to the Canadair fiasco. I would be willing to bet that the Minister will wake up some morning and read about an EDC loan default in the newspaper; that would be the first inkling he would have of the problem.

In June the president of the corporation revealed that just in excess of $20 billion had been loaned out over the past 20 years by EDC. Of this sum, only $1 million has been written off and there is a provision for a further $4 million in write-offs.

I have great difficulty believing that we are in that good a position. What about the $202 million the EDC has loaned out to Poland or the $260 million to Czechoslovakia, just to mention two loans that I think will be difficult to collect? Should we not, realistically, have more than $4 million set aside for defaults? Our amendments attempt to set out some parameters of accountability and responsibility for EDC. In the light of past failures by Crown corporations in this regard, why would it not be reasonable to accept them? One would think that those presently responsible for EDC would be delighted to share this responsibility in light of present world economic conditions.

Presently developing and eastern European countries owe in excess of $700 billion to western banks and governments. Obviously great care must be exercised in lending further sums to these countries. Is it unreasonable to expect Parliamentarians, as the taxpayers' representatives, to want to scrutinize the finances of EDC from time to time? It is simply good sense. Therefore, I urge all Members to support these amendments which will, I am sure, make the EDC a much more careful and responsible public corporation.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, some of us have just gone through the throes of research and attempting to pressure the Government, not with respect to this Bill but another Bill which is before the House. One of the main grounds on which we were attacking the Government's proposed security legislation, inside and outside this House, was because there was a complete lack of ministerial responsibility and accountability to Parliament. I rise today to speak on the Bill relating to the Export Development Corporation because I think the same very high principles apply to it as are applicable to the security agency legislation.

● (1530)

I know comparisons are odious—and I do not care what anyone else in the House may say about the Minister; I think he is a good fellow and I like him—but I should like to point out to him the differences in attitude that we sometimes see. Does the Minister want to be outdone by the Solicitor General (Mr. Kaplan)? The Solicitor General has withdrawn, or is not going to proceed, with the security agency Bill in this session. It is not going to come before the House. The Solicitor General has seen the error of his ways in regard to ministerial accountability and accountability to the House and, quite sensibly, has indicated that there will be some very drastic changes in that Bill.

I beseech the popular and ever loving Minister in charge of this Bill to see the writing on the wall, and, levity and humour aside, to appreciate the very serious aspects of this. In respect of the importance of the House and the integrity and morality of the democratic parliamentary system itself, he should see that there should be the fullest accountability not only to Parliament but to himself. In the past we have all seen the ways that Crown corporations can use to get the Minister and the Government into very hot water and into deep trouble.

The truth of the matter in regard to the Export Development Corporation is that it simply is not accountable to Parliament. That is wrong and the Bill should be changed to make the corporation fully accountable to Parliament. The Export Development Corporation spending is not adequately scrutinized by Parliament as a whole, and it should be. It is not required to table an operating budget; it is not required to table a capital budget; it is not required to give any public information or information to the House or any committee of the House on the size of its payroll. Those things are very definitely wrong, Mr. Speaker. It can borrow huge sums of money in the name of Canadian taxpayers, the taxpayers' children and the taxpayers' children's children without seeking parliamentary authority to do so.

I suggest to the Minister that if the Bill goes through in its present form, the Export Development Corporation will be able to increase the capital of the corporation from Government funds, and in order to do that, the Minister of Finance (Mr. Lalonde) need only concur in a recommendation from the board. There will be no parliamentary control on contributions. The Government just puts up the taxpayers' money and the board of directors of the corporation can spend it almost any way it sees fit.

If this Bill is passed, the Minister of Finance will have the absolute right to subscribe to the capital of the Export Development Corporation. There would be no further voting—that is it, the end; fini, no reference to this House and, perhaps, no reference to the Minister. I say that that is wrong, Mr. Speaker.

Not only that, but the Export Development Corporation, whether or not it received the money from the Government, has the right to borrow on the credit of Canada to the extent of $20 billion. That is the amount of the authorized capital, not even the paid up capital of the corporation, and there is no accountability to this House, no accountability to Parliament and no accountability to the public. That is wrong and should be changed.

Another provision is that the Government can make loan advances that are deemed not to be of a commercial or proper risk nature by the board of directors itself. If these amendments are passed, the Government will be entitled to authorize up to $10 billion for what, in the ordinary, economic trading and commercial sense, would be unacceptable loans. Therefore, in effect, the Governor in Council, without any vote by Parliament ever again, can make $10 billion deals without an aye, yes or no on any vote by any Parliament at any time.

Can you tell me off hand, Mr. Speaker, how many zeros there are in $1 billion? You would have to think about that. Most of us will never see that kind of money in our lifetime. This Bill will increase to $62 billion the amount of money the Export Development Corporation can borrow, lend and insure without adequate parliamentary control. It will double the

authorized capital; that means that the Export Development Corporation can borrow up to $20 billion instead of $10 billion. It will double the authorized capital; that means that the Export Development Corporation can insure up to another $20 billion instead of $10 billion. The Government can make loans, not of a proper commercial nature, to a limit of $10 billion instead of the present $2.5 billion. The Government may now make insurance commitments, not of a proper commercial nature, to a ceiling of $10 billion if the Bill is passed, instead of the present $3.5 billion.

Mr. Regan: It makes jobs.

Mr. Lawrence: The Minister interrupts to say that this makes jobs. It may well make jobs although I do not think it has made many jobs up to now. But surely, if that is the point the Minister wants to get across to the Canadian public and the House of Commons, what better attitude could he or should he take than to say, "We will make a complete revelation; we will make a commitment now that these matters have to be authorized by Parliament and the House of Commons." The question is not whether the Export Development Corporation is going to make jobs with this extra money; the question is whether the people's representatives have the right to decide whether it is going to have the money to make the jobs. That is the point.

According to one authority "the Export Development Corporation is rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient". That is not rhetoric from a politician; that is no argument even from a Conservative politician in this House; Those are the words of an academic expert who has studied the Export Development Corporation. That is the warning from Professor André Raynauld of the University of Montreal, and it is pretty strong language.

The point is that that empire building, that involvement of Canada in transactions and negotiations that are both costly and inefficient, can be done with no further authorization, approval or even debate in the Parliament of Canada. I say to the Minister, fie on you! Shame on you! That should not happen.

Seven years ago an Auditor General noted that in the majority of Crown corporations audited by him, "financial management and control was weak and ineffective. Moreover, co-ordination and guidance by central Government agencies on financial management and control practices in these Crown corporations, is virtually nonexistent".

The Minister perseveres in this arrogant and unfortunate attitude. I appeal to him now to make the necessary changes in the Act or to agree to the Conservative Opposition amendments which would make the Export Development Corporation accountable to Parliament.

Mr. John Gamble (York North): Mr. Speaker, according to the Minister responsible for Bill C-110, it deals with the creation of employment. Since everyone wants desperately to create in Canada additional jobs of a permanent nature, this Bill therefore allegedly becomes sacrosanct. This Bill, of course, deals with the export of products from Canada, and since everyone is clearly desirous of endorsing, improving and extending the exports from this nation, everyone should clearly favour this Bill. So the story goes. This Bill, Mr. Speaker, symbolizes, probably more so than anything we have seen recently, an attack upon the principles of Parliament. The roots of this place lie in the fact that we here demand that the Government account for what it does and that we control the purse strings. Without that financial control, this place would not exist. If it did not exist, democracy would not exist in Canada. It is because this piece of proposed legislation, by way of amendment to the Export Development Act, attacks those basic principles, that I am opposed to the Bill itself.

• (1540)

We have heard from some of my colleagues who have detailed the problems which the Bill presents in terms of quantum, in terms of money. So often in this place we become accustomed to hearing about very substantial sums of money. Even the authorized capital in itself, as altered by this Bill, should be enough to make the ordinary Hon. Member of Parliament—certainly, the ordinary citizen—sit up and take notice, since we are talking about two thousand million dollars. We have shortened this figure to $2 billion. If we use the expression "trillion", we could probably deal with but fractions rather than full dollar amounts. However, in essence we are talking about an authorized capital of two thousand million dollars, to promote, we are told most assiduously and diligently, the export of Canadian products.

The $2 billion is not, however, the end. The corporation itself, made up of and controlled by public servants, may borrow ten times the $2 billion, or twenty thousand million dollars. The corporation may, in addition, guarantee and insure for an additional twenty thousand million dollars and, under circumstances where even the public servants determine that it would be inappropriate for this corporation to guarantee or to provide insurance, the Government may, by Order in Council, direct that that guarantee and that insurance be provided to the extent of $10 billion, or ten thousand million dollars. That is the difficulty, Mr. Speaker. We are now talking about gigantic amounts of money which are beyond the control of this House.

I can recall so vividly questions being asked and answers being given with respect to the Farm Credit Corporation here in this place, where $300 million is considered to be a very substantial injection into the backbone of this nation, into its agricultural area, the farming community. All Hon. Members and the Minister of Agriculture (Mr. Whelan) deal with that rather large amount of money with great care and attention. It is, after all, to be used by the farming community. Yet when we deal with exports, we are dealing with $52 billion, and we do so with the greatest of ease, without concern. Somehow our regard for values has been damaged and shifted by an immunity which we have developed to the value of money. We come to

think of it as the Government's money, and everyone knows that everyone should have a piece of the Government's money. The sooner the Government spends it, the better off we all will be. But the Government has no money. The value of this nation is mortgaged in order to provide these funds for the purposes outlined in this Bill and, Mr. Speaker, neither you nor I nor any Hon. Member who is now alive and in this House will be living at the time that these obligations are paid.

I know that one might enter into a fanciful argument and say that this Crown corporation is distinct from Government, and, indeed, while it might go out and borrow $20 billion, as it is authorized to do, it could default and never pay off those obligations. Therefore, what we are really looking at is just the capital which is ultimately injected into it. You know, Mr. Speaker, and I know, that whatever this Crown corporation incurs in terms of liability will be paid, not with government money, because there is none, but with the money of the people of this nation. It disturbs me to think that in such a cavalier manner this House can take this piece of legislation and deal with it in the fashion which the Minister responsible for it would have us believe we should.

We know that not long ago this corporation provided the funds necessary for the development of a rather interesting architectural structure in Algeria, and it may well have provided, as it did, a lot of employment for a lot of Canadians who were there. It also provided an opportunity for the export of cement from Canada because a lot of it was made of concrete and reinforcing steel. The problem is, Mr. Speaker, that we have not been paid. We may never be paid. And we do not know what the interest on that loan is. The reason I mention that one incident is that it typifies the separation from this place of those who make the rules and authorize the loans, and the people in this place who were elected by the people of Canada have no authority to demand and to obtain the vital information we should have with respect to the operation of our Crown corporations, including this one.

I urge Hon. Members of the House, Mr. Speaker, to examine carefully the proposals which we have offered by way of amendment, and have some regard not to the desire of the bureaucrats to further extend their authority and dominance on the political and financial scene of this nation, but rather to display some concern for our children, our grandchildren and our great grandchildren and future generations of Canadians who will be bound to pay the debts which we permit this corporation to incur if we pass this Bill in its present form.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I am rising late to speak in respect of the Export Development Corporation Bill, but I would like to mention briefly some experiences which I have had personally with a young, vibrant company bidding for world markets. Just last week I was invited to the first promotion of their deal abroad. This happened to be a company which is in the business of manufacturing paint. The company had sold 43,000 gallons of paint to the Barbados. Over two years ago it applied to the federal Government for some promotional assistance, not just to the Barbados but to other countries, and to further research its product, which it was already doing with its own money. But it received no Government help whatsoever. Yet we find that of the 62 companies which received financial assistance last year from the Export Development Corporation, 3 received over half of the total funds allocated. This gives me a great deal of concern. Are we helping the right type of people, the people with initiative, the little guy? I think too many of our Government departments, not just the EDC, are looking for the giant who has made his way and is receiving today the lion's share.

● (1550)

I think the Minister is a pretty good fellow, Mr. Speaker. We talk about fishing and about growing potatoes in the Maritimes. While I come from Ontario, we get along very well with the Minister, and I think he really tries. But I honestly think some of his department officials bypass some of these very dedicated entrepreneurs who want to make their own way.

I cannot be critical of the EDC alone because these problems occur with the Department of Industry also. I had a chap come to me not too long ago who wanted to manufacture stick fertilizer for plants. He is struggling along and he was lucky enough to win several contracs here in Canada which had been filled by fertilizer sticks imported from the U.S. He secured a contract from Loblaws, IGA, National Grocers and Canadian Tire. Yet he was totally turned down by the Department. He had created 15 to 20 jobs and would have gone to 45 or 50 jobs, but the Department ignored him. He did not have this, he did not have that. Probably he did not have the right firm present his application. This chap was finally helped by the Government of Barbados in promoting his product abroad. It is a very viable product, so what are we doing wrong? What is the EDC doing for people such as I have described here? The Government of Barbados helped this chap promote this product, yet two years ago the EDC had turned him down.

That, Mr. Speaker, is where I can be very critical, not just of the EDC but of too many of our Government departments. We ignore the entrepreneur who wants to try and who has done a lot for himself. As speakers from this side of the House have pointed out, and apparently we are the only ones talking about this, we have to put some meaning in the Bill for the small businessman. I think it is self-explanatory when three companies received over half of the moneys allotted through the EDC. This is why we are trying to bring in some amendments to the Bill which will have some meaning for the community. We are not going to deny our big entrepreneurs, but we want to think of the smaller people who are striving and working against a market which has been captured by the big financial giants throughout the world. They are getting bigger and bigger all the time. We believe in the small Canadian entrepreneur and we want to promote him also.

Therefore, Mr. Speaker, I hope that before this Bill passes the House we will have something in it for the individual who wants to help himself, who is out there trying to help himself, fighting big business and big bureaucracy. I hope that when we finish with this Bill we can say we have accomplished

something for these people who are very, very important Canadians.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I would like to direct my remarks today to the concerns of the public as I have witnessed them during the last few months, particularly during the period of time in which I was a candidate in the byelection in Brandon-Souris in the spring of this year. One of the things I found at that time, Mr. Speaker, that distressed me, and the explanation for which can be found to some degree in this Bill, was a growing amount of distrust of Government among the public at large, a considerable amount of distrust of the civil servants who work for the Government, and there is particularly a demand by the public for more accountability by Government and its employees, accountability, Mr. Speaker, first of all to this Parliament and, second, and perhaps even more important, to the people of Canada as a whole.

It seems to me, from my studies of Canadian history—and I have devoted a considerable part of my life to that—that there has never been a time in Canadian history where there has been such distrust of Government and, quite frankly, so much concern about the importance and relevance of Parliament. I think one of the reasons for this is the growth of Government, first of all, the growth of the Civil Service, second, and, perhaps more germane to this discussion, the growth of Crown corporations, which seem to a very large degree to be operating in a world of their own, independent of scrutiny from this Parliament. It seems to me that there is an inherent danger in this particular piece of legislation. This particular Crown corporation will have the opportunity to become even less responsive to the will of this Parliament and hence to the will of the people of Canada than certainly we would wish, and certainly less than the people of Canada would wish.

It is not, Mr. Speaker, that the people of Canada have any particular distaste for any one form of Government. They recognize the role of many forms of administration, but they hold very much as a bottom line the necessity that the arm of Government, in this case, a Crown corporation, must be accountable in every way feasible to the Parliament of this land and hence to the people of this land. Unfortunately, as I understand this Bill, the EDC is going to be permitted to a very large degree to act independently of the will of Parliament. There is only the most minor accountability required of it in the sense that it must present an annual report to this body. In addition, as I understand the legislation, there is a further provision within the Bill which means that the Cabinet, by Order in Council, can act, if it wishes, even independent of the will of the EDC. It seems to me that in doing so it separates the executive arm of Government even further from the legislative arm and the will of the public.

One of the results of this, Mr. Speaker, is that we have discovered, just on the eve of this Parliament reconvening, that a large percentage of the public, far too great a percentage in my estimation, some 67 per cent if I remember correctly, have come to the conclusion that the actions of this Parliament are not of particular importance to them. In fact, they have come to the conclusion that Parliament to a substantial degree is becoming irrelevant. I, and I am sure most other Members of this House, would of course quarrel with that conclusion, but it seems to me that as a result of the manner in which we have drafted our legislation in the past and the manner in which we have administered the country, particularly in the realm of Crown corporations, demonstrates that we ourselves have encouraged the public to reach that conclusion. By comparison, in 1962 there were only 28 Crown corporations operating in Canada, and at that time they were largely, and I think reasonably clearly, accountable to Parliament. Today we have more than 300 Crown corporations, and I daresay that there are many Hon. Members who are not exactly certain as to the number of Crown corporations.

• (1600)

Mr. McDermid: Not even the Government knows.

Mr. Clark (Brandon-Souris): The amount of money being controlled by those Crown corporations has grown astronomically, and almost in direct proportion there has developed a gap between those Crown corporations and Parliament as a whole, and hence, the public. As a result, many people have come to the conclusion that the real authority within the land rests in a place other than here.

It seems to me that all Members of the House, those on the other side as well as those on this side, have a very pressing need to correct that concern. One of the ways we can do that is by ensuring that all Crown corporations be made more directly accountable to this Parliament and by amending this piece of legislation to ensure that the Export Development Corporation reports more directly and immediately to the House than is proposed. In particular, the provision by which the Cabinet, the executive arm, by Order in Council, could make loans which might well be contrary to the criteria established by the Export Development Corporation, permitting it to operate in an independent and perhaps irresponsible manner, must be amended.

If the public is to recover the faith it once had in Parliament and in the parliamentary process, then we as Parliamentarians and all those who are part of the governmental process must seize upon every opportunity which is given to us to seem to be answerable to the public. We must also be able to provide the public with as much information as it seeks so that people are able to evaluate the doings of Parliament and, of course, the actions of Crown corporations as well. It seems to me that the Government has strayed from that objective. Instead of making Crown corporations more accountable to the public, it has done the opposite. The end result is that we have had more Crown corporations than the public desires. We have had more Crown corporations operating independently of the public and of Parliament than the public desires. Therefore, the impression has been created that there is an arm of Government which is operating independent of the will of the public. In doing so, the Government has very much contributed to its own demise as far as the public perception is concerned. We have an opportunity to rectify that at this point. It seems to me

that we will not make great strides in that direction until not only is there a change in philosophy, but a change in Government as well. However, in the meantime, we have an opportunity, in amending this particular piece of legislation, to ensure that those who spend the money raised by the taxpayers of Canada are accountable, first of all, to the Parliament of this land and then, second, to the electors who send us here.

We also have a very real responsibility and opportunity to ensure that those who spend the money of the taxpayers of this land are spending it in a way which is consistent with the objectives provided for EDC by Parliament. It is therefore imperative that there be a greater degree of accountability than there has been in the past and that the process providing the opportunity for Cabinet, by Order in Council, to spend money in a manner which may be contrary to the wishes of the Corporation, which we specifically requested and which was established for that purpose, be now amended.

In conclusion I say that it is of utmost importance that Parliament amend the legislation so that the Crown corporation becomes more accountable to this body and hence to the will of the public.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is incredible to me that the public has not become more aware of the magnitude of this Bill. I have not seen a headline which states that "another Crown corporation is now enabled to borrow $50 billion". Why? I wonder why this has not become news to Canada from coast to coast, and it concerns me. I wonder why the public of Canada would not be interested in the fact that here we have a Bill which will put $50 billion out of reach, out of touch, with the elected representatives of this nation. Is that not news? Fifty billion dollars is a lot of money. Yes, I can understand that people are enthralled that there will be improved export opportunities and expanded export credit, and that principle is one with which I think few if any in the House quarrel. However, the principle of secrecy with regard to the administration of the money is one with which I think all Canadians should become familiar.

I am amazed at some of the approaches that have been taken concerning the Bill. Last week we heard the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) saying that jobs and not ownership was the issue in the Maritimes. I think that his remoteness from the Maritimes, his complete lack of understanding of the Maritime problems, is perhaps the explanation why his Party now has the same number of Members as it had five, ten or 15 years ago, and one less than it had 25 years ago. Members of his Party just do not understand.

Mr. Lapierre: How many more do you have?

Mr. McCain: I said that his Party had one less. It will stand in that same position. In the ten minutes I have at my disposal I do not have time for the Hon. Member's frivolous interruptions.

I would like to say to Your Honour that ownership is not the issue in Atlantic Canada because the Canadian investors have been inclined to put their money within sight of the tower in Calgary or the CN Tower in Toronto, and if they cannot see it or smell it from there, then it is not the place to put money. Fortunately, we do have some foreign investors who are interested in putting money into industry in Canada, and they have been quite successful. We need them in Atlantic Canada, and we welcome them. We resent the interference by FIRA, we resent the interference by Government, and we resent the slow procedures to which they must succumb in order to receive the assistance which is supposed to be public money for public investment in the nation of Canada. We have one, for instance, now in the process, which was supposed to have been approved. First it was approved by FIRA. I do not know why, because it is a foreign company, but I thank FIRA for its approval. Then it was to be approved for a DREE grant sometime in June. Now we are in mid-September, and the answer as to when it will be approved is not there. No, the Maritimes want jobs and do not care who invests the money as long as they get a fair opportunity to work at a reasonable wage.

I am concerned about this corporation and its historic way of functioning in Canada. This is because any information that we have been able to collect does not indicate that the Maritime industry has been favoured with any important amounts of this money. I am concerned about the way it functions. I am concerned, for instance, that we do not have a shipbuilding industry in Atlantic Canada because this organization exported ships to the much greater advantage of the purchaser than ships could be sold to Canadians, whether involving Canadian steamships or Kent line ltd. or whatever it may have been. The capital investment for a ship built and operated in Canada was not as attractive as that for the ship bought by offshore owners and operated in and out of Canadian ports. This is most unfortunate. I wonder how many credits were extended by this corporation or will be extended to such companies as Enamel and Heating or Enterprise Foundry. I am wondering how many credits will be extended by the corporation to the fish processing industry, to the agricultural processing industry, to the fresh fish industry or to the fresh agricultural products of Atlantic Canada. Will the money be made available to them and will it be on terms that they can accept? The initial terms of the corporation would not meet the needs of the buyer of food products as they were exported from Atlantic Canada.

• (1610)

I think it is time that we began to look toward Atlantic Canada. I would suggest that the expenditure of federal moneys in Atlantic Canada is under political control since there is a Minister appointed for each Province. He certainly has the authority to say how, where and when money will be spent by the federal Government in Atlantic Canada. Whether it is for roads or industry, the minister can exert pressure to spend the money as he sees fit. Will that pressure still be there? How will we be able to determine whether ministerial pressure has been exerted to serve the friends of the Government? This has occurred in other areas, and will it happen here? We will not know if this will happen in this corporation because of the secrecy involved in this deal.

I submit that if we cannot have public examination of this corporation we should at least have in camera meetings in committees of the House of Commons, with a free licence to roam, investigate and know what is going on. That is the least that should be extended to elected Members of Parliament. There will be six people hired on the board of directors who will be working for Canada, with another three appointed from outside the Public Service. I believe that the elected people should be able to know how the six hired members and three appointed members are working on behalf of all of Canada and whether they are paying proper attention to those industries which need it the most, including the fishing industry which I have mentioned.

Will this corporation emphasize food exports as a nation with a heart and with consideration not only for the hungry people abroad but also for those people at home who make their living from these industries? I question whether the lake group would be facing as many difficulties at this time if CIDA had picked up a reasonable portion of product and exported it abroad. Would any fish processor in Atlantic Canada be in circumstances as difficult as those in which they are at present if we had offered more fish as food, through CIDA, to help the starving millions of this world. I believe that is our role. Without a mechanism for reviewing this structure we will never know how much attention has been paid to the industries and countries which need help and whether the corporation is performing a job that is acceptable to Canadians.

For example, I wonder if there is any possibility for exports for Entreprise Foundry in Sackville, New Brunswick, which recently suffered the misfortune of an economic demise. Last Friday, the Province of New Brunswick assumed responsibility for the management and operation of that plant for a year on a trial basis. Will the Export Development Corporation look at that industry in order to determine if there is a market for its product which could be aided by export credit? Is the EDC prepared to extend the terms and conditions which would make it possible for this industry to thrive and prosper as it once did, or will it be treated with another freight raise, with the removal of the Maritime freight rate benefits as the western farmers are being punished with the change in the Crow rate?

I say to the Government that it is imperative that this organization direct its efforts toward those parts of Canada that need help the most, whether it be in shipbuilding, steel, fish or agriculture. I hope there will be a special effort made to seek export opportunities for our products.

Let me reiterate that the least the Government can offer this House is the opportunity to hold in camera meetings to discuss fully the details of the use of 50 billion tax dollars.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Victoria-Haliburton (Mr. Scott)—Energy—Fluctuations in Ontario gasoline prices. (b) Impact of tax on prices; the Hon. Member for Bow River (Mr. Taylor)—Veterans' Affairs—Request that a commemorative medal be struck to honour Dieppe veterans; the Hon. Member for Churchill (Mr. Murphy)—Canada Labour Code—Protection of workers' health—Introduction of amending legislation. (b) Timing of introduction of amending legislation.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion 2 Nos. 3 and 5 (Mr. Blenkarn).

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise to take part in this very important debate today. Before I begin, however, I think I would be remiss if I did not acknowledge the work that was done on this particular Bill by the Hon. Member for Mississauga South (Mr. Blenkarn). He has spent a considerable amount of time on this Bill and has worked quite closely with our caucus and other interested groups from the public who have a great interest in this particular piece of legislation. I wanted to put it on the record that we in this Party are very pleased and wish to thank him publicly for the work he has done.

Let me quote what the Auditor General said last fall. He said:

> Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

That is what we are debating today. In the four and one-half years that it has been my privilege to be here in the House of Commons representing the constituency of Brampton-Georgetown, I have seen Bill after Bill, Act after Act, come before the House which has slowly eroded the responsibility of a Member of Parliament. It is embarassing for a Member to return to his

riding and be asked by a constituent about certain matters. We have to say that we do not know because it had never been discussed in Parliament and was something taken on by a Crown corporation which is not accountable to Parliament. Obviously we are here to represent those who have elected us, but we are unable to do so. This is another Bill which is slowly eroding that accountability that we all want.

This Bill will increase the amount of money that EDC can borrow, lend or insure without adequate parliamentary control to $62 billion. Each time I hear the figure of $62 billion mentioned I see those who are employed by EDC drooling in the galleries. They can hardly wait to get their hands on that money. This legislation is the Government's answer to accountability to the people. It wants to pass one Bill so that it can obtain $62 billion and never return here to account for the way it is being spent.

I agree with the Minister that the issue is jobs. There is no doubt that in many instances money from EDC does provide jobs. I happen to have a company in my constituency, namely, Northern Telecom, which does take advantage of the Export Development Corporation from time to time. I am sure their latest contract signed with Turkey has preserved jobs and provided some extra jobs. No doubt the EDC will be somewhat involved in that particular venture. I want to make it very clear that we are not against the Export Development Corporation. We are not against its making wise loans, guarantees, insuring exports; not by any stretch of the imagination. Our concern is the accountability to the taxpayers of this country. That is the number one issue we are debating here today. I believe the amendments introduced by my colleague, the Hon. Member for Mississauga South, will go a very long way in providing that much needed accountability in Parliament.

● (1620)

The Export Development Corporation has come under some criticism for its management, not without justification. It is hard to comprehend that a corporation with 613 employees had only has some 62 loan transactions. When you take a look at the recent past, loans of $2.5 billion went to only four companies, one getting a loan of $1 billion. Of the jobs created from that particular loan—and I am referring to the Bombardier loan for subway cars—40 per cent of the jobs are in the United States. Yet we are lending money for that project. Not all the jobs are created here in Canada, as the Government would lead us to believe.

Mr. Ferguson: The subways are in the United States.

Mr. McDermid: I go into the bank from time to time to borrow money and to pay it back. But I do not know a bank that has ten employees for every loan it hands out. This is certainly not the case in the communities I represent, and I am sure that is not the case in the Hon. Member's community either. Yet that is a fact where the Export Development Corporation is concerned. It has ten employees for every loan processed.

The insurance end of the corporation issues insurance policies at an annual rate of 1.5 policies per employee. Let me emphasize that; one and one-half policies for each employee. Any insurance company that did that would go broke. Amazingly enough, the corporation makes money on its insurance policies. It does not get a great return. I believe it is a very small return. The entire profit of the Export Development Corporation is around $1 million on capital of $619 million, which is a return of some one-tenth of 1 per cent. We have to ask ourselves, while we are handing $62 billion, as outlined in this Bill, to the Export Development Corporation, will it handle those funds wisely and with proper business acumen? That is the question we are asking today. We, as elected Members, would like to have some responsibility in saying whether or not the EDC is doing that. Representatives of the EDC may or may not appear before a parliamentary committee to explain their actions, justify their expenditures, their borrowings, the loans that they have made for export financing or for insurance, transactions that in many instances are questionable at best.

I conclude by saying to the Minister and imploring the Minister to take a look at our motions and to accept them because we are as anxious as he is to get on with the job of creating more employment in this country, and of improving our export position in the world today. But for heaven's sake, do not take this responsibility out of the hands of the parliamentarians because we are elected to do the job of protecting the public purse.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am pleased to participate in the debate today, particularly as it relates to the amendments put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). If one analyzes the two amendments, Motions Nos. 3 and 5, it becomes very clear immediately that all we on this side of the House are attempting to do is to point out the need and the responsibility that all Members in this House of Commons have regarding accountability for the taxpayers' money being spent in various enterprises and initiatives undertaken by the federal Government. We should always remember as Members of this House of Commons that the money is not the Government's money. Every dollar we deal with from Ottawa and spend somewhere belongs to the citizens we represent. It is their money. Our citizens have agreed, by our system and the system of government that has evolved, to pay taxes so that we as Members of Parliament can operate the Government for the public good.

Let us look at how this responsibility is being effected today in this Bill. All we are attempting to do with these two amendments is to make the Government more accountable. How can we accept Bill C-110 which will allow the federal Government never to come back to Parliament for authority to spend billions and billions of dollars in areas about which most Canadians have no idea?

Let us examine the Export Development Corporation for a moment. It is not required now to table an operating budget. It is not required to table a capital budget. It is not even required

to table in this House of Commons the size of its payroll, the number of people working for it.

When loans, loan guarantees and projects by the Export Development Corporation are applied for, the Minister of Finance (Mr. Lalonde) has the absolute authority to say yes or no. In my opinion that opens the door to abuse immediately. We have to bring accountability back to this House of Commons.

A recent survey across Canada showed that people felt Parliament was irrelevant. I do not feel that Parliament is irrelevant. I do not feel that any Member on the government side or any Member on this side of the House wants to be looked upon as being irrelevant. The Export Development Corporation as it stands, if this Bill goes through, may borrow money in the name of the Canadian taxpayer and of his or her children without coming to Parliament and saying "Ladies and gentlemen, do you concur with the Export Development Corporation borrowing this kind of money for these kinds of projects?" I wonder what the people in my riding or, indeed, in any riding would say if they had a chance to review some of the projects and the money to be spent thereon by the Export Development Corporation?

This Bill could give the Export Development Corporation, whether or not it receives money from the Government, the right to borrow on the credit of Canada, on behalf of the taxpayers of Canada, to the extent of $20 billion. Even if the House of Commons does not agree, even if the Minister of Finance does not agree, the corporation is given authority in the Bill to borrow on its own initiative $20 billion. Indeed this will put Canadian taxpayers and their children further into debt. It sounds preposterous. It is like a man giving each of his sons a blank cheque and saying, "Go to it, boys." We are giving a blank cheque to the Export Development Corporation on the taxpayers' account. Not only that, the EDC, whether or not it receives money from the Government, has the right to borrow $20 billion.

• (1630)

Just as serious and perhaps even more so is the provision in Bill C-110 whereby the Government can make loan advances which are deemed not to be commercially viable by the board of directors. In other words, the board of directors of the EDC may turn down a loan as not being commercially viable or proper, and the Government can step in and say to that agency, "You will make this loan". We can let our imagination run riot on that one for a moment.

In total the Bill will increase to $62 billion the amount of money the EDC can borrow, lend or insure, without adequate parliamentary control. It doubles the authorized capital of the EDC. This means that the EDC can borrow up to $20 billion instead of $10 billion. There is a limit now of $10 billion, and the Government wants to double it to $20 billion. Doubling the authorized capital means that the EDC can insure up to $20 billion instead of $10 billion. Now the Government can make loans of an improper commercial nature, such as erecting another monument somewhere at the cost of $15 million or $20 million. It can do this to the limit of $10 billion instead of $2.5 billion. The way it was under the old Act, the Government could only waste $2.5 billion, not $10 billion. Now the Government may insure commitments which are of an improper commercial nature to a ceiling of $10 billion instead of $2.5 billion. It is ever escalating. Without coming to Parliament the Government will be able to increase its equity in the corporation to $2 billion rather than the current $1 billion.

What has been said over the years about accountability? Accountability is the bottom line. Each one of us in the House of Commons represents approximately 100,000 people. We are accountable to those 100,000 men, women and children in our constituencies for the way money is spent by the Government. What has been said over the past few years? Four years ago the Lambert Commission, in examining the bewildering array of Crown agencies, found that existing provisions for classifying them and for accountability for each category had been rendered obsolete. Also it indicated that if the resulting state of confusion was left unattended, it would seriously impair the value of these agencies as instruments of public purpose.

What did the Auditor General of Canada have to say? According to his report he said:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member but his allotted time has expired.

Mr. Malone: Perhaps we could seek unanimous consent.

Mr. Deputy Speaker: He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Shields: Thank you, Mr. Speaker, and I thank the House for its generosity in allowing me to continue. I will try to wrap up in a few short minutes.

Let me return to the question of accountability and the quotation of the Auditor General, " . . . Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds." In civic elections such as the ones that will be held in my Province next October, in school board and hospital board elections, the primary concern of the electorate in small and large communities is accountability—"Where is my tax dollar going, how is it being spent, how much have you received in taxes, or are you spending it wisely on my behalf?" We in the House of Commons represent people from coast to coast. The people out there do not understand or fathom $20 billion. They understand $500,000 or $1 million, but when it gets to billions of dollars, it is just numbers. In fact, many of us sitting in the House of Commons do not understand what is a billion dollars. We are

putting our children into hock every time we allow unrestrained and unaccountable spending in Crown corporations.

Also the Auditor General indicated in his report for the fiscal year ended March 31, 1982 that the time for reports and discussions had passed and that the time had come for meaningful action to be taken to increase the accountability and control of Crown corporations. We have continually seen reports tabled in the House of Commons over the past ten years, urging all Members to get accountability of Crown corporations into the House. We are not doing it. We are derelict in our duty. The Government brings in Bill C-110 which further erodes accountability. Our two amendments, if accepted, would move toward accountability. They are small steps in that direction because it cannot be done overnight. Is it too much for the Government to accept?

• (1640)

I will close with a brief summary of the management of the corporation. On the surface, the EDC appears to be doing something right. After all, it is one of a few Crown corporations that actually declared a profit last year. It earned a profit in spite of being a highly inefficient organization.

In 1982, the EDC had 613 employees, loan transactions with 62 companies and slightly in excess of 900 insurance policies. Can any Member of this House who is familiar with business name a bank which has ten employees for every loan that it makes? Of course not.

Mr. Bradley: The Small Business Development Bank.

Mr. Shields: That may be. I have not looked at that one. Can anyone on the Government benches name an insurance company in the private sector that issues insurance policies at an annual rate of 1.5 policies per employee? Can anyone on the Government benches name a bank or insurance company with so few customers and so many offices across this country?

The Government makes money on its export insurance coverage, but fails to market that insurance adequately. Only a small handful of corporations receive the benefit of an EDC subsidy. Little is being done to expand this circle. Let us look at the actual profit of EDC. It has unlimited financing. With every debt that it incurs, it delves into the pocket of the taxpayer. Last year the actual profit was $1 million on capital of $961 million, a rate of return of 1 per cent.

I hope that I have made my case to the Members of this House. We must get accountability back where it belongs, with the voters of this country. The closest link to the voters is the House of Commons, the Members here. We must listen to and take heed of the warnings of Auditors General and reports commissioned by this Government on accountability. We must get accountability back in Parliament. The two amendments that we proposed are a small step toward reaching that goal. I urge Members on all sides of the House, regardless of Party affiliation, to move toward getting accountability back into the House of Commons where it belongs.

Mr. Jack Murta (Lisgar): Mr. Speaker, I want to pick up on the theme which has been discussed by the Hon. Member for Athabasca (Mr. Shields). The Hon. Member has really zeroed on the most important aspect of the Bill. We are not just debating Motions Nos. 3 and 5 which the Progressive Conservative Party has put forward at report stage and which would control the borrowing of Crown corporations, but, more important, the whole question of accountability of Crown corporations. This was focused on by the Hon. Member for Athabasca. I want to pick up that theme because it comes close to hitting at the base of why we are here in Parliament to represent our constituents. When Members of Parliament return to their ridings, they find that their constituents are frustrated and unhappy with the system and also quite often with our performance here in the House of Commons. Our constituents feel removed from what is taking place here, the spending that goes on.

When Parliament was set up, a major role envisaged for it by the drafters of the Constitution must surely have been that of a sounding board where problems could be discussed by those elected to this place, people from different occupations and backgrounds, and where they could have some say with regard to Government spending. That has not happened. That is why there is so much frustration. The people have no input. As a Member of Parliament, I am frustrated because I do not have the input which I believe I should have.

This Bill highlights the fact that a Crown corporation can increase the amount of money it can borrow, spend, lend or guarantee without coming to Parliament. The Auditor General is the only real safeguard which the taxpayers have over Government spending. He has the authority to take a good look at Government spending, regardless of which Party is in power. Last fall he indicated the depth of the concern that is being expressed in my riding. He said, and I quote:

> Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

That really hits at what we are discussing today. Unfortunately, little has been done. When a Crown corporation like EDC asks Parliament for greater authority, we must certainly look closely at the request. That is not the right direction. It is making things worse. It will only increase the sense of alienation and frustration in this country. The Export Development Corporation is certainly not all bad. It has a place. It does do some very positive things in the context of the guidelines set down for it. We all know that. The spending of the Export Development Corporation is not adequately scrutinized by Parliament, and it never has been. It is not required to table an operating budget, a capital budget for information on the size of its payroll. Who, including yourself, Mr. Speaker, could go to the bank and borrow a substantial amount of money without telling the bank manager what it was for? Who could ask the bank for what is, in effect, a blank cheque and receive money to use as he wanted, without showing any cash flow or

without telling the bank when and how the money would be paid back? Of course no one could do that but this is the kind of thing that we are seeking for the Export Development Corporation.

● (1650)

The corporation may borrow money in the name of the Canadian taxpayer, his children and his grandchildren, without seeking parliamentary approval. That just is not right, Mr. Speaker. Because we have allowed this to happen, we find ourselves in a very serious financial situation.

Bill C-110 would increase to $62 billion the amount of money that the Export Development Corporation can borrow and lend and insure without adequate parliamentary control. Doubling the authorized capital means that the Export Development Corporation can borrow up to $20 billion instead of $10 billion. Doubling the authorized capital means that the Export Development Corporation can insure up to $20 billion instead of $10 billion. The Government may now make loans that are not of a proper commercial nature to a limit of $10 billion instead of $2.5 billion. The Government may now make insurance commitments that are not of a proper commercial nature to a ceiling of $10 billion instead of $3.5 billion. Without coming to Parliament, the Government will be able to increase its equity in the corporation to $2 billion in place of the current $1 billion equity.

We are talking in terms of billions of dollars, Mr. Speaker, and I think the Hon. Member for Athabasca indicated quite eloquently that his constituents just do not understand those figures. I suspect that no one in this House understands those figures, except to appreciate that they are very large and that someone has to pay the money back at some time. We are concerned that our children and grandchildren will have to do that and that they will blame us—and rightly so—for not having had adequate control.

The way the Export Development Corporation is going it will rapidly become a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, expanding its empire and involving Canada in transactions and negotiations that are both costly and inefficient. That is always a problem when dealing with the amounts of money that we are talking about.

While the Export Development Corporation has done a number of good things, it has not always spent money in a way that is in the best interests of taxpayers. For example, it financed the International Nickel Company of Canada developments in Indonesia and Guatemala thus jeopardizing jobs and potential jobs in Sudbury and in Thompson, Manitoba.

Mrs. Erola: It is protecting those jobs.

Mr. Murta: It has also financed forest development projects in Mexico, Poland and Peru, and these developments will compete with Canadian forest products. Of course, this always happens with industries that are competing on a world basis. It demonstrates that while we in Parliament can indicate how we feel about the situation, we have no direct control over the company or how it spends this money.

The Export Development Corporation helped finance the construction of a monument to the Algerian revolution. I point this out just to show the kind of situation that a Crown corporation as large as this one can become involved in.

Before I close, Mr. Speaker, I should like to say that the Official Opposition is adamantly opposed to any Crown corporation being given substantial amounts of money or the potential to use substantial amounts of money without adequate supervision by Parliament. This place must be supreme; Parliament must be the last resort, the debating Chamber where concerns such as those which I have just mentioned can be discussed with the people who are spending the taxpayers' money. We must be sure that we are getting the value for that money that the Canadian taxpayer expects.

Mr. Peter Elzinga (Pembina): Mr. Speaker, in speaking to the amendments proposed by this Party to Bill C-110, let me do as my colleagues have done and pay tribute to the Hon. Member for Mississauga South (Mr. Blenkarn). He has made an outstanding contribution in proposing these amendments in order to make sure that we will have better legislation when the debate concludes.

This afternoon we are attempting to present to Members of the Government what we believe to be improvements to the legislation. We can assure the Government that we will continue to speak until a good number of the amendments are accepted for the betterment of this legislation and so that the Government and this Crown corporation will be held more accountable.

In itself, this legislation illustrates the vast difference in approach to governing between the Liberals and this Party. A vast difference exists between the Progressive Conservative Party and the Liberal Party of Canada in regard to accountability. That is proved by the amendments that we have proposed.

We believe that every tax dollar spent on behalf of the Canadian population must be accounted for in this Chamber, rather than through Order in Council where the taxpayer has no input.

We are continually told that Canada is a trading nation; that we must export more; that 30 per cent of our GNP is derived from exports and that this is important for employment. Of course, we agree with that and I assume all Hon. Members do. But the Export Development Corporation attempts to take the approval of Canadians for export activity as approval for itself. We do not believe that the corporation has the right to that glory as there are many players who are involved in developing an export market for Canadian products.

Referring to the Export Development Corporation, Professor André Raynauld of the University of Montreal said:

—rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire, and involving Canada in transactions and negotiations that are both costly and inefficient.

● (1700)

Simply from that aspect alone, we believe in the amendments which have been proposed in Motions 3 and 5. Parliament itself must have more say in the direction of this funding. He compared our Export Development Corporation with like corporations and agencies in other exporting countries, and the conclusions which he drew were not favourable.

An extensive study was also done by the Economic Council of Canada, which examined the role of government in business and export financing, under the directorship of André Ryba, the director of the financial marketing group. There have been numerous studies, and the majority of them have been very critical of the activities of the Export Development Corporation. When we analyze why the corporation was originally organized, we find it was organized to insure export transactions, in other words, to sell credit insurance on Canadian products, insuring the creditworthiness of their foreign purchasers, together with insuring Canadians against problems with payments from foreign countries. The corporation presently carries on with this business, and in my view that is the most important aspect of the corporation itself. This portion of the business seems to be highly profitable. Indeed, the gross return on the insurance business in the year 1982 was $10,535,000. When you consider that the gross profit before administrative expenses for the entire corporation was only $26.5 million, the insurance business, with very little money involved, represented an excessively large portion of the gross profits of the corporation.

The corporation has been exceptionally hard to deal with for some exporters. First of all, it requires blanket coverage on all of the exporters of foreign business unless a particular country is excluded. Second, the corporation does little to give credit information and it is exceptionally slow in ratifying that information for the new customer of the exporter.

It would appear from the corporation's statement that the number of insurance policies outstanding for global comprehensive insurance was some 853. Presumably this global comprehensive coverage often involves other matters where there are specific insurance transactions, guarantees and the like. But if the total number of transactions or guaranteed arrangements for insurance are added together, there are only 963 policies at year-end. The people buying these policies paid about $14 million in premiums to the corporation. Under no stretch of the imagination can this be deemed to be an extensive export guarantee insurance program. EDC is a small insurance company involved with a relatively small number of clients.

Let us deal next with the loan business. The loan business, financing capital equipment, is handled on two sides. It is handled, first, on EDC's own account and, second, in EDC's special account for the Government of Canada. Let us deal first with its transactions on its own account. Effectively, what happens is that an exporter sells a product like a Twin Otter to a purchaser. The purchaser wants to buy the aircraft on time. The Export Development Corporation gives favourable financing. This financing is concessionary financing, financing that is certainly not available in Canada to any domestic purchaser. The money for the financing is organized by the Export Development Corporation, borrowing on the credit of Canada on the international markets to finance the sale of Canadian goods. With the Government as the guarantor, the corporation is able to borrow on the international market where money is cheaper than that which is available to any ordinary commercial borrower. Everyone knows that when you are selling a product, you not only sell the product but you also sell the financing. Financing and pricing are interchangeable. You may pay more for a product if you can finance it at a lower rate of interest. It is clear that the concessionary financing acts as a subsidy to the vendor of products and/or as an inducement to the purchaser of products, and if the concessionary financing in fact costs the exporting country or its citizens money, then the financing acts as a system of foreign aid. On the corporation's own account, the corporation has a total of 596 outstanding loan accounts on its own.

The second item of business which could be charged to the corporation is business which the corporation does on behalf of the Government of Canada. In this respect, the Government of Canada, under the provisions of the Export Development Act, can authorize activity up to $2.5 billion by Order in Council. The consequence is that if the corporation does not like a transaction, then the Governor in Council can provide money by Order in Council up to that total of $2.5 billion, and make the deal directly.

As other Hon. Members have pointed out, Mr. Speaker, the Export Development Corporation maintains classy office facilities in Vancouver, Toronto, Montreal and Halifax, together with its head office here in Ottawa. The corporation has some 613 employees, almost ten employees for each separate loan customer, or one and a half employees for each insurance account. Is this not a fine example of productivity? We should be ashamed of that. Again, with this legislation the present Government of Canada is not asking it to be more accountable to Parliament so that, hopefully, we could change that productivity cycle.

In many senses, Mr. Speaker, this corporation is a bureaucracy gone wild, and from that point of view alone we should make sure the activities of that Crown corporation are analyzed and scrutinized more closely by Parliament.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it is a great honour to be able to speak today on such a very important Bill as Bill C-110. As most Hon. Members in the House have done, last week I returned from spending some time in my riding. We have had the opportunity of travelling to all parts of our ridings to listen to the concerns of our constituents.

I would like to say to you at this time, Mr. Speaker, that one of the questions which was asked of me was, "What power does a Member of Parliament have?" That is one of the concerns that was voiced, whether I was talking to people in the Moosonee area, or down in the Verner area, or in the central part of my riding. What can a Member of Parliament do? I must say to you, Mr. Speaker, at this time, with Bill

C-110 in front of us, it is certainly an opportune time for an Hon. Member from northern Ontario to be able to speak on behalf of his constituents.

When we are looking at a Bill, a Bill which will increase to $62 billion, the amount of money which the EDC can borrow, I must say to you, Mr. Speaker, that that is a concern. Like most Hon. Members here in the House, today and on Friday I received Canada Works Program approval for local employment assistance. On the one hand, the Government is willing to borrow $62 billion and on the other hand it is giving to ridings such as Timiskaming only $229,000 in order to create jobs. Unemployment in northern Ontario, where I come from, is now at 13 per cent. It is the same for my colleagues from the west and my colleagues from the east. How can we tell our people that this Government is going to borrow $62 billion and yet is doing very little for the unemployment situation in this country?

I would like to continue on, Mr. Speaker, and refer again to my riding, the riding of Timiskaming in northern Ontario. Once again we can see that this Government, through the EDC, has financed Inco developments in Indonesia and Guatemala, jeopardizing jobs not only in Sudbury and northern Ontario in general but also in the central part of Canada, the industrial base. I say to you, Sir, that this Government has shown it has no thought for Canadians.

• (1710)

The doubling of the authorized capital of the EDC means it can borrow up to $20 billion. The unemployed people of Canada would certainly enjoy having some of this money put into job creation in this country rather than seeing it leave Canada. In the words of Professor André Raynauld of the University of Montreal, the EDC is:

> —rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions ands negotiations that are both costly ands inefficient.

I would like to refer to a few of those transactions at this time, Mr. Speaker. The EDC has financed forest development projects in Mexico, Poland and Peru, which will compete with the Canadian forest industry. Does everyone here realize the problems we are faced with in the forest industry of Canada? Why is this money not put into our own industry? The EDC helped finance the construction of a monument to the Algerian revolution. Once again, what about Canadians in the forest and mining industry who have been laid off and whose unemployment insurance has run out? Would this money not have been better spent on helping Canadians who are in trouble?

At a time when Government borrowing costs were in the range of 16 per cent, EDC arranged a 9.7 per cent loan for $563 million U.S., or about $700 million Canadian to assist Bombardier in the sale of subway cars to New York city. Forty per cent of the jobs created by this deal are in the United States. Can you imagine, a loan at 9.7 per cent? What about the individuals across this country who have lost their homes, businesses and farms? Would they not have loved to have had money at 9.7 per cent interest? They would still be in business today. I can go on and on, Mr. Speaker. Last fall the Auditor General noted that Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds. Not only are the constituents in my riding and across Canada concerned, but the Auditor General has expressed his concern in his report.

I might say to the Hon. Members on the other side that the concern we have for Canadians is not a laughing matter, Sir.

The private sector role is too weak. The mandate of EDC is to help Canadian exporters. Most Canadian exporters are private sector concerns, while the EDC board is top heavy with bureaucrats. The present Act calls for 12 directors, six of whom are to be public servants. In a letter of May 30 to the Hon. Member for Ottawa Centre (Mr. Evans) the Chairman of the Standing Committee on Finance, Trade and Economic Affairs wrote that the Government has long held the view that the key ministries which have a direct interest in EDC activities should be members of the board, that is, Mr. Speaker, External Affairs, Finance, the Bank of Canada, CIDA, IT&C, and DREE. The Hon. Member for Mississauga South (Mr. Blenkarn) on June 9, in a letter to the Minister, outlined the Progressive Conservative view on this. He said:

> There seems to be, in our view, many Members from the Public Service on the Board. We would concede, perhaps, that there should be someone from Industry, Trade and Commerce; there should be, perhaps, someone from External Affairs; there should be, perhaps, someone from the Department of Finance. Other than that, in our view, the rest of the members of the Board of Directors should be from the private sector.

That is what we believe in, Mr. Speaker. The private sector is the people who will make this country grow. It would certainly do for this Government to take a second look at the concerns in this country.

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, I welcome the opportunity given to me today to take part in this debate. In initiating my remarks I would like to point out how pleased we are on this side and how thankful we are for the work done by the Hon. Member for Mississauga South (Mr. Blenkarn) on this Bill. He has done a tremendous job in marshalling this Bill through the House and in ensuring that the responsibility is taken by the Government.

I come from a predominantly rural riding, Mr. Speaker, and we are very concerned about the operation of the Economic Development Corporation and about this Bill C-110. We have concerns in my riding about the fish industry and what the EDC has done in the past and what it will do in the future. That is a major concern. We are concerned about agriculture, dairy products, tobacco, grain, and even peanuts.

I have a very large industry in my area, Mr. Speaker, the largest steel plant in Canada, Stelco. The last speaker pointed out very ably what the EDC is not doing for organizations such as that. We ask why EDC needs to be expanded and why

it needs this money. What has it done for rural Canada? We are told we have Canagrex to help the agricultural people sell their products abroad. Now we are told that EDC supposedly is working on agricultural sales as well as other export sales. If so, why Canagrex? If Canagrex, why expand EDC? Where do the two come together? We see the need in rural Ontario for assistance in selling our export products, our agricultural and industrial goods, but we would like the Government to get its act together and come with one vehicle to do the job. One doing the job effectively is better than some 300 doing it ineffectively.

We note from page 6 of the nineteenth annual report that the purpose of the EDC is to facilitate and develop Canada's export trade through the provison of insurance guarantees and financing services. The report states, "It exists to help Canadians compete effectively for economically sound exports". I am sure that the Chairman of the flue-cured Tobacco Marketing Board would have liked to have seen that quotation put into effect long ago.

● (1720)

Bill C-110 has two major thrusts. The first is to develop the operational capacity of the Export Development Corporation and, in so doing, the Government seeks to expand the borrowing capacity of the corporation without need for further reference to Parliament and without need for further paid-in capital. The second major thrust of the Bill is to alter the current structure and powers of the board of directors, the number of directors being increased from 12 to 15, and the requirement that six directors be public servants being dropped. However, the Export Development Corporation is not accountable to Parliament now, without the expanded provisions that would make it less accountable. The EDC does not have its spending adequately scrutinized by Parliament. It is not required to table an operating budget, a capital budget or even information on the size of its payroll. It may borrow money in the name of all Canadian taxpayers without seeking parliamentary authority to do so. We wonder why we are elected by our people in our constituencies to come here to ensure accountability in this place, only to find a Government that is expanding corporations and taking away that accountability from individual Members of Parliament. This type of accountability, the Liberal accountability, cannot be allowed to continue.

Seven years ago, the Auditor General noted:

In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective.

Four years ago, the Lambert report noted:

In examining the bewildering array of Crown agencies we have found that existing provisions for classifying them and for accountability for each category have been rendered obsolete.

Last fall, the Auditor General noted:

Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown-owned corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

The time has come for meaningful action to be taken to increase the accountability and control of Crown corporations, not to expand willy-nilly as we see being done by the Government. The amendments proposed by the Hon. Member for Mississauga South are a step in that direction, and hopefully not a step that is too big for the Government to take.

Productivity is in question when we consider the expansion of the EDC. In 1982, the 613 employees of the EDC had loan transactions with 62 companies and placed slightly in excess of 900 separate insurance policies. We heard about this earlier today, but it is an unbelievable statement that 613 employees were required to make loan transactions with 62 companies. Last year, the EDC made loans or facilitated bank financing in the amount of $2.5 billion. Of that amount, $1 billion went to Bombardier, $200,000 went to de Havilland, and $100,000 went to Spar Aerospace. Thus, three of the 62 companies that received EDC financing last year received more than half the total money.

Mr. Regan: How many subcontractors did they have?

Mr. Bradley: As well, the EDC has not always conducted transactions that are in the best interests of Canadian taxpayers and their children. One of the things we heard today concerned EDC's financing of Inco developments in Indonesia, jeapardizing the jobs in Sudbury and Manitoba. As well, we heard that the EDC has financed forest development projects in Mexico, Poland and Peru, developments that will compete with Canadian forest products. We heard about EDC financing of the construction of a monument to the Algerian revolution. At a time when Government borrowing costs were in the range of 16 per cent, the EDC arranged a 9.7 per cent loan of $653 million U.S., which is about $700 million in Canadian funds, to assist Bombardier in the sale of subway cars to New York City. Forty per cent of the jobs created by this deal were in the United States.

Some Hon. Members: Shame.

Mr. Bradley: The farmers of my country and my riding would have loved the Farm Credit Corporation to come down and offer us money at 7 per cent, under the going rate. Those jobs would have been in Canada, by Canadians.

The recent Economic Council report entitled "Intervention and Efficiency" devotes a whole chapter to the subject of export financing and the EDC. The thrust of the report is to scale down and reorientate the EDC, not to augment it. Seven of the report's 31 recommendations pertained to the EDC. The Economic Council found that few credit and insurance gaps exist in Canada. It questioned whether or not EDC needs to be involved in insurance and in financing when the private sector is able to meet the need. The Economic Council recommended that the EDC do less direct financing and that the private sector do more.

A major question in the minds of many of us is whether the EDC is effective in its role. Canada is a trading nation. We have heard that 30 per cent of our Gross National Product is

earned through trade, and that figure would be much higher if we had our fair share of world trade.

In 1968, the year that the Trudeau Government took office, Canada's share of world trade was 5.74 per cent. By 1981, this figure had fallen to 3.8 per cent. I see that Your Honour is signalling that my allotted time is about to expire. I have just a couple more points that I would like to put across if I could have unanimous support of the House.

The Acting Speaker (Mr. Patterson): The Hon. Member seeks unanimous consent. Is the House agreed?

Some Hon. Members: Agreed.

Mr. Bradley: Thank you so very much, Mr. Speaker. I would like to thank my colleagues on the other side for offering me this opportunity to carry on to make a couple of small points. I will try to bring it to a point—

Mr. Dingwall: Be nice.

Mr. Bradley: —and be nice to the Government, as I am being requested.

As I was saying, in 1968 Canada's share of world trade was 5.74 per cent. In 1981, the figure had fallen to 3.8 per cent. In 1968, Canadians exported more than the Japanese, yet today Japan's share of world trade is now twice that of Canada's.

The PC Party is dedicated to improving Canada's trade performance. It is not, however, dedicated to perpetuating the existing lack of accountability and control that characterizes the EDC and other Crown corporations. We will support the EDC if it becomes more accountable. We will support any corporation that assists us in export trade if it is more accountable. However, the track record is not that good. Including loan guarantees and other aid, Ottawa lost $125 million as a consequence of its attempt to prop up Consolidated Computer during the 1970s. The Government's financial commitment to de Havilland to date totals $751 million. The Government's financial commitment to Canadair to date totals $1,836 million. In 1982, Canadair lost $1.4 billion, the largest corporate loss in Canadian history. It even went down to a level where an Alaskan State Senator was sentenced to three years in jail for accepting and purchasing a bribe in relation to the potential purchase of a Canadair water bomber. However, the salesman was finally dismissed by Canadair, not for his alleged involvement in the bribe but, rather, because after four years as an employee of Canadair, he had not made a single sale.

• (1730)

We find that in February, 1981, CNR spent $64,244 to purchase advertising space wishing the CPR, its chief competitor, a happy birthday. In 1977, the CBC spent $2 million for radio and television stations valued at only $800,000. In February of 1981, Petro-Canada purchased Petrofina for about $1.46 billion, or $120 a share. At the time of the purchase the shares were trading for $90, or $30 less per share then paid by Petro-Canada. In November, 1982, as revealed by the *Globe and Mail*, Petro-Canada paid rent for eight months on a vacant 24-storey office building in Calgary. On the day that the Post Office became a Crown corporation, the Government helped employees celebrate by providing $300,000 worth of free coffee, doughnuts and souvenir envelopes.

That is why we on this side are concerned about the accountability of Crown corporations. That is why we are moving these amendments to make the Export Development Corporation more responsible. We hope that our colleagues on the other side of the House and to our left will agree with us when we say that we must become more responsible in the House and that we must do it by starting now with Bill C-110.

Mr. Otto Jelinek (Halton): Mr. Speaker, let me begin by saying that I personally very much support the Export Development Corporation per se. It is obvious that Canadian businesses, particularly the small business sector, need assistance to export their products. Our market in Canada is sufficiently competitive to be able to compete in the world market. The Export Development Corporation, through Bill C-110 amending the Export Development Act, does not address itself to assisting the export of Canadian goods abroad. In fact, there are a number of examples which show how these amendments are detrimental to the Canadian business climate and Canada as a whole.

While my colleagues have been talking about the lack of accountability, which is probably the most important issue in this regard and which I will return to in a few moments, there are other issues as well. For example, the role of the private sector is too weak. As well, EDC is poorly managed.

Let me give a few examples of what the EDC has done in past years. For examples, the EDC has financed Inco developments in Indonesia and Guatemala, thus jeopardizing jobs in Sudbury and Manitoba. It has financed forest development projects in Mexico, Poland and Peru, developments that will compete with Canadian forest products. The EDC helped finance the construction of a monument to the Algerian revolution. Imagine that! At a time when Government borrowing costs were in the range of 16 per cent, the EDC arranged a 9.7 per cent loan of $563 million U.S., which is approximately $700 million Canadian, to assist Bombardier in the sales of subway cars to New York city. Forty per cent of jobs created by this deal are in the United States and not in Canada. The list of bad deals by the EDC goes on. It is unbelievable that there will not be a decrease of the bureaucratic involvement in running the EDC.

By now all Canadians must surely know that the more bureaucrats involved in a business venture, Crown corporation or any form of agency or business, the worse that organization will operate. One need look no further than Canada Post to see that it is not very profitable, being an organization run by bureaucrats and the Government. While the list goes on, I have only ten minutes and I must move on to other areas.

One difficulty is the fact that the private sector is not involved. Let me quote the following passage from the Economic Council of Canada from its report entitled "Intervention and Efficency":

Canada is perhaps the country with the least private sector participation in export financing decisions.

It went on to say:

In most of the 17 countries studied, the negotiations for granting export credit are also left to the private sector.

The private sector must participate more in the decision-making process of the EDC. The Liberals, however, believe that the bureaucrats who govern most govern best.

Surely Canadians have found out by now that this is not the case. Canada was built on the free enterprise system, on the initiative of the private sector and on the risk-taking of the small and medium-sized businesses, not organizations such as EDC being run by bureaucrats.

I return to my original statement to say that I support the EDC in itself, but instead of increasing the percentage of bureaucrats it is time to increase it with private sector participation. The main shortcoming of this Bill is the lack of accountability to Parliament and to the taxpayers. Let us not forget that it is the tax dollars that are being used, and therefore the taxpayer should have the absolute right to know exactly what is going on. The Export Development Corporation is not accountable to Parliament. It is not required to table an operating budget, a capital budget and information on the size of its payroll. It can borrow money in the name of Canadian taxpayers and their children without seeking parliamentary authority to do so.

Let us examine the track record of a Crown corporation which the Government trusts so implicitly with Canadian taxpayers' hard earned money as a glaring example of a bureaucracy going wild. The EDC has 10 employees for every loan customer. It issues insurance policies at an annual rate of 1.5 policies per employee. While the actual profit of EDC last year of $1 million sounds very large, that $1 million profit was on a capital of $691 million, which is a rate of return of less than one-tenth of one per cent. No private sector business could exist on less than one-tenth of one per cent profit.

As well as making numerous unsound loans to foreign countries, some of which I have pointed out, many export orders have been lost because of the corporation's inability to match financing from other sources. An example of this is the loss of a $17 million export order to build an iron foundry in Saudi Arabia because of EDC's stiff requirements for financial guarantees from the buyer and more attractive financing terms from a West German company. Other examples are available to Members and to the public at large.

The PC amendment to the Export Development Act calls for a reduction of authorized capital for the corporation from $2 billion to $1 billion. Even after the amendment, this is still 50 per cent more than the paid-in capital of its American counterpart, the Export-Import Bank of the United States. If the Export-Import Bank can carry out its responsibilities without the amount of money this Government is asking for, then it is imperative that we, as elected representatives of the Canadian people who are being asked to finance this venture, demand of the Government why this additional funding is needed and, more important, where it is going and how it is getting there.

Who will reap the benefits of this money grab? According to the Economic Council of Canada:

Large corporations are the big winners in the export subsidy game. It's a myth that loan subsidies from the EDC are mostly aimed at giving exports that initial push or assisting small and medium-sized companies.

That is a myth. Unfortunately, it is always the same large corporations that benefit from EDC assistance. I can prove that very quickly by simply stating that last year the EDC loaned the sum of $2.5 billion. Out of that $2.5 billion, $1 billion went to Bombardier, $200,000 went to de Havilland and $100,000 went to Spar Aerospace. This means that three out of the 62 companies that received EDC financing last year received more than half ot the total money. What is happening to the part of the private sector which needs assistance most, namely the small and medium-sized business sector? Once again it has been ignored by this legislation and the amendments to it. Not only is it being ignored but it is being damaged and hampered by the fact that this Government continues to spend hundreds of millions of dollars upon hundreds of millions of dollars in attempting to assist the so-called very large often multi-national conglomerates by letting small and medium-sized businesses drop dead right and left.

● (1740)

A recent survey about jobs concluded that between 350,000 and 400,000 jobs a year in the past two years, have been lost in the small and medium-sized business sector. Does the Government come up with any employment tax incentives for small and medium-sized business? No, Sir, It is busily bailing out Canadair, Massey-Ferguson, Chrysler, multinationals—some of them not even Canadian-owned—Maislin and Dome Petroleum. Hundreds of millions if not billions of dollars are being spent, and the Liberal Government has the audacity to say that it is creating temporary make-work projects in Canada at a cost of hundreds of millions of dollars to the taxpayer. What kind of temporary make-work projects are they? They are unproductive, costly and temporary. That is just what they are, temporary rather than permanent. It is in the small and medium-sized business sector that full-time jobs can and should be created. Small and medium-sized companies are the ones that create the most jobs by far, yet we are seeing a dramatic decrease of employment in that sector. Small and medium-sized companies can export just as easily as large companies if only there were some form of assistance by the Government.

Let me quote from the Auditor General's report of last fall on accountability. It reads:

Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framwork that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

Broad legislation for the accountability of Crown-owned corporations should be developed that will include provisions relating to each of the elements of authorizing and mandate financing, directing, controlling and reporting. Such

legislation should provide that these corporations be subject to comprehensive audits.

Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

The time for reports and discussion has passed. The time has come for meaningful action to be taken to increase the accountability and control of Crown corporations. The PC amendments to Bill C-110 are a step in this direction.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I would like to add a few words to this debate to show my concern over what the Government has proposed in terms of the rearrangement of the Export Development Corporation.

I do not have to reiterate what many of my colleagues have said about the lack of control exercised over this particular monster of a bureaucracy. The EDC does not have to come to Parliament for prior approval of its spending. It does not come to Parliament with a statement of its activities. That is understandable in a sense because many of the negotiations carried out by this corporation have to be kept confidential as a result of the potential commercial interest involved.

As we know from the amendments we have tabled to this Bill, Mr. Speaker, we feel there could be much better accountability to Parliament of this corporation's activities. Having said that, like my colleague the Hon. Member for Halton (Mr. Jelinek), I am equally concerned over the track record of the EDC, particularly since it appears to be that only large, usually multinational, corporations benefit from the loan guarantees or the high-risk loans being made. In other words, it would appear that those companies mostly held together by the strings attached to the regulations and the wisdom of the Government—those companies which have an open door to powerful offices in Ottawa—are the ones considered for these kinds of guarantees.

No one would argue that this kind of lending facility is necessary. No one would argue that because of the importance of international trade to our economy we must have some kind of an institution to facilitate this trade, particularly in a world where our private institutions are not very effective in accepting their responsibility. They should be making it possible for domestic industries to have the necessary financial instruments to pursue aggressively market opportunities offshore. In fact, when it comes to the small and medium-sized businesses, I would also venture to say that our financial institutions, the banks are not acting very responsibly in fulfilling their mandate to make sure our small and medium-sized businesses have the necessary venture and risk capital available so as to maintain a healthy domestic economy. Nor will the money available from our banks provide our small and medium-sized businesses with the means to venture and seek out export opportunities.

Canada is a trading nation, as my colleagues have said. Thirty per cent of our Gross National Product is earned through trade. It can be said that we no longer live in a perfect world. It is becoming increasingly difficult for any nation, particularly a highly industrialized nation such as Canada, to compete in world markets. Many things have happened since 1968 when Canada had 5.74 per cent of world trade. Canada now has only about 3.8 per cent of world trade.

We have seen the evolution of trading blocks, not just among industrial countries, the EEC probably being the most important. We have also seen trading blocks emerging in the developing world. There is the South American trading block, and trading arrangements in the Asian countries are factors that now have to be put into the equation and that inhibit the trade of a country that likes to consider itself a free trader, economically, politically and culturally independent. That is why we have often said we should not be afraid to look at the potential of joining in a North American economic trading arrangement. It could include Mexico and Canada, together with the United States. It would give us access to a trading bloc which is about the right size in terms of economy of scale in comparison with some of the other trading blocs with whom we have to compete.

● (1750)

Also we see a great drive toward state to state trading. Some industrial countries, which do not enjoy our particular political system but have integrated and centrally controlled economies, prefer state to state trading. They use this arrangement as an effective tool to blackmail western countries. I use that word advisedly; that is exactly what is happening. In other words, communist and socialist countries like to tell our traders that if they could change their political system and the state could show a greater degree of ownership in the economy so that there could be state to state trading, they would open the doors and make themselves accessible. We ought to be very careful not to fall for that trap. We know that during the energy crisis certain arrangements were made. It was the excuse for Petro-Canada to be incorporated. We needed access to supplies from some countries which used that political tool very effectively. That is why we had to have a state oil company to deal with other states in terms of international trade.

We are on a very slippery slope. When we look at this particular Bill and the role of the Export Development Corporation in terms of facilitating international trade on behalf of Canadian industries, we ought to keep that in mind. For example, EEC purchased about 5 per cent of its nickel requirements from the Soviet Union. In one year, last year, that percentage went from 5 per cent to 20 per cent. The state to state relationship, particularly in the European economic sense, had something to do with this. At least it was partially the result of having a nickel industry in Canada, which at one point literally dominated the world market, reduced to roughly a 15 per cent or 20 per cent share. Some of the nickel we are not selling has been stockpiled and has caused disruptions in the production of nickel, such as the shutting down of mines and unrest. The policies of the Government through the EDC have developed new production facilities in other parts of the world at the expense of Canadian workers and the Canadian industry.

These are some of the distortions in the marketplace to which we have to react. The Export Development Corporation is a tool that could be used intelligently and innovatively to help our industries compete. Unfortunately, according to the record, large corporations are helped by the EDC. Usually such corporations are totally integrated. As my colleague indicated earlier, they are of a size which literally prevents them from going broke because the failure of any of these large corporations impacts on the total economy and because of the heavy exposure of the banks to them. Quite often throughout the debate we have expressed our concern about corporate takeovers or corporate cannibalism, as I like to call it. As a result of the bail-out business in which the Government has been involved over the last couple of years, large corporate entities are literally dictating and controlling the economic fortunes of the country. If they get into difficulty, they simply come to Government and say, "You cannot afford politically to let us go down because of the impact on the total economy". In some cases banks are coming to the Government together with their clients and saying, "One of us might have to go down with this company, so we have no choice but to bail it out".

We do not wish the EDC to be a lender of last resort instead of companies being bailed out in the normal fashion where Ministers have to come before the House to bare their souls. We do not want behind the scenes dealings involving the Export Development Corporation which, as I said earlier, does not report to Parliament; we would never know of the bail-out.

I am concerned with the incredible contingent liability which the corporation is permitted to chalk up on behalf of Canadian taxpayers. I am concerned for my children because they may have to pay back some of these liabilities some day. That should be of concern to us all. The average listener to today's debate should know that the measures in the Bill increase the high risk transactions of the corporation from $3.5 billion to $10 billion and loan guarantees from $2.5 billion to $10 billion. I want the Government to understand that this must be a concern to us. We would prefer to have these measures properly studied and discussed with the private industry, which deserves a larger role in deciding the activities of the EDC. This is not built into the Bill. We do not think the private sector has a large enough say in what the corporation does. Quite frankly, average Canadian citizens would prefer a measure such as this being brought in by a government in which they have more trust and confidence than the present Government.

Mr. Huntington: Mr. Speaker, in view of the fact that there is only one minute remaining, I wonder if I might call it six o'clock.

The Acting Speaker (Mr. Blaker): It is understood that the Hon. Member for Capilano (Mr. Huntington) has been recognized for debate and therefore will be automatically recognized tomorrow at eleven o'clock. Is that agreed?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—FLUCTUATIONS IN ONTARIO GASOLINE PRICES. (B) IMPACT OF TAXES ON PRICES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I welcome this opportunity to address the House again on the subject of the negative impact of federal taxation on Canadian oil prices.

When I first raised this matter before the summer recess I was told by the Minister of Energy, Mines and Resources (Mr. Chrétien) that the federal Government does not control the price of gasoline at the pumps. I would suggest that it has much more control over the retail price of gasoline than it has over the many Crown corporations it has established over the past few years. I was also told that gasoline pricing agreements are not negotiated with a view to what taxes provincial Governments place on gasoline. In other words, the decisions on pricing and federal taxation are made without consideration of the end cost to Canadian consumers.

• (1800)

Recently it was revealed by a combines branch lawyer that Imperial Oil took complete control over the retail prices charged by Suny's Limited, one of its agents, last Spring to end the gasoline wars in Ontario. In August of this year, another price hike took place. The industry maintained that a shortage of gasoline was behind this increase.

The director of the combines branch investigated this increase and found no evidence of price fixing or of the industry's claim of a shortage. Both instances were investigated by officials of the federal Government. Obviously the Government felt it had the authority to investigate. If it has no ability to control prices, then why is it trying to do so?

It is obvious the producers and retailers are not making undue profits from gas wars and general price fluctuations. On September 15, the Toronto *Star* quoted Rick Hallisey of First Manhattan Securities Limited as saying, and I quote:

> It's so bad that I think by the end of the year, Canada's chartered banks will collectively become the largest owners of drilling rigs in the country, directly through foreclosures or indirectly by becoming shareholders in troubled companies.

With only a few cents per gallon profit, the retailer is doing little better. The largest share of the price of a gallon is still going to Government taxes. This being the case, the federal Government must acknowledge its share of the blame for unduly high prices and price discrepancies across the country.

A look at the immense damage done to our tourist industry this summer alone by the high cost of gasoline should be enough to cause a review of the oil taxing policies. I understand that in eastern Ontario the number of tourists was down

this summer by somewhere over 7 per cent. This was the best summer we have had weatherwise for years. It is time for the Government to show by example that it wants to keep energy prices down.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to take issue with some of the comments made by the Hon. Member. He is forgetting a number of factual points. For example, when the Minister indicated to him in Question Period that the Government of Canada does not control the price at the pumps he was quite correct. However, the Hon. Member refuses on all occasions to accept the fact that the provincial Governments in this country have a very prominent role to play in the pricing of gasoline. Through their various treasuries they have the opportunity to place excise taxes on gasoline. In my own Province of Nova Scotia, that is very excessive. However, it has been a tactic in this House for Members of the Opposition, particularly the Conservative Opposition, to lay the blame for prices which may be inflated from time to time at the door of the Government of Canada.

I would like to point out an inconsistency in the Hon. Member's statement of May 27 relative to the Government role. On the one hand he complained that the Government has too much control over the price of gasoline. On the other hand, he used selected low and high prices to imply that the Government was not sufficiently involved in the marketplace. The point to be emphasized in relation to his confusion is that there is no direct Government involvement in the retail gasoline marketing process in either Canada or the United States.

The total of federal taxes on a litre of gasoline sold in the Province of Ontario is 8.63 cents, not 60 cents a gallon as claimed by the Hon. Member. In the Province of Ontario, the federal Government receives about 18.8 per cent while the "big blue machine" of Bill Davis in the Province of Ontario receives 28.6 per cent. Of course, industry receives 52.6 per cent. There is quite a difference between what is received by the federal Government, the provincial Government and the industry.

● (1805)

I have to repeat, however, that the Hon. Member and other Tory Members from Ontario are using this argument in such a way that all the facts are not being put before the Canadian people. Let us recognize, once and for all, that the provincial Governments—the so-called good guys, as the Hon. Leader of the Opposition (Mr. Mulroney) would designate them—have a responsibility as well. It is to them that the mass of Tory Members should look. They should try to have the provincial Premiers reduce their excise taxes to a level comparable to that imposed by the Government of Canada.

VETERANS AFFAIRS—REQUEST THAT COMMEMORATIVE MEDAL BE STRUCK TO HONOUR DIEPPE VETERANS

Mr. Gordon Taylor (Bow River): Mr. Speaker, on Thursday, June 23, I asked the Minister of Veterans Affairs (Mr. Campbell) why the Government did not strike a medal or at least provide a black ribbon for the courageous Canadians who served in the Battle of Dieppe. The Minister replied, as shown at page 26720 of *Hansard* as follows:

> Madam Speaker, traditionally medals are struck to commemorate participation in campaigns, not usually for participation in specific battles.

I realize that medals are normally and usually struck to commemorate campaigns, but Dieppe was not a normal or usual battle; it was a very special battle insofar as Canada is concerned. The battle of Dieppe in 1942 involved 6,000 soldiers, 5,000 of whom were Canadian troops. In addition, eight RCAF squadrons participated by adding air support. There were 3,000 Canadian casualties, including 907 Canadians killed and 1,946 Canadians taken as prisoners of war. This unusual invasion of the continent by Canadian Forces should be sufficient reason for special consideration.

This sacrifice of so many Canadian lives was not without benefit; from the lessons learned at Dieppe thousands of human lives were saved in the D-Day invasion which took place two years later. This saving of human lives in the battle that took place some two years later is unusual too and, therefore, another valid reason for striking a medal.

Canada has a small population compared to those of many other countries in the world, and the fact that 5,000 Canadians and eight RCAF squadrons formed the core of the invading force at Dieppe in a world-wide war, with many giving their lives and many others suffering for the balance of their lives from wounds, is good reason to veer from the usual and to strike a medal or at least provide a black ribbon.

The rule is that medals are struck to commemorate campaigns. If there were no exceptions we would not require a rule, and certainly the battle at Dieppe, headed by Canadians, the casualties that Canadians suffered, and the thousands of lives of allied forces that were saved in the D-Day invasion, provide sound reasons for making this exception to the usual rule.

Dieppe—manned by courageous Canadians—stands out predominantly as a Canadian star shining for freedom for the peoples of the world. I urge the Minister of Veterans Affairs to strike a medal for the Canadians who participated so nobly in the battle of Dieppe. By doing so, no one will be hurt and these splendid Canadians will be properly recognized.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first of all I want to reiterate the statement of the Minister of Veterans Affairs, namely, that traditionally in Canada medals are struck to commemorate participation in campaigns and not usually for participation in specific battles. It is true that in the last century, bars were added to campaign ribbons to commemorate certain battles. For instance, participants in that particularly disastrous battle for the British Empire at Inkerman, received a bar to the Crimean war ribbon with the name "Inkerman" engraved on it. I would like to make the point that when a medal is struck, a distinctive ribbon is designed with it, but traditionally ribbons are not struck independently.

● (1810)

The point the Hon. Member is making about the significance of the Battle of Dieppe is certainly well taken. It is especially meaningful to a Hamiltonian who continues to grieve the loss of 197 fellow citizens and the wounding of 78 others from the Royal Hamilton Light Infantry Regiment. On the other hand, it must be remembered that Canadian servicemen contributed very significantly to other battles, such as the D-Day invasion in which at least three times as many Canadian servicemen participated and incured as many casualties as at Dieppe; the crossing of the Rhine, the Battle of the Falaise Gap, the battle for Caen, all in northwest Europe, and not to forget the Italian campaign in which many significant battles were fought.

When one looks at the wonderful record of Canadians in World War II, and also in World War I, such as the Battle of Vimy Ridge, where the Canadian Army suffered casualties in excess of 50,000 men, the whole question of what action should be given additional recognition becomes very complicated.

However, the matter was settled in 1951. Canada, Britain and all the other Commonwealth countries agreed that no further recognition would be made for action which had taken place during World War II.

CANADA LABOUR CODE—PROTECTION OF WORKERS' HEALTH—INTRODUCTION OF AMENDING LEGISLATION. (B) TIMING OF INTRODUCTION OF AMENDING LEGISLATION

Mr. Rod Murphy (Churchill): Thank you, Mr. Speaker. I rise at this time to again speak about an item which I have brought up in this House a number of times, most recently on June 16, 1983, three months ago. At that time I asked the former minister of labour when we would be getting legislation to protect the workers who come under federal jurisdiction. We were promised over three years ago that there would be changes to Part IV of the Canada Labour Code and that in those changes there would be more protection for workers who come under federal jurisdiction.

As one individual in this House of Commons, and I think I speak for many others, I am concerned that this Government has been in power for over three years now, that we have been told over and over again that we would be getting new legislation and yet we still have not had the legislation presented to this House. We have not even been given details by the Department as to what might be in the legislation.

In contrast to that, Mr. Speaker, I would like to tell the House what the New Democratic Party has done. After the 1980 election we set up a special task force which went to all parts of this country. We made a report over a year ago called "Graveyard Shifts, or Life and Death at the Workplace". We made recommendations which I think the federal Government should be following, first, that all workplace jurisdiction which is covered by the federal level should come under the auspices of one department, not the 17 different departments and agencies which are now responsible for various aspects of occupational health and safety.

We also suggested that workers should have the right to know what is in their workplace in terms of chemicals and pollutants. They must know the dangers which exist in their workplace. They should also have a right to participate in the changes and improvements which should take place at the various work sites. Finally, of course, they should have a right to refuse work which is dangerous and threatening to their health.

I recognize, Mr. Speaker, coming from the mining industry, that work is always dangerous. But in some instances, some work is more dangerous. When that is the case I think the worker must know what the dangers are and be in a position to try and change that where it is possible to do so. When the danger persists, the workers must have the right to refuse to work in that particular circumstance without losing income or losing their employment altogether.

One of the aspects of the legislation we think must be presented to this House, and must be presented quickly, is that the federal Government must provide adequate testing to make sure we know what substances contain; the chemicals and the pollutants which are coming into the workplace on a daily basis. Right now these workers do not know what they are dealing with. They do not know what is in the paint, the tar or the chemicals in the workplace. They do not know what the harmful effects of those chemical pollutants might be. That is an area in which the federal Government can do testing. If you leave it to each of the Provinces, a Province like P.E.I. which may only have 10 or 20 people working in a certain industry, obviously that testing cannot take place. However, in the country as a whole, where there may be 2,000 or 3,000 people in a particular industry, the federal Government is in a better position to do some basic testing to provide for increased knowledge on the part of workers.

● (1815)

Those are the concerns I have, Mr. Speaker. I ask again that the Government proceed with this legislation as soon as possible and that we not be told again by the Minister or his representatives that we should pass the legislation as soon as possible even though we have yet to see it. Rather, the Government should work with the Conservative Party and the New Democratic Party to provide legislation which will protect our workers' lives. I think that is a goal this House should set for itself, a non-partisan goal for Members of all three Parties.

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I thank the Hon. Member for bringing this matter to the attention of the House. The Government hopes to introduce a Bill to amend the Canada Labour Code early in the next session of Parliament. Part IV of the Canada Labour Code addresses occupational safety in health and, in general, applies to employment and working conditions in industries, businesses and Crown agencies that are subject to the legislative authority of the Parliament of Canada.

The amendments to part IV of the Canada Labour Code are intended to continue the initiatives of 1978. At that time the federal Government was one of the first jurisdictional authorities to introduce the assured right to refuse dangerous work and joint participation in safety and health committees. These continued initiatives will include, we hope, a representative advisory council on occupational safety and health, mandatory provisions for joint safety and health committees or worker selected safety and health representatives in all workplaces, an increased emphasis on the rights and duties of employers and employees, and other requirements associated with modern day concepts and principles concerning occupational safety and health.

The Committees would permit a formal avenue of communication, Mr. Speaker, by which the worker and his employer could act co-operatively to ensure a safe and healthy workplace. The promotion of joint participation by labour and management on occupational safety and health issues supports the current concept of self compliance or regulation which will, to a certain extent, permit the third party safety officer to concentrate more fully on program support activities.

Part IV is currently subject to any other Act of the Parliament of Canada and this can create confusion for workers and employers. For example, in the federal jurisdiction there are nine federal departments or agencies administering 16 separate Acts that are concerned in varying degrees with safety and health. The significant departments and agencies include MOT, CTC, AECB, EMR and the Treasury Board.

Part IV currently extends to approximately 600,000 workers in the federal jurisdiction but does not apply to approximately 100,000 employees who are subject to other Acts.

With respect to the *Ocean Ranger*, the subject of offshore jurisdiction is a complex one, and until the Hickman Royal Commission tables its report it would be premature to comment.

The 250,000 public servants are subject to the occupational safety and health policies and standards established by Treasury Board which are administered on the board's behalf by Labour Canada for occupational safety, and Health and Welfare Canada for occupational health. It is certainly the view of the Government and the Minister of Labour (Mr. Ouellet) in particular to ensure equal and adequate occupational safety health protection for all workers, be they protected by the Canada Labour Code or any other statute. The Hon. Member should know that those employees who are not subject to the protection of Part IV are generally protected by a variety of other statutes and regulations administered by other federal authorities.

It is the intention of the Government to develop the most effective and economical arrangements for ensuring occupational safety and health protection for all federal workers. The Minister of Labour, together with his colleagues and respective officials, are examining the existing arrangements to that end.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, September 20, 1983

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Monday, September 19, consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

Hon. Ron Huntington (Capilano): Mr. Speaker, I take part in the report stage of Bill C-110, an Act to amend the Export Development Act. I am probably close to being the seventieth speaker at this stage of the Bill. I have now been informed that I am the eighty-eighth speaker, which indicates to us, we who are quiet, rational, deep-thinking people on this side of the House, that there is something very wrong with the whole trend, nature and drift of what the Liberal Party is leading Canada into. The Bill could have been through the whole process away back had the Government not been so intransigent on matters that are essential not only to the thinking people in Parliament, but also to those who are now becoming deeply concerned over the behavioural pattern of the Government and the effect it will have on future generations.

In effect, the amendment concerning the Export Development Corporation is the continuation of a massive interventionist mindset that is destroying the country. We will have to dismantle and restructure something that will once again pump life, creativity and that magic of the soul and mind back into the Canadian people.

I can remember a Deputy Minister coming to me after our Government failed, saying: "Ron, you are very vocal and outspoken on the national energy policy; please lighten down your rhetoric, because we have computer models that tell us exactly what we are doing." The trouble with computer models designed by these academicians is that they are all based on assumptions, the assumptions never being exposed to a wide enough body of thought to ensure that they are accurate. The corporate sector knows that computer models involve a high-risk situation. If we spread the activity, the thinking, the mindset and the innovative power of the nation more broadly into well disciplined sectors, then we would have a chance. However, these computer models are designed by academics who have never worked in the workplace, who have never been responsible for balancing the accounts and for meeting payrolls or protecting working capital in a wealth-creating organization. These are the people who are planning our lives and planning these corporations in all of this massive intervention in the Canadian mind.

One can understand interventionism on the part of the federal Government or on the part of a provincial Government if it is for the purpose of redistributing wealth. But this academic machine which is supported and nurtured by the Liberal Government is intervening in the creation of wealth. Everything it has done in this field proves that it is not working and is destroying the vital sector that produces the tax revenues that can support the very enviable social structure of which we are so proud.

• (1115)

What is at risk is the social structure we have built over the decades. We are not creating the tax revenues to pay the bills. We know as individuals that if we spend more than we receive we face the poorhouse. This nation is spending more than it has created and more than it has generated. We are listening to these academics and putting them in control of these Crown corporations where they believe they have all the answers. Let me tell you, Mr. Speaker, that they do not have all the answers.

The behaviour and performance of Canada and of Crown corporations in the last decade surely has warned us that we must stop this nonsense. Through this Bill the Minister is asking for the control of some $50 billion in spending powers outside the purview and accountability of the elected representatives of the people. These Crown corporations are creating a subgovernment of control for key bureaucrats and friends of the Liberal machine outside the purview and behavioural patterns laid down by the central agencies. Many of these things are avoidance practices just to get around central agency of Treasury Board rules and regulations.

A small example of this is that the Bank of Canada, which has a very special position in the structure of Canada has a magnificent exercise room in its basement for its employees. It can find $210,000 to spend on equipment in that basement room for 700 people. It can find $14,000 here and $10,000 there to subsidize the superintendent in that work room. If this happened in the private sector it would have to go through a board. It would have to come out of the working capital and be accountable to the tax auditors and the chartered accountants association who work to standard accounting principles and practices. It would have to be accountable to the taxpayer and

would be depreciated and justified. However, because this is a Crown corporation those actions can take place in the confines of a room and that type of expenditure can take place and does take place all over the country.

We have tabled report No. 7 from the Special Committee on Standing Orders and Procedure in the House asking for a new committee structure and new strengths so that we can examine more effectively this whole level of subgovernment that is being built. This Bill is simply adding to that along with Canagrex and CDIC.

CDIC will probably be the noose that hangs this nation. We are delivering massive powers and massive resources to an enclave of people outside the accountability parameters of the House and this country. The behavioural patterns that will take place will shock the people of this nation within five years, if they have not already done so. One only has to look at the pattern of the players and how they have behaved in and out of the private sector and in and out of Government, Cabinet and the bureaucracy. They seem to have a refusal or an insane desire to beat the game, to play outside the rules of behaviour.

With this type of legislation we in this country are dealing with this whole matter of the struggle between the interventionists and the behaviouralists. I stand before you and my colleagues in the House, Mr. Speaker, to say proudly that I am a behaviouralist. I believe that if we do our job in this country and in the House and define the standards of behaviour, equity and fairness that we want and set rules that punish those who do not deliver to those standards of behaviour, that is all we can do in a free society.

We are not doing that job. We are yielding to those and that mindset that exists with the bureaucracy and socialistic ranks in the country. The academics and people who have never balanced accounts, met payrolls and payables, all of these people who have come from the land of academia and the universities, think they know how to do it better than the rough and tumble world of trial and error. You can see the mood of Thatcherism that is taking hold in Great Britain. That country went through this whole exercise and even the rank and file in Great Britain now recognize that there was something seriously wrong. You cannot have anything for nothing. It will take blood, sweat, tears, work, toil, mindset, attitudes, innovation, savings, thrift and frugality if we are going to lift ourselves up and afford the standard of living and social welfare we expect our system to maintain.

● (1120)

The interventionism in this type of legislation and in this Bill is the hangman's noose for equality of life in Canada. What the Government is doing is delivering us farther and farther down the road. The Government will not even allow a proper balance of directors from the private sector in this corporation. There is a memo that lists the directors. There are six senior public servants, very able men, men of high academic ability, of far higher intellect probably than I but they are certainly short on the rough and tumble experience of life that I have. I think the type of rough and tumble experience that is available from the private sector would be a very good balance to have in these Crown corporations.

Let us take a look at B.C. coal development. I had a senior civil servant come to me and say: "Ron, have you looked at the list of directors of that corporation that is spending $1 billion?" Right at the top of the list it shows four senior civil servants. This is not a 50-50 public-private mix, Sir. When you get these Crown corporations, such as the EDC, entrenched and given special powers outside of the laws and rules that apply to the rest of the country, you are dead because the nature of man, the acquisitive, power-seeking nature of man, is such that man will abuse everything that he touches and forget why he was put there.

We are no longer creating Crown corporations as instruments of public policy. We are creating environments of power and acquisition for individuals that have risen up through the ranks of the Liberal Party and the Government of Canada. I stand here and say that unless this House accepts its responsibilities, gets back to a standard of accountability in this area and allows proper examination of this whole Crown corporation structure, we are not going to be able to pay our bills. We will lose face internationally. That fact is already in evidence. It is time some of those people on the Government benches heard this plea. If not they should go to the people to get it changed so we can save what we have.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, I am pleased to participate in the debate on Bill C-110, an Act to amend the Export Development Act, at the report stage.

We are dealing with two amendments in particular. But I think those amendments must be viewed in the context of the total Bill. Essentially, the Act seeks first to expand the operational capacity of the Export Development Corporation by increasing the borrowing authority of the Government through the relevant corporation without reference to Parliament, and, also, by increasing the amount of high risk or bad business transactions the Cabinet can approve—from $3.5 billion to $10 billion in the case of insurance, and from $2.5 billion to $10 billion in the case of loans and guarantees.

Second, the Bill seeks to alter the current structure and powers of the board of directors of the relevant corporation. I submit to you that those changes are minor, certainly in terms of increasing the accountability of the corporation to Parliament and through Parliament to the Canadian people.

Before I get into the particular amendments, I want to stress for my own part that we on this side of the House are not against Crown corporations per se as an instrument of public policy. They can be an effective vehicle for promoting a given public policy of the Government, indeed of the country, if that vehicle is used wisely and within limitations. It is necessary from time to time for Government to create a structure or bureaucracy which can operate on a day-to-day basis at arm's length from control by politicians and bureaucrats alike. Government needs to minimize such interference so that the people concerned can get on with the job. That is why I for one

take particular pride in the fact that it was the Progressive Conservative Party of Canada that created Canadian National Railways under Prime Ministers Borden and Meighen, the CBC under Prime Minister R. B. Bennett, and later the National Film Board and many other Crown corporations which could be mentioned.

● (1125)

The particular Crown corporation we are debating is a classic case of what I was talking about concerning the Government's abuse of Crown corporations as an instrument of public policy. The real enemy of Crown corporations is not the Opposition, is not even the Crown corporations themselves, but rather the Government. Through mismanagement and incompetence it has been debasing the credibility of Crown corporations. It has been disgracing them in the eyes of Parliament and in the eyes of the public through waste and undemocratic practices.

The Government, most especially in the last three years, has been using Crown corporations—and again the EDC is a case in point—to hide massive deficits. It funnels much of its public debt through Crown corporations to make the books look better than they otherwise would. It has used Crown corporations to circumvent Parliament and to aggrandize the bureaucracy. The federal deficit this year is in the neighbourhood of $30 billion according to the Government's own figures, but if Crown corporations were not abused in the way they are, I submit that that figure would be a lot worse.

The Auditor General has said that the use of Crown corporations by the Government has, in effect, created a whole layer of subgovernment largely out of control and beyond the reach of Parliament. There has been little accountability. Crown corporations have assumed a life unto themselves. They have been sheltered from parliamentary scrutiny, from media scrutiny and from public scrutiny.

The case which I know best because it relates to my region, the Atlantic Provinces, is that of Canadian National. Canadian National has been hiding its books from the Auditor General, from the Government and from Parliament. The Auditor General expressed outrage about the way in which the *Abegweit*, the CN Marine vessel that crosses between Prince Edward Island and New Brunswick on the Northumberland Strait, was financed by the Government through CN Marine, a division of Canadian National. He demanded of CN to see its books. The Chairman of Canadian National, however, told the Auditor General where to go.

This typifies the extent to which Crown corporations have assumed a life unto themselves—beyond the control of Parliament and beyond the control of the public. At least corporations in the private sector are responsible to something or someone, be it a board of directors, market realities or, for that matter, the boundaries imposed by profit and loss factors. Now, more and more because of government incompetence, not because of the nature of Crown corporations themselves, Crown corporations are becoming the new political despots in Canada, responsible to no master.

I think there is a legitimate role for an entity like the Export Development Corporation because trade is crucial to Canada. We were once, and could still be, one of the great trading nations of the world. Thirty per cent of our Gross National Product is earned through trade as it is, despite the record of the current Government since 1968.

● (1130)

In 1968 when the Prime Minister (Mr. Trudeau) took office, Canada's share of world trade was 5.74 per cent. By 1981 the percentage had slumped to 3.8 per cent. That slump represents hundreds and hundreds of millions of dollars in trade lost to this country—lost to our Gross National Product, lost to the people of Canada. It also represents a loss of thousands of jobs in every part of the country dependent on trade.

Why have we lost ground? Why are we taking a back seat to Japan, Germany, the United States, France and even Britain and Italy? The situation is directly attributable to a lack of strategy, a lack of over-all planning by the Government in concert with the private sector. It is related to our paltry research and development effort. It is related to a lack of appreciation by the Government, working with the private sector, of the importance of research and development, that is, the creation of new goods and services so as to help Canada break into world markets. The problem is attributable also to the lack of a real trade promotional campaign.

The Hon. Member for Northumberland (Mr. Hees) was Minister of Trade in the Diefenbaker Government. As Minister of Trade, he was a superb salesman, a salesman par excellence. He realized the importance of the private sector in breaking into new markets, cultivating those markets and helping Canada to compete on an equal footing with the best of them throughout the world. He helped the private sector through Government buraucracy, by working hand in hand with the private sector to unleash the entrepreneurial creativity in the country. He had imagination, creativity, drive and verve. He, his Department and the Government of the day had with the private sector just plain get-up-and-go.

I want to conclude by stressing that in my own little Province of Prince Edward Island trade represents 9.6 per cent of the gross domestic product. It is expected that the corresponding 1982 figure will have zoomed to 10.8 per cent. The strong showing is not due to the bureaucracy of either the provincial or federal Government. It is due to the creativity, imagination and verve of the entrepreneur who is encouraged by Government to unleash his creative capacity.

In tiny Prince Edward Island, trade generated $102.8 million in revenue for the Province in 1982. So the trade potential is there. But the potential will not be realized through this Act, nor will it be realized through the Export Development Corporation but, rather, through the creative juices of the private sector encouraged, not prevented, by Government.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I feel compelled to rise having listened to the Hon. Member who just

completed his speech to say that there is a large element of truth in what he said. However, we have to take a serious look at the dilemma which confronts any nation that has historically relied on its ability to trade. From my experience in promoting and working toward getting a trading corporation, I believe it is necessary to present a much stronger Canadian face in world affairs. That Canadian face has to be a co-ordinated effort. In a most sophisticated world, I do not believe that it is possible for each individual small entrepreneur somehow or other to luck his or her way into the world markets.

I believe there is the need for a great deal more co-ordination and co-operation between Government efforts on the one hand, as exemplified in this instance by the Export Development Corporation, and business that has the capacity to seek, find and exploit—using the word "exploit" in its broadest possible term—available world markets. In doing that we also have to recognize the nature of a changing world.

In addition to our attempts to secure world markets, we have devoted a considerable amount of time, effort and money to try and improve the self-reliance of many of the nations with which we previously traded. I use the term "trade"; it may not be the proper term because trading leaves the impression that it is a two-way street. What I am talking about are countries to which we sold in one way to another products or materials that were originally Canadian, manufactured or indigenous Canadian raw materials, and we bought very little back. There was very little to purchase from them. We consistently stress with them, and they with us, that we should be seeking ways to make them more self-sufficient, to improve their indigenous capacity in order to make it possible for them to provide not only for themselves, but in the case of many smaller countries to provide a sufficient amount of excess capacity within their country so that they too may enter the world of trade.

If, as I put it is the case, it seems reasonable to draw the conclusion that our trading partners—in actual fact countries to which we have sold—should develop a capacity to manufacture and produce for themselves, those markets will become somewhat less available to us. You cannot have it both ways. You cannot on one hand strive to make the world a more equitable place, helping countries which previous to now had very little in the way of manufactured capacity and indigenous food-growing capacity achieve that aim, and then bemoan the fact that you can no longer sell to them those things you have encouraged them to make for themselves. We have to begin to take a much different approach to this. Our biggest complaint at the moment is not that we do not sell sufficient offshore. Surely our biggest complaint at the moment is that our economy has stagnated. The economy is not operating in such a way as to guarantee that here in Canada there will be jobs for Canadians who need them. That is our primary problem.

As we look at the question of the Export Development Corporation, we have to look at it within the context of an ever-changing world. Those countries that historically relied on their ability to manufacture and to sell to others are today facing difficulties, every single one of them. Therefore, it is not unusual that we should also face difficulties. We have to balance our desire to develop a much more sophisticated manufacturing capacity with making that capacity sufficient to meet both our own domestice requirements and some of the existing world requirements. We will not meet all of them, only some. Therefore, we must be selective in choosing the areas upon which we place our emphasis. We will have to be very careful when choosing in which areas of expertise and competence we intend to work most assiduously in an effort to try to make those areas and their products attractive in terms of world purchasing.

● (1140)

I find it mind boggling to note that we would be running something in the order of a $900 million deficit in food sales over and against our purchases; this in a country like ours which no doubt has the capacity to meet all of its own requirements if we so desired.

An Hon. Member: What about citrus fruits?

Mr. Deans: No, generally speaking, all of our own products. I admit that we cannot grow everything, but we can meet all of our own basic requirements if we were to set our minds to it. I admit that we cannot grow everything that is grown in the world, but I do not admit that we need to be exporting or importing much of what we are capable of growing if we are not now growing it in sufficient quantities, whether it be beef or any other product we are currently producing.

I believe that rather than bemoaning our loss of markets we must look at how we can achieve self-sufficiency in our own economy. We must take a look, for example, at how we can bring about a much more rapid advancement toward the goal of energy self-sufficiency so that we do not have to import into the East Coast literally millions of barrels of oil on a regular annual basis when in fact we have within our own country the ability to meet that demand.

Mr. Huntington: Under the National Energy Program?

Mr. Deans: I am not arguing whether or not that should be done under the National Energy Program. I am simply saying that we must set our minds to those questions. There is no point our pretending that somehow there is an over-growing market some place outside of Canada that will simply absorb all of our capacity and that somehow we are entitled to a larger share of that market. We are only entitled to get what we reasonably can achieve.

It is quite clear to me—and I say this to my colleague, the Hon. Member for Capilano (Mr. Huntington)—that the biggest stumbling blocks in the way of increasing our ability to sell abroad are the multinational corporations located in Canada whose head offices consistently have refused to allow their Canadian subsidiaries to seek and service those markets. They have created the single largest stumbling blocks to our drive to increase our ability to sell abroad.

Hon. Members need only look around themselves to determine to their own satisfaction that, in the overwhelming

majority of cases where a subsidiary has been established in Canada, that subsidiary was established simply and solely for the purpose of meeting the need of the Canadian domestic market and, more specifically, has been excluded from seeking markets anywhere else. That is the case with the U.S. subsidiaries and is equally true in the case of the subsidiaries from Europe and, I suspect, will also be true in the case of the subsidiaries established from Japan as they become more prevalent. Canada will be treated as a sales territory and nothing more. The mandate given to the corporations established here will be a mandate to satisfy the domestic requirement and no other. I believe we are failing to speak to the serious problems that that will create in our country.

I believe the truncated nature of our industry is clear, and so I am suggesting that we stop bemoaning our inability to match the statistical information that previously flowed over the years; that we stop bemoaning our loss of markets and start addressing the fundamental problems that face us. One of those fundamental problems is that we do not take advantage of our ability to be self-sufficient in the areas where we are able to be so; and another is that we are being denied, as a result of the multinational nature of major corporations, any opportunity to seek those markets even if they were available.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, it is an honour to speak at the report stage of the Bill to amend the Export Development Act, especially after listening to the words spoken by the Member for Hamilton Mountain (Mr. Deans). I was already familiar with his philosophy on the importance of international trade, because I sat with the Hon. Member when a special committee of the House was formed to examine the international trade situation and to consider how trade structures could be made more effective, with a view to establishing a rapport with owners of small and medium-sized businesses and making them aware of the importance of our world markets.

If we consider that over 26 per cent of our Gross National Product depends on our export markets, it is clear that no one in this House can afford to ignore the importance of international trade and our substantial trade potential. Furthermore, I believe that the Government has also been made aware of the need to develop our export markets in a number of different areas. I am thinking, for example, of transportation and communications. Canada ranks among the most advanced countries in the world in these extremely specialized fields. I must say I deplore the attitude of the Progressive Conservatives who insist on taking an ultra-conservative approach and on providing criticism that is always on the negative side.

When the Committee tabled its report on the feasibility of forming a national trading corporation, we felt at the time that this country had the potential for exporting roughly $10-14 billion worth of manufactured goods and capital projects, a figure that could mean increasing our exports by 15 per cent over present levels. If existing factories and small and medium-sized businesses were better informed about the possibilities of international trade, there was, in fact, a potential for $8-12 billion. That was one of the conclusions reached by the Committee, which heard an impressive amount of testimony, considering the fact that 450 witnesses testified before it in the course of 270 meetings. We examined the entire organizational structure at the Department of Industry, Trade and Commerce and made recommendations. Regarding the Export Development Corporation we are discussing today, which provides financing and insurance services to Canadian exporters and foreign buyers of goods and services, the Canadian Chamber of Commerce made a survey to determine to what extent the Corporation, which is a tool at the disposal of small and medium-sized businesses, was known in Canada. The Chamber of Commerce informed us that 63 per cent of the business people surveyed were familiar with the Export Development Corporation and 29 per cent made use of its services. Some of the respondents mentioned that certain interest rates were too high, and there were all kinds of other considerations, but I am mentioning this one, because I think it is particularly important. I made enquiries at the departmental level to find out whether it was true that the Corporation made or guaranteed loans only in the case of large companies. In fact, according to the transactions for which assistance from the Export Development Corporation was received, 80 per cent of a total of 1,300 firms were classified as small and medium-sized businesses.

• (1150)

I think this clearly confirms the Corporation's concern for helping small and medium-sized businesses. Furthermore, in 1982, 44 transactions out of 110, that is, 40 per cent of the businesses involved, were for amounts of less than $1 million. I think that is a very important point.

Mr. Speaker, I could go on for some time about the role of the National Trading Corporation that was being considered at the time by the Government, an agency that would help small and medium-sized businesses. Its structure was to be that of a shared enterprise, that is, its equity base would be provided by the Canadian Government and the private sector. The report I have here refers to the financing and start-up operations for this Corporation, and I must say it is rather disheartening to hear the Conservatives complaining again today about international trade, when the same Members refused to approve this report when it was tabled here in the House.

As for the Corporation's financing, I would like to mention here that the federal Government was to assume a 40 to 50 per cent equity position in the Corporation, with private corporate investors providing the other 50 to 60 per cent. It was to be a tool, a pipeline as it were from small and medium-sized businesses to international markets. It would identify countries and prospect markets for specific products. It was a tool for

small and medium-sized businesses, but the Progressive Conservative Party was opposed to the report's recommendations.

I would just like to take a few minutes to mention something. Yesterday I was listening to the Member for Timiskaming (Mr. MacDougall) who was criticizing the Government for its approval of financing for Bombardier. I think he should be delighted, because if Canada is to continue to expand its high technology markets and maintain its position in the transportation industry, it is absolutely vital that the Canadian Government should intervene in the case of transactions worth nearly $1 billion, involving the manufacture of special trains for the New York subway. We are talking about the production of 825 subway cars over the next five years, and I think that instead of criticizing the Government, the Hon. Member should bear in mind that this is a $1 billion contract, and that one billion dollars' worth of manufactured products exported abroad means 43,000 jobs. This particular contract means jobs for Canadians. Are we supposed to let the competition, French or German interests, win the contract for producing those goods? I think the Government acted wisely in protecting jobs, expanding the Canadian technology industry and awarding the contract to Bombardier, a Canadian company. Maybe if the company had been in another province, the Conservatives would not have been as upset, but I challenge the Conservatives to come to Quebec and say what they said about Bombardier, a company that happens to be in the Province of Quebec and that is going to create jobs.

Mr. Speaker, I could go on about our Crown corporations. I am not blind to their defects, and I am convinced that administratively speaking, there should be more control, but I would challenge those people who criticize Canadair. When the federal Government acquired Canadair, it provided 700 jobs. Today, that number is 7,000, people who are working on the development of our high technology industry, and as a result, today, the Province of Quebec has almost 50 per cent of Canada's aerospace industry, and that is because the Canadian Government invested in Canadair.

[*English*]

Hon. James A. McGrath (St. John's East): Mr. Speaker, I listened with great care to the hon. gentleman who just took his seat, and I am amazed that he seems to have missed the whole point and thrust of this debate. No one, Sir, questions the need for, or indeed the good work of, the Export Development Corporation. That is not at issue here. It has done good work. The hon. gentleman mentioned the Bombardier sale, and that is only one example of many which could be cited in this House to justify the continued existence of this very important corporation.

However, what we are talking about here, Mr. Speaker, is parliamentary accountability. That is what this debate is all about. That is what Motions Nos. 3 and 5, put forward by the Hon. Member for Mississauga South (Mr. Blenkarn), are all about. They would have the means of introducing some degree of control and accountability into the operations of this corporation. Surely we as parliamentarians have a responsibility to ensure that these Crown corporations are not allowed to operate out of control, but that they will in fact be accountable to the taxpayers of this country through their representatives in this House.

The Government, by this Bill, seeks to expand the borrowing capacity of this corporation without the need for further reference to Parliament. That is what the Hon. Member for Capilano (Mr. Huntington) was talking about, and that is the issue before the House. That is what we, as the Official Opposition, are putting forward as argument, and a very valid and important argument it is. It goes to the very guts, the very heart and soul of Parliament.

Last year, Sir, the Auditor General in his report for the fiscal year ending March 31, 1982, said something which deserves to be repeated because it sums up the whole rationale of this debate. It sums up the whole rationale of the arguments which have been put forward by the Official Opposition. I quote from that report:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

As my colleague the Hon. Member for Capilano has said, that, Sir, is the issue. That is what this debate is all about.

We recall that a few years ago the late Auditor General of Canada, in one of his reports, expressed his concern that Parliament was in danger of losing control over the purse strings of public expenditure. I believe, Sir, that we have in fact lost control. I believe we have arrived at a point in time where we have lost control. That loss of control is exemplified very dramatically by this Bill which is before the House, which would render this Crown corporation virtually unaccountable in terms of the substantial increase in borrowing authority which it has been given.

This House is currently operating under provisional rules which were brought in by the Special Committee on Standing Orders and Procedure. That committee has been sitting for 18 months now and no subject has taken more of the time of that Committee than the subject of accountability, control over Government expenditures and how Parliament can regain the control it had over public spending. I do not have to recite the growth of the national debt, the growth of the deficit, the hidden deficit. That has all been put on the record. But the deficit will still grow, the hidden deficit will still grow and the national debt will still grow unless and until Parliament regains control over public spending.

● (1200)

The Special Committee has submitted nine reports to this House. We are currently operating under the recommendations of the third report in the form of provisional rules. The House will have to make a decision on those recommendations and provisional rules by the end of the current parliamentary year. The Hon. Member for Capilano co-chaired a subcommit-

tee of that Special Committee together with the Hon. Member for Rosemont (Mr. Lachance), and they brought in a report which would in a very comprehensive and meaningful way go a long way toward restoring parliamentary control and Government accountability. That report is before the House and it makes very important recommendations which complement the work the Committee did and submitted to the House in its fifth and sixth reports.

That report, Sir, recommended among other things the establishment of a Government corporation and agencies committee. I listened to the Hon. Member for Capilano and obviously modesty prevented him from quoting his own recommendations in his own subcommittee report, but I think they are worth putting on the record:

> Your committee believes that the proposed financial accountability structure would not be complete without a committee devoted to scrutinizing the activities of agencies which are Crown-owned or Crown-controlled or in which the Government has an interest. Collectively these represent one of the most important, expanding and least understood sectors of Government operations. It is essential that there be improved parliamentary oversight of the complex machinery governing such bodies, the number and variety of which is bewildering even to exports in public finance.

They go on to say this if further evidence of the serious gap in accountability to Parliament which must be addressed.

In 1962, Mr. Speaker, there were 28 Crown corporations in Canada controlling $8.4 billion in assets. Today in 1983 there are over 300 Crown corporations employing 263,000 people with assets at the end of the last fiscal period of $74 billion and liabilities of $63 billion.

Mr. Huntington: We do not know the contingent liabilities.

Mr. McGrath: As my hon. friend suggests, we do not know the contingent liabilities and we will not know them until these Crown corporations are made accountable and answerable to Parliament through a special parliamentary committee.

The Auditor General of Canada has referred to this as a subgovernment. I say it is a parallel government and it is being used as the device to circumvent Parliament because of Parliament's preoccupation, and rightly so, with the expanding deficit and the expanding debt. For hon. gentlemen to suggest that in some way by presenting arguments to support a return of accountability to this House we are in fact criticizing the work of the Export Development Corporation is to read something into the speeches from this side of the House which in fact is not fair. Member after Member who has stood in his place in this House has talked about accountability and the need to hold this Government, of all Governments in our history, accountable. Because if there was ever a Government which is out of control, if there was ever a Government which has brought Parliament to a point where it is virtually on its knees and helpless to control spending, it is this Government and it stands indicted for what it has done to this Parliament.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am happy to participate in this debate on the amendments to Bill C-110. My colleague, the Hon. Member for Capilano (Mr. Huntington), spoke passionately about what the function of Parliament is. I must say, Mr. Speaker, to try with the ten-minute rule we are confronted with at this stage of the debate to explain the implications of Bill C-110 is almost as Herculean a task as explaining Einstein's theory of relativity to a grade school student. It is really very, very difficult to do. But surely in the debate which has gone on there must be a couple of thoughts which have sunk into those on the Government side. There is a fundamental concern in the country, certainly in this House, over this question of accountability and amending the Act so that in the new structure of the Export Development Corporation there is no provision whatsoever for the private sector to participate.

We can get carried away, Mr. Speaker, here on the floor with rhetoric. Sometimes we get politically passionate and throw epithets across the floor. But as sure as the birds fly south in the winter and come back north in the summer, if my colleagues on the Government benches were sitting where we are, if they could muster their forces and/or get their rhetorical skills going which have laid mute and dormant so long as they have sat on Government benches, they would raise their voices against an amendment to this Act which, among other things, is going to increase the amount of high-risk transactions and bad business risks that the Cabinet, not Parliament, can approve from a $3.5 billion limit to a $10 billion limit. Or to have Cabinet approve loans and guarantees from a $2.5 billion limit, which is pretty high in anyone's language, to a $10 billion limit.

I point out, Mr. Speaker, that $10 billion is just about the figure in the present Prime Minister's first budget in 1968. I think the records will show that the total budget of the Government in 1968 was something like $10.5 billion. We know that inflation and the escalation of prices have devalued the dollar by over 50 per cent, so a dollar in 1968 is certainly less than 50 cents today, perhaps closer to 30 cents or 40 cents; those statistics are there somewhere.

As my friend the Hon. Member for St. John's East (Mr. McGrath) said earlier, no one is criticizing the sincere and good work, in large measure, of the EDC because Canada is a trading nation. What we are criticizing is giving an additional blank cheque to a Government which by its proven record, let alone the commentaries of experts, has lost control. We are complaining about the Government, not really the EDC.

The Government is floating this Bill and we are right to condemn it because it not only increases those limits I mentioned, but it will allow the EDC to double its borrowing capability from $10 billion to $20 billion, and in effect double its capability for insuring risks from $10 billion to again $20 billion. These are Gargantuan figures even in light of this Government's profligate spending. As I said, the Prime Minister's first budget in 1968 comprised a total of $10.5 billion.

Now, Mr. Speaker, you can hear the rhetoric about how figures confound and how can any of us appreciate billions of dollars? It is almost incomprehensible. But the interesting thing about this debate is that you do not have to take the word of the members of the Opposition, no matter how reasoned, rational and logical they are. You can ask the

professional commentators in the economic world who have assessed Government spending. I start with one of the leaders from Quebec, an ex-president of the Economic Council of Canada, Mr. André Raynauld, who also had a later vocation a Liberal MNA in Quebec before he resigned or did not re-offer, and then became a Professor of Economics at the University of Montreal. Not only is he a well respected Quebecer, but he is also a well respected Canadian in every capacity, except sometimes concerning his political coloration, but that is always open to proselytization. With a man of his intellect, his mind, I am sure he will join those hundreds of thousands of others in Quebec and come on board so that they can be there after the next election and enjoy a responsible Government doing responsible things.

● (1210)

Before getting carried away with rhetoric, I want to quote what Mr. Raynauld, the ex-president of the Economic Council from 1972 to 1976, said in commenting on the EDC. He said that it is "rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire and involving Canada in transactions and negotiations that are both costly and inefficient". That was said before the Bill even came onto the floor of the House. What would he say today? Your Honour has heard other Hon. Members mentioning what the Auditor General, who is no great partisan of this Party and who, in effect, is a servant of the House of Commons, said seven years ago with respect to Crown corporations.

My friend the Hon. Member for St. John's East has spoken of the expansion of Crown corporations. My friend the Hon. Member for Capilano spoke of the subterranean government of Crown corporations and its massive expenditure. What my friends did not mention is that when one speaks of Crown corporations, and not just the amount of expansion from 1962 to today, one finds the ridiculous situation that there are now actually 263,000 employees in Crown corporations today as compared to only 239,000 in all federal departments excluding Defence. There are actually more people employed in the Crown corporations of the land than in the federal departments of the land. That is how they have expanded, yet seven years ago the Auditor General said that "in the majority of Crown corporations audited financial control and management is weak and ineffective".

Four years ago the Lambert Report, which was supposed to deal with fiscal responsibility, stated that "existing provisions for classifying Crown agencies and for accountability for each category have been rendered obsolete". Just last fall, the Auditor General said:

> —the growing practice of using Crown owned corporations to conduct the widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

In its report entitled "Intervention and Efficiency"—we have spoken of the massive intervention of the Government—the Economic Council stated:

> Canada is perhaps the country with the least private sector participation in export financing decisions. In most of the 17 nations studied, the negotiations for granting export credit are left to the private sector. This is not the case in Canada.

Having just given those quotes from no one in this Parliament who may be partisan and wearing a political stripe, but rather from independent commentators, starting with André Raynauld, it is clear why we have expressed and will continue to express concern over the fact that Crown corporations and their fiscal accountability and responsibility to this Parliament are running rampant.

Surely the Members of the House, certainly we on this side, have received a message from the people out there. I hope, and I cannot hope too much, that Members on the Government side will also start to get the message from the people of Canada. They can call it what they will, they can call it anything in the Gallup Poll, but the one basic lesson I think the people of Canada are telling politicians, particularly federal politicians, is that they have had it up to here—and by "here" I mean up the neck, up to the gorge—with a Government that is spending taxpayers' money, thinking it can spend money better than people can spend it themselves.

We must redress that situation in the House of Commons. The original historic purpose of the House, indeed its only reason for existence, involved the battle of the purse, the power of the purse. The barons and lords came together on the common green and tried to check the authority of the King. That is the history of this place. Unless Hon. Members start to pay attention to history, then I can tell the House that in the future history after the next election there will be an awful lot of Hon. Members, good friends of mine, who will not be around to worry about division bells.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in rising to participate in the debate on these particular amendments, I am reminded of a few comments by a new Member, one who has just taken his seat in the House of Commons in the last few days. The new Hon. Member for Mission-Port Moody (Mr. St. Germain), in reflecting on part of his life, said to the press: "The harder you work, the luckier you are".

I thought about those words because they are ones upon which we and perhaps the Government should dwell. I was struck by those words because throughout this country there are countless numbers of citizens, taxpayers, who have diligently applied themselves and attempted to make a success of their lives, only to be frustrated by a Government that zeros in on any initiative that they may have shown.

People often speak to me personally about the problems National Revenue raises with them, because the Government is constantly in need of raising money. They frequently tell me that some of the expense accounts that they present are rejected and decisions are rendered whereby it would appear that in order to gain some redress to their grievances appeals must be made. In many instances it is not sufficient to embark on a costly appeal. This is an annoying factor with so many citizens who must produce the revenue that the Government must have if it is to carry on.

I comment in that vein because the Government has embarked on a course, on the one hand, to ensure that justice is done and that everyone pays his fair share of taxes, and that is fair enough; but on the other hand, what I detest and what many people in Canada reject is the wanton way in which the Government is quite prepared to spend that hard-earned money. This is the conclusion that so many people have reached. When one sees the result of a survey showing that 64 per cent of Canadians feel that Parliament is irrelevant, it is no wonder that they reach that kind of conclusion.

You and I, Mr. Speaker, and the rest of the Hon. Members who have had occasion to sit on committees or participate in debates realize that our contribution as Members toward the accountability of the expenditure is really insignificant. In many instances we come into the House and must rubber stamp the expenditure of billions of dollars inside of a few hours. Anyone who has sat in committee realizes that questioners have perhaps an allowance of five minutes each. Regardless of how diligent an Hon. Member might be or how much research was given to the subject, can Your Honour honestly tell me that anyone can cross-examine a witness within that time? That is the situation with Government expenditures.

● (1220)

Let us take the case of a Crown corporation, such as CNR, appearing before a parliamentary committee. In this case, of course, an official from the CNR would be there. We are supposed to examine, inquire and somehow justify what that corporation is doing within a couple of hours. What a mockery that is!

In this instance the Government comes to us to ask for more money so it can just hand it to another corporation which it says it can handle. After all, the Government says, these are senior officials.

I am reminded of what happened with the banks. The banks, which should be providing a lot of this financing, have pulled back in many instances. I think of some of the loans they have provided to other countries only to find that they are suffering losses. While many believe that we in Canada have to pay for the risks that they take, what happens in the case of a Crown corporation? When there are over 300 Crown corporations in this country, how can Members of Parliament, no matter how our membership is divided in the House, possibly examine those corporations? I remind Hon. Members that each questioner is allotted five minutes, and of course the following Member would not necessarily follow the same line of questioning since he may feel he has a problem that should be examined. What kind of an examination can we conduct on behalf of the taxpayers of this country?

The Government is asking for a blank cheque to hand over to this Crown corporation. In the process of governments becoming too big in the drive for socialism and expansion into every branch of our endeavours in this country, we have forgotten one ingredient. It is that someone has to pay for all of these activities somewhere along the line.

It has become very convenient to hide these activities in a Crown corporation. People who have had occasion to attend a hearing for a rail line abandonment will know that one of the problems faced by the poeple who are affected is that they are confronted with a host of financial experts in the Crown corporation, whether it be CN or CP. These are trained people who have the books and can produce evidence to prove their case. What accountability do these individuals have who are hidden in the Crown corporation? Those people who are affected walked away knowing in their own minds that their situation is not right, yet they do not have the resources to prove the contrary. As Members of Parliament we have to stand here and say that we are also helpless.

How many times have we seen a $1 item introduced in the House? If that is not a cover-up by the Government, I do not know what is, but at least it is introduced in the House so that we have an opportunity to express our concerns on some of those items. What are we to do about the billions of dollars thrown out to the Crown corporations even though the Government may believe it can justify it as being the only way?

I heard the Minister of Industry, Trade and Commerce (Mr. Lumley) boasting about some expanded exports. The fact is that perhaps exports could or could not be expanded through research and development. It may just be a cover-up for a Government that does not really have a policy. Accountability of Crown corporations is a PC policy. The press, for once in its life, should say that we do have policies on different matters, and that is one of them.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I rise today to take part in this debate not because it is a pleasant task but because of the importance of the issue that is currently before the House. I sometimes wonder just how much good it does to put up a sustained and vocal opposition to various measures that the Government brings before us. I believe that when issues are presented the decisions, generally speaking, have been made and are irrevocable. The Government and its supporters just sit by stoically, sometimes listening, wishing it was all over so they could get ahead with the business and do whatever they want to do.

I rise today to put on the record my support for Motions Nos. 3 and 5 that are currently before the House. I believe they have been adequately explained and argued by Members of this Party. If anything that is said would have an effect on the Government, it would already be obvious that the Government had listened and given some attention to what has been said.

However, I want to give my personal support to these motions that were moved by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). There are those who say that there is nothing more to be said. However, I rise to say that I support the motions wholeheartedly and without equivocation. I believe that in considering a bill such as this, the points that have been raised and emphasized so strenuously are not only necessary to place on the record in order to explain the adverse effects of what is being done, but they also

indicate that there is wide and determined opposition of the course which the Government is following.

This Bill concerns a Crown corporation. On many occasions in the House we have discussed the desirability or otherwise of adding more corporations to the list that already exists. Although I am aware that this corporation is already in operation, Crown corporations and their operation in our system of government have been criticized and challenged. Yet we find that there has been a multiplication of Crown corporations over the last few years. I am greatly concerned that there is a continuing attempt by the Government to broaden the powers of these Crown corporations and to remove from Parliament the opportunity and the right to challenge the activities of such corporations and the way in which the Government is governing this country. It has already been stated in the debate that this type of opposition has been registered not only by Members of the Opposition but also by successive Auditors General. Statements have been placed on the record pointing out that they are extremely concerned about the increasing powers being granted to Crown corporations, removing the responsibility of Parliament, taking them beyond the touch of Parliament, and therefore there is very little, if any, accountability to the elected representatives of the people of Canada.

● (1230)

Crown corporations have been referred to as a subgovernment. One of my colleagues this morning has referred to the situation as a supplementary type of government. It seems to me that it is not only improper but immoral for a government to move in the direction of removing from Parliament the means and opportunity of challenging those operations which we feel so strongly are not acting in the best interests of Canada or the Canadian people.

Let us look at the issues before us this morning. Motion No. 3 reads:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 5 by striking out lines 23 to 26 at page 3 and substituting the following therefor:

11. (1) The authorized capital of the Corporation is one billion one hundred dollars divided into ten million and one shares with a par value of one hundred dollars each.

Motion No. 5 reads:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 7 by striking out lines 39 to 41 at page 3 and lines 1 and 2 at page 4 and substituting the following therefor:

14. The aggregate amount of borrowings of the Corporation pursuant to Sections 12 and 13 shall not exceed the amount equal to ten times the aggregate of the paid in capital and earned surplus in the accounts of the Corporation.

These motions are placed on record because we are concerned that we are granting Crown corporations the right to spend additional funds and possibly increase the deficit beyond anything that is proper and realistic. Again I come back to the matter of accountability. There is, I am sure, abroad in the country a feeling among the general population that the Government itself is not acting in a responsible manner in the financing of its activities and is going it alone, seemingly with the idea that no limit whatever should be imposed on the Government presently in power.

As I meet with people in my constituency one of their main objections is to the huge deficit facing not only the present generation but succeeding generations, a responsibility and burden that they will not in any way be able to bear. I keep hearing that we are mortgaging the future of our children and our children's children and that they will have to try and pick up the pieces, not only for what the Government is spending today but also for what it will be spending in the days ahead.

We are not objecting to the Export Development Corporation itself. We feel it is a Crown corporation that is worthwhile, and in many respects it is responsible. But the credibility of the EDC is very fragile. What we want to do is place this corporation in a position where there will be no questions raised at all, where it will be carrying on responsibly and in a way that can be accounted for. We are making these recommendations and advancing these arguments because we are interested in saving the reputation of an organization that is doing a good job, and we want it to keep on doing a good job in the interests of the Canadian people.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-110 during report stage, this time on amendments put forward by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), namely Motions Nos. 3 and 5.

Today the Government is asking this Parliament, which is supposed to be the guardian of the country's purse strings for the dollars that are put into the treasury by the taxpayers, to allow the Export Development Corporation to have control over some $62 billion of taxpayers' funds. The taxpayers would ultimately be responsible for these funds. The Government is asking that the Export Development Corporation and the inner circle of those who make up the frontbenches of this Liberal Government be given effective control over some $62 billion. But the taxpayers of this nation have no way of knowing what happens to that money, how it is spent or how it is misspent. Parliament will have no authority to approve spending by the EDC. There will be no accountability whatsoever on the part of the Government to Parliament for this money. This is basically the issue we are dealing with.

The Government is asking Parliament to increase the authorized capital of the EDC from $1 billion to $2 billion. It is asking this House to increase the high-risk lending insurance cost from $3.5 billion to $10 billion. It is asking this House to increase loans and loan guarantees on the part of the Export Development Corporation from $2.5 billion to $10 billion.

We have heard on occasion in this House a number of Members on this side saying how effective they feel Crown corporations can be. I would have to concur basically in what they have said. There is no doubt that there are some very effective Crown corporations and civil servants who have served the people of Canada very well over the years. But there are misuses and abuses of the power vested in a good number of Crown corporations.

Indeed, this Government would be hard pressed to tell the people of Canada how many Crown corporations there are in existence. It has been reported by my colleague, the Hon. Member for Fraser Valley East (Mr. Patterson), that there are something in the neighbourhood of 300 Crown corporations in existence. I have heard it reported that there are over 400 Crown corporations. A few tales of horror are well known to us and I intend to deal with those momentarily.

My colleague, the Hon. Member for Mississauga South, would leave the authorized capital of the EDC at $1 billion. He would have the borrowing restricted to ten times the amount of capital actually on hand. I think the Hon. Member for Mississauga South is being extremely generous to this Crown corporation which has great control over the purse. If I were in his position, I would take a somewhat harder look at how he is proposing the dollars might be controlled and spent.

• (1240)

Certainly the amount of accountability to Parliament and to the people of the nation cannot be overemphasized. The Government has a responsibility which it has been very reluctant to exhibit over the last number of years. It does not account for how money is spent. Over the months and years the Government has been in power, we have seen a constant drain on the taxpayers' pockets. We have seen the deficit rise to a projected $31.3 billion this year alone. The figures are astounding. The current cost of interest on public debt in 1983 will amount to $700 per capita, or $1,800 per taxpayer. The gross debt will be $6,400 per capita or $16,200 per taxpayer. The interest alone on our debt for 1983 will amount to a whopping, staggering $17.6 billion. In any other forum, whether it be the private or the public sector, that would be scandalous. The House has been treated to this spectacle, and the country has been treated to the mismanagement of Government for such a period of time that today we almost offhandedly accept a debt which will require interest payments in 1983 of $17.6 billion.

The Government spends $274 million every day, 365 days of the year, with no time off for Sundays; that is $11 million per hour or $190,000 per minute. During the time it took the Minister of Finance (Mr. Lalonde) to deliver his budget speech last April, the Government spent $19 million. Fathom it: $19 million was spent by the Government while the Minister of Finance delivered that catastrophic budget speech of last April.

The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) said that Canadian taxpayers have had it up to the gorge. I will add to that. Canadian taxpayers have not only been gorged; they have been gouged consistently by the Government, and it continues to do it in a haphazard, willy-nilly, unabashed, unashamed way. This Government has gout of the public purse. We as taxpayers and as Canadians will be paying for years to come. It is time Canadians had the opportunity to treat themselves to a government which can gain control of the public purse, gain control of the deficit, and indeed start to reduce it, with the final goal in mind of eliminating it.

As history will show anyone who cares to look at it—and obviously that is not the case opposite—there is no better vehicle available to us than the free enterprise system which built the nation and provided the greatness of today, although Hon. Members across the way have continuously tried to erode those foundations. If I were in a position to provide any sort of advice to which the Government might listen, it would be the same advice that hundreds of thousands, indeed millions, of Canadians would deliver to the Government if they were given the opportunity to do so—and that day is soon coming—namely, that free enterprise does work. Free enterprise so that it can work!

Hon. John Wise (Elgin): Mr. Speaker, I welcome this opportunity to participate very briefly in the debate on Bill C-110, which deals with amendments to the Export Development Act. I am sure the House appreciates that because of the nature of the Bill it permits and indeed invites wide-ranging interjections and debate on the subject.

I want to take this opportunity to compliment the Hon. Member for Mississauga South (Mr. Blenkarn) for the manner in which he led the debate. Also I want to compliment other speakers on this side of the House who have participated thus far.

I am sure many others will have comments to make. Hon. Members on this side of the House and I am certain Hon. Members on the Government side, if they want to be honest with themselves and with their constituents, will agree that the Canadian public is extremely concerned about the manner in which Canadian Crown corporations have been operating.

At the outset I want to make it perfectly clear that I have no personal axe to grind with the Export Development Corporation. During the past ten years or so since coming to this place to speak and work on behalf of the constituents of Elgin, I recall a number of occasions on which I have had the opportunity to negotiate on behalf of constituents, companies, businesses and so on, with the Export Development Corporation, out of which a number of successful conclusions were reached. I do not want to leave a false impression. There have been other occasions when representations were made on very reasonable and worth-while ventures that would have resulted in economic activity within the community, throughout southwestern Ontario and indeed beyond, and had these ventures been brought to a successful conclusion, economic activity would have been enhanced in the general area and we would have been able to create additional jobs.

The operation of the EDC is before the House—and I suppose in some respects it has unfortunately become the whipping boy for all Crown corporations in the country—because we have Bill C-110 before us which deals with the EDC and provides us with an opportunity to make comments. The Export Development Corporation is the export trade arm of the federal Government.

It is extremely important to have a look at the general performance of Canadian business and industry in the export field. We recognize that Canada is a trading nation. Canada

has to be a trading nation because of its vast resources. I notice in a StatsCan release yesterday that there are now 25 million Canadians in this country. Consequently our domestic population is not such to sustain an active, economic, sound business and industrial sector. Because of our nature, it is extremely important that we be very aggressive and successful in the export field.

• (1250)

Thirty per cent of our Gross National Product is earned through trade. That figure would be much higher if Canada was getting its former share of world trade. For example, in 1968, the year that this Government really took office under the present leadership, Canada's share of world trade was 5.74 per cent. By 1981 this figure had fallen to 3.8 per cent. In 1968 Canadians exported more than the Japanese, yet today Japan's share of world trade is twice that of Canada.

In the ten-year period between 1970 and 1980, the average annual growth rate of Canadian exports was 4.4 per cent, the lowest of any major industrialized nation, and less than half the 10 per cent growth rate that prevailed between 1960 and 1970. In contrast, during the same 1970-1980 period exports grew by an annual average rate of increase of 6.7 per cent in Italy, 7.5 per cent in the United Kingdom, 8.9 per cent in Japan, 6.9 per cent in the United States, 6.8 per cent in France and 5.8 per cent in West Germany.

Publicly the Government likes to point to the rosy and rather successful performance of the last two years. However, Mr. Speaker, if you look at the internal documents which are very much available from the Department of Regional Industrial Expansion, you see that it takes a rather less optimistic view, but certainly more realistic. I want to place on the record a paragraph from the document I referred to, and I quote:

> Over the medium term, export growth may not match advances in imports. Recent record surpluses in Canada's merchandise account owe more to the depressing effects of the relatively more severe recession in Canada on imports than to superior export performance.

The Government as well fails to point out that Canada had a $13 billion deficit in fully manufactured goods last year. It is estimated that eliminating that deficit could create in the vicinity of 250,000 jobs. At a time when we have more than 1.5 million people unemployed, certainly any move by Government to create additional jobs would be a move to be taken very seriously.

It is interesting to note that the Canadian Manufacturers' Association estimates that 2.7 million jobs could be created by regaining our 1970 share of world trade. That is a very significant figure. A major reason for the decline in our share of world trade and our deficit in manufactured goods is our productivity performance.

Over the past few years, our industrial productivity has been rising at the slowest rate of any major industrialized nation. Between 1977 and 1982, our industrial productivity rose by only 0.3 per cent compared to 27.6 per cent in Japan, 22.6 per cent in Italy, 17.9 per cent in Sweden, 22.3 per cent in France, 19.5 per cent in Denmark, 14.7 per cent in Germany, 18.2 per cent in the United Kingdom and 3.6 per cent in the United States. In 1982 productivity in Canada actually declined by 2.8 per cent.

A major cause of Canada's poor productivity performance is our poor research and development performance. Expenditures on research and development in Canada are only equal to 1.2 per cent of the Gross National Product, compared to 2.4 per cent in the United States, 2 per cent in Japan, 2.3 per cent in West Germany, 2.2 per cent in the United Kingdom and 1.8 per cent in France. Among the major industrialized nations only Italy, at 0.9 per cent, spends proportionately less on research and development than Canada.

I am only just commencing my remarks, but I see, Mr. Speaker, you are indicating to me that my time has expired. Because of the nature of this debate, I am quite certain that as other amendments come along I will have the opportunity to make a few more comments.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is an important Bill because it deals with the Government's main responsibility, namely the accountability of the Government to the taxpayers with regard to the spending of money. It is important, not in the sense that we are talking about taxes collected, but about the ability of the Government to borrow.

I find it strange that we are discussing a Bill like this which talks about tens of billions of dollars, a tremendous amount of money, when a sector in the country involved in exports, the agricultural sector, is not being addressed by the Government. Therefore, Mr. Chairman, a major portion of the economy which exports is not able to remain competitive and maintain its level of exports.

I have been in the Transport Committee, Mr. Speaker, for what seems like forever. If I refer to you as "Mr. Chairman", it is because I am used to looking at the chairman of that committee. As an aside, I must say that he has done a very good job. He certainly has the respect and admiration of the members of the committee in dealing with a very tough Bill, the Crow legislation. That is an aside but I thought I should bring it in.

Mr. Wise: Which clause are you on?

Mr. Mayer: My distinguished colleague asks what clause we are on. For the information of the House, and I am sure Members are waiting breathlessly to get on with this Bill next week, we are on Clause 56, I believe. There are 14 more clauses. Therefore, we are making tremendous progress. I again pay tribute to the chairman and the other members of the committee.

To get back to the Bill, I find it strange that the Minister of Agriculture (Mr. Whelan) is afraid to ask the Minister of Finance (Mr. Lalonde) for some financing assistance if we have a Bill in front of the House which authorizes the Government to borrow billions of dollars. Where does the Government intend to get this money? I assume it intends to get it from the marketplace.

This Bill would permit the Government to borrow a large amount of money in the marketplace. If that is fair, I suggest the Government should look at some of the farm financing that is needed. There are certain priorities and that should be one of them.

Many suggestions have been made in terms of how we can substantially assist farmers with regard to financing. One is the agribond process which would allow farmers to finance at a favoured rate of interest. It would keep farmers in business. Farmers are major users of capital. That is one reason they have become so efficient. Farmers have increased their efficiency over the last number of years and have done so largely with the use of capital. This Bill talks about capital. If this Bill is going to allow the Government to go to the marketplace and borrow large amounts of money, it will put pressure on other sectors of the economy, namely agriculture. These sectors will be in jeopardy in terms of their ability to compete and maintain exports. That is important.

There are many considerations in this Bill, with overshoots and spin-offs as far as other parts of the economy are concerned. I find it difficult to understand why developing methods of financing, concessional financing and other fancy things should be a priority, when we have a major sector of the economy that is in dire need of new innovations as far as financing is concerned. I refer to farm financing.

I see it is fast approaching one o'clock. May I call it one o'clock?

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AIR TRANSPORT

AIR CANADA—RESPONSIBILITY TO LINK OTTAWA WITH PROVINCIAL CAPITALS

Mr. Gaston Gourde (Lévis): Madam Speaker, our national carrier, Air Canada, has been neglecting the Quebec City region with respect to its links with Ottawa. Indeed, we now have only one direct flight between the two cities. It leaves Quebec City at 2.15 p.m. and the return flight leaves Ottawa at 4 p.m.—not very appropriate hours for businessmen. And what is more, this direct flight was cancelled last summer, from June to September. They argue that the flight operates at a loss. Yet, Québec Aviation Ltée has been using a small aircraft for three daily return flights between Quebec City and Gatineau and it is considering using a bigger aircraft. On that route, Québec Aviation Ltée has replaced Quebecair—better known as Air Tricofil in Quebec—which was operating at a loss because that company had lofty visions which prevented it from using smaller aircraft. Air Canada seems to have the same problem as well. Obviously, operating such a direct flight with an aircraft designed to carry over 100 passengers is a challenge to reason. Air Canada's responsibility is to link Canada's capital with other Canadian capitals and large cities. At this time, Air Canada flies directly from Ottawa to Vancouver three times a day, to Winnipeg five times a day, to Montreal eight times a day, to Toronto 14 times a day, but only once a day to Quebec City and only ten months of the year. Travelling time between Ottawa and Quebec City, with one stopover, is four hours and twenty minutes.

Madam Speaker: Order, please. The Hon. Member's time is up.

* * *

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT LTD.—GOVERNMENT APPROACH TO RECEIVER

Mr. Gordon Taylor (Bow River): Madam Speaker, yesterday the Minister of Industry (Mr. Lumley) justified the non-acceptance of a $9 billion offer for White Farm Equipment by White U.S.A. by saying that Canadian technology would have to be protected and that a "very important player" was being encouraged to make an offer. Is this player Massey-Ferguson or another such company? If so, and if such a deal were made, it would be a back door method of eliminating White Farm Equipment and betraying the dealers and farmers who handle and own White equipment.

As for protecting Canadian technology, I wonder why the Government is not equally concerned or even more concerned with protecting Canadian farmers and Canadian dealers. Dealers are small businessmen, many of whom will be forced into bankruptcy if White Farm Equipment goes under, leaving more employees without jobs. Canadian farmers are just hanging in there now without having the federal Government nullify their investments in White Farm equipment which range all the way from $29,000 to $100,000 or more. Such action would be the last straw for hundreds of farmers who would go into bankruptcy.

If the Government does not withdraw its orders to the receiver not to accept the offer of White U.S.A., and White Farm Equipment Limited does go under, the responsibility will rest squarely on the Government and the Minister. Foreign investment in Canada is good when it helps the people by keeping an important company liquid, enabling farmers, dealers and workers to prosper. Will the Government recognize for

once that Canadian people are more important than technology?

* * *

EXTERNAL AFFAIRS

COMMEMORATION OF SOVIET-INDUCED FAMINE IN UKRAINE

Mr. Gilbert Parent (Welland): Madam Speaker, over the weekend I had the occasion to have discussions with Canadians of Ukrainian origin. After hearing the facts they put before me, I believe that between seven million and ten million Ukrainians were starved to death on the orders of the Government of the U.S.S.R. during the deliberately organized famine of 1932-1933. The Government of the U.S.S.R. directed a special annihilation policy aimed at the destruction of the Ukrainian nation, thereby committing genocide as defined by the U.N. Genocide Convention.

Canadians of Ukrainian and other origins from behind the Iron Curtain commemorate the 50th anniversary of the Soviet-induced famine in the Ukraine. I ask the Department of External Affairs to make representations to the United Nations requesting official recognition of the 1933 famine in order to provide future generations with permanent documentation of this premeditated genocide. Further, on this sorrowful anniversary of the Ukrainian holocaust, I ask that the Government of Canada increase its assistance to hunger-stricken countries anywhere in the world, regardless of political or economic affiliation, in order to avoid repetition of a fate similar to that suffered by millions of Ukrainians in the peaceful years of 1932 and 1933.

* * *

VIA RAIL

PLEA FOR RESTORATION OF TORONTO-HAVELOCK SERVICE

Mr. Bill Domm (Peterborough): Madam Speaker, the Minister of Transport (Mr. Axworthy) has justifiably questioned the wisdom of the 1981 Via Rail service cuts. This comes as no surprise to members of the Opposition since the Canadian Transport Commission recommended that Via Rail service be continued until the completion of a full hearing. This recommendation echoed the advice of the Railway Transport Committee which concluded: "Accordingly, it is the decision of the Committee that, pending the outcome of this further review, the Toronto-Havelock service shall not be discontinued."

What is surprising, however, is the Minister's plan to re-establish Via Rail service on the Winnipeg to Edmonton line, a line which just happens to be in his riding. This represents an act of political appeasement contrived in an attempt to retain the Minister's seat in western Canada.

It should be noted that the Minister said he is restoring the Winnipeg to Edmonton line because, and I quote the Minister, "I don't believe Via can just be a corridor railway," adding that, "it has to service transportation needs." I remind the Minister that Peterborough once had the use of the six daily passenger trains which serviced the Havelock-Toronto route and, with the stroke of a pen, his predecessor abolished the last train on that route by an Order in Council, against the wishes of the Canadian Transport Commission and without any public inquiry. It is blatantly obvious that, should the Minister refuse to open hearings on the Toronto-Havelock Via service, crass politics are at work in his mind.

Madam Speaker: Order, please. The time allotted to the Hon. Member has expired.

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INDUSTRY

WHITE FARM EQUIPMENT LTD.—SEVERANCE PAY OWED EMPLOYEES

Mr. Derek Blackburn (Brant): Madam Speaker, after several years of financial difficulty, White Farm Equipment Limited appears to be close to liquidation in one form or another. It is a tragedy that this historic company, once known as Cockshutt Plough Company, will in all likelihood cease to exist as a company.

In human terms it is an even greater tragedy that 900 employees, many of whom have worked for the company for many years, will find their jobs terminated. This will be yet another severe blow to the economic wellbeing of the City of Brantford.

I fully appreciate that the Government is not to blame for the chaotic financial condition in which the company finds itself, but in view of the fact that the Government of Canada guaranteed bank loans to the company in the amount of about $6 million, and in the interest of common decency, I prevail upon the Government to honour the company's financial commitments to its employees, namely, to guarantee the $3 million in severance pay to White Farm Equipment employees, to guarantee that all vacation pay and all other outstanding benefits owed to the employees will be paid to them, and to make every effort to find other meaningful employment for the 900 White Farm Equipment employees in Brantford.

I would also ask the Government to form a task force comprised of labour, management, and farmers to look into the future viability of the Canadian farm implement industry. If the Government can help the banks, then surely the Government can help those employees. I ask for nothing more and nothing less than simple justice.

* * *

EDUCATION

FEES CHARGED TO FOREIGN STUDENTS AT CANADIAN UNIVERSITIES

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the fees charged to foreign students studying at Canadian universities is a matter

of growing concern. Since education falls within the jurisdiction of the Provinces, it becomes the responsibility of institutions within provincial Governments to set fees for foreign students.

At the federal level there is a growing sensitivity to the hardships suffered by non-scholarship foreign students. The federal Government does provide support to some developing countries through the Canadian International Development Agency. The CIDA plan sponsors between 700 and 800 students per year for studies related to ongoing development projects. Through the Commonwealth Scholarship Program, CIDA also sponsors another 300 students per year, 70 per cent of whom are from developing countries. These students are exempt from the foreign student fee differential in all Provinces but Alberta and Quebec.

● (1410)

The benefits to Canadians from such a practice is the establishment of good will with developing countries. It also exposes Canadian students to citizens from around the world, providing cultural and idea enrichment. Since Canada's official development assistance program is constrained by limited resources to support only those students whose studies are related to their country's developmental priorities, it is requested that the Government continue in its effort to negotiate lower fees for foreign students applying to Canadian universities.

* * *

INCOME TAX

DELAY IN REFUNDS TO TAXPAYERS

Mr. Jack Shields (Athabasca): Madam Speaker, after analyzing over 800 inquiries from my constituents regarding long delays in receiving their income tax refunds, it has become clear that those refunds which are in excess of $1,000 have been deliberately recycled a number of times for no apparent reason but to delay the refunds. This has contributed to a delay in the processing of these same income tax returns of anywhere from five to seven months. These refunds belong to individuals who formerly were working in high paying jobs in construction and mining operations, who have since been laid off. The delay in issuing these refund cheques has in many cases caused people who are unemployed and have exhausted their unemployment insurance benefits to borrow, or seek welfare.

It appears that this cash starved Government was and still is deliberately delaying the processing of the larger tax refunds to assist in its cash flow problems. This sleazy practice must stop immediately and must be severely condemned by this House of Commons.

S.O. 21

SOCIAL SERVICES

NEED FOR SOUP KITCHENS TO FEED THE HUNGRY

Mr. David Orlikow (Winnipeg North): Madam Speaker, hunger in Canada has become a major problem. In major urban areas across the country, from Halifax to Vancouver, volunteer agencies have set up soup kitchens to provide thousands of hungry and hard-pressed Canadians with the semblance of a meal. Facilities for meals and shelter have been overtaxed for the past two years and little relief is in sight. It is indicative that the people who use these services are not the alcoholics and derelicts of past years, they are the young unemployed, middle class men and women and their families, and the transients who criss-cross the country with their families in tow, looking for work and shelter.

The scale of the hunger we are seeing reflects a major breakdown in our social assistance network. It is a cause for national shame. It harks back to conditions which existed in the 1930s, conditions that most of us hoped we had left behind years ago. In the United States, where a similar problem of hunger exists, President Reagan has appointed a national task force to study the problem.

Here in Canada, I think it is time to ask what our Government is doing about this problem who is affected; what are the dimensions of the problem; and what is the situation in the rural and under-developed regions? The federal Government bears a major part of the blame for the present depression and must deal with its effects. Hunger and malnutrition are not necessary in such a rich and productive country as ours.

* * *

INCOME TAX

DELAY IN REFUNDS TO TAXPAYERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, as a result of a one month delay in mailing blank returns and a two month delay for computer reprogramming, 1982 income tax refunds have been badly delayed. Last week I received a call from a constituent who filed her income tax return in January and still had not received her refund cheque. The bank was threatening to seize her car, and she was going to lose her job.

I have hard evidence to suggest that the delay in receiving an income tax refund may have been a major factor in the commission of a serious crime in my riding.

It is clearly Liberal Party policy to delay income tax refunds in order to solve the Government's cash flow problems.

Some Hon. Members: Shame.

Mr. Lewis: I call on the Government, I call on the Liberal Party, to reverse that policy in order that the Canadian taxpayers, who are supporting this bunch, will receive their income tax refunds on time.

Oral Questions

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF "NEIGHBOURLY NEWS FROM THE PRAIRIES" PROGRAM

Mr. Lee Clark (Brandon-Souris): Madam Speaker, it has come to my attention that a CBC radio program with a 43-year tradition of serving rural residents in Saskatchewan and Manitoba has been terminated by the CBC in Winnipeg. The last broadcast of "Neighbourly News from the Prairies" will be heard this coming Sunday. This has happened despite the fact that the Agricultural and Food Advisory Committee to the CBC asked that the broadcast be continued; this despite the CBC's supposed commitment to its rural listeners, and this despite the fact that the decision is in direct opposition to the wishes of the thousands of rural listeners who have become accustomed to the uniquely country flavour of the weekly news broadcast.

The decision has promted about 200 phone calls of protest to the program's host, who resides in my constituency of Brandon-Souris. Numerous weekly newspapers, including those in Boissevain, Minnedosa, Steinbach and Altona, and dailies in Brandon and Winnipeg have criticized this callous decision. This decision shows a lack of understanding of the needs and attitudes of rural listeners in Manitoba and Saskatchewan.

Similar neighbourly news programs are carried by the CBC in British Columbia, Ontario, Quebec and the Maritimes, and the program should also be continued in the Manitoba/Saskatchewan region.

ORAL QUESTION PERIOD

[*English*]

Madam Speaker: The Hon. Member for Annapolis Valley-Hants.

Mr. Nowlan: Madam Speaker, my question is directed to the Minister of Transport who, I am informed, is to be in the House. I would therefore like to stand down and try to catch your eye later.

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INDUSTRY

MAISLIN TRANSPORT LTD.—STATUS OF GOVERNMENT GUARANTEE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce, who is right behind the curtain there, if he would come into the House. I hate to bring the schoolboys back into the classroom.

My question relates to the Maislin bail-out of last summer. What is the current status of the $34 million guarantee which the Government extended to Maislin last year? Has the Government been called upon to honour this guarantee? And, if not, when does the Government expect this to occur, and by how much?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, the company applied for, I believe it is called a Section 11(1) under the United States bankruptcy laws, which puts the whole situation in limbo for about 90 days. There has been no call on the guarantee by the Government of Canada of $34 million at the present time.

Mr. Nielsen: Not yet.

Mr. Wilson: That gives us no indication as to whether there will be any money called on. I would appreciate it if the Minister would make it clear in his answer to the next question.

GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, it is clear that the Maislin bail-out has been a total disaster. The Conservative Party has opposed this right from the start, from before the bail-out was provided. It is abundantly clear that this has been a major policy mistake which was motivated by clear, partisan, political motivations. Since the Minister said shortly after his appointment to his ministry that there would be no more bail-outs of a similar nature, does this clearly imply that he believes now that the bail-out was a major policy error?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all I reject totally the premise of the Hon. Member's question—

Mr. Wilson: The officials were against it.

Mr. Lumley: —in terms of the political implications of Maislin. Maislin was Canada's largest international common carrier. There were 2,000 Canadian jobs at stake. I realize that is not important to Hon. Members in the Conservative Party—

Mr. McDermid: Most of them in the United States.

Mr. Lumley: —but we felt they were very important at the time. Second, if I recall the questions from the Hon. Member's colleagues in the Conservative Party yesterday, they were asking me to bail out the White Farm Equipment company. Make up your minds over there. Do you want us to help these companies out, or do you not?

Some Hon. Members: Hear, hear!

Mr. Wilson: Offence is the best form of defence, Madam Speaker. The Minister did not respond to the question which I asked him and there was a very clear reason why, because he feels awfully uncomfortable with the action which the Government took a year ago.

FUTURE OF SERVICE INDUSTRY COMPANIES

Hon. Michael Wilson (Etobicoke Centre): If the Minister will not admit that this was a major policy error, why did he move so quickly to turn his back on the decision which had been taken by his predecessor? And would he state under what circumstances would the Government now enter into a bail-out of a service industry company, that is, a company which is dependent on other companies for its business?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all I feel no more uncomfortable with my answer than the Hon. Member does with the flip-flopping of policy with respect to the industrial restructuring which he and his colleagues have advocated over the last period of time.

Some Hon. Members: Hear, hear!

Mr. Lumley: I am surprised that the Hon. Member has not asked me any questions about the Chrysler Corporation. Without the help of the Government of Canada, the Chrysler Corporation, and the 11,000 direct jobs would not have been maintained. Why is he always focusing on one particular company?

With respect to his question on the industrial structuring of the service sector, Madam Speaker, there is already a great deal of assistance for the service sector, such as from my colleague, the Minister of State for Small Business, who is responsible for the Federal Business Development Bank. Industrial structuring takes place all the time, Madam Speaker, and we think that one of the major reasons why there has been a substantial number of job recalls and job creation in the private sector in the last year is because of these policies advocated by this Government over the last couple of years.

● (1420)

WHITE FARM EQUIPMENT LTD.—IMPLICATIONS FOR SMALL BUSINESSES

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of State for Small Business. Because of the uncertainty surrounding the possible liquidation of White Farm Equipment Ltd. which would adversely affect 100,000 farmers in Canada, not to mention the potential loss of hundreds of jobs within the dealership network, which is composed of small businesses, as the Minister responsible for that sector what is he doing to rectify this problem? More specifically, what recommendations has he made to Cabinet or his colleague, the Minister of Industry, Trade and Commerce, in this regard?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, I think if the Hon. Member had paid attention to yesterday's Question Period he would have heard the answers given by my colleague, the Minister of Industry, Trade and Commerce, with regard to White Farm.

An Hon. Member: He was not here.

Mr. Smith: He may or may not have been here. The Minister is monitoring the situation very closely to see what can be done to keep that company going.

Mr. Jelinek: Madam Speaker, that answer indicates just how little the Minister knows or cares about small business, so I will direct my supplementary to the Minister of Industry, Trade and Commerce on the same subject.

GOVERNMENT'S RECOMMENDATION TO COMPANY RECEIVER

Mr. Otto Jelinek (Halton): Madam Speaker, yesterday the Minister confirmed that he and the Government could not interfere in the decision made by the receiver for White Farm. Later in the same Question Period he went on to contradict himself by stating that he had in fact indicated to the receiver that his Government did not favour the proposed purchase of White Canada by White's TIC Division in the U.S., even though it had submitted the largest bid of $9 million.

Can the Minister clarify his obvious contradictions in yesterday's statements and, at the same time, tell us why he is opposed to approving this U.S. takeover which would not only save hundreds of jobs in Canada but would inject much needed capital into an ailing industry?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we now have a second member of the Conservative Party up on his feet in Question Period today asking for a bail-out of a firm, when his lead critic just criticized me for bailing out another firm. Please get your positions straight.

Again, Madam Speaker, the Hon. Member did not read yesterday's record. What I said yesterday was that the responsibility for the recommendation to the bankruptcy court rests with the receiver, not with the Government of Canada. We are not a lender, we are a guarantor. I did not say that we did not make a recommendation to the receiver.

The recommendation we have made to the receiver, and I will repeat it because the Hon. Member was not listening yesterday, encompasses three things. First of all, find someone, an individual or a consortium, who will undertake to operate that company as a going concern, second, to protect the dealer network right across Canada, which is very important, as advocated by his colleagues; and third, to preserve the leading edge technology which the people of Canada, through this Government, have financed. Finally, Madam Speaker—and I think the Hon. Member should again read the record—we are very confident that we are going to find someone, because two years ago when this company was bankrupt it was this Govern-

ment which brought 1,000 jobs onstream by resurrecting this company in the city of Brantford and protecting the existing dealer network. It was certainly not through following the policies the Hon. Member and his Party are advocating.

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THE CHARTER OF RIGHTS

APPLICATION TO CABINET DECISIONS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister concerning the Government's decision on the Cruise, and beyond that the much broader question about the applicability of the Charter of Rights to a range of Cabinet decisions. Yesterday the Minister of Justice, in a statement outside the House, implied that decisions by the Cabinet affecting the rights of citizens can be made independent of the Charter. Section 32(1)(a) of the Charter says that. This Charter applies to the Parliament and Government of Canada in respect of all matters within the authority of Parliament.

Would the Prime Minister confirm that what this means is that decisions by the Cabinet affecting rights are exactly the opposite to what the Minister of Justice has said, and indeed they do come within the framework of the application of the Charter of Rights?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, as I am sure the hon. gentleman knows, there is a tradition which has been built up over generations in our society that there are certain kinds of questions which are not reviewed by the courts. If the Hon. Member wants to attach those to decisions which were traditionally made by the prerogative of the Crown, by the executive, in many cases that would be the situation. But the fact is that in light of the Charter that boundary line may need to be re-established. That is what the courts are about and that is why we are asking for an appeal in the case to which I am sure my hon. friend is referring, to try to clarify what this boundary line is.

Mr. Broadbent: Madam Speaker, some Members in this Parliament, when they voted, including, I thought, the Prime Minister of Canada, believed that we needed a Charter of Rights in fact and in part to put checks on executive decision making. That is what the Charter was all about, I say to the Minister of Justice.

GROUNDS UPON WHICH CRUISE MISSILE DECISION WAS MADE

Hon. Edward Broadbent (Oshawa): I ask the Prime Minister again, and I ask him not to shift responsibility to the Minister of Justice, if the Government wanted to ignore its own Charter of Rights when it dealt with the Cruise issue, why did it not act under the terms of Section 33 of the Charter, the "notwithstanding" Section, and bring a Bill before Parliament for debate on the Cruise, and by such action avoid the Charter but by such action act correctly and legally, instead of what it is doing now.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is asking for an interpretation of the Charter. He knows perfectly well that, first of all, it is not within the rules for the Government to express legal opinions.

Mr. Broadbent: The Minister just did it. He did it outside the House yesterday.

Mr. Trudeau: Madam Speaker, the courts are the proper forum to determine the meaning of the Charter. The Charter has been tested in the courts several times already, by various parties. I think it is natural for the Government to test the limit of its authority and see how the courts will interpret it. I am not here to give an interpretation of the Charter. I want it to have the fullest authority possible, but surely that is not dependent on me; that will depend on the courts, and that is where it will be decided.

SECTION 33 OF CHARTER

Hon. Edward Broadbent (Oshawa): Madam Speaker, I ask for a very straight answer from the Prime Minister on this question. Would he agree that in the interesting negotiating process that led up to the establishment of the present Charter one of the compromises reached was Section 33, the purpose of which was to give parliamentary bodies, this Parliament, or parliament at the provincial level, the right, if you like, to go around the Charter, but that executive action would still remain within the framework and be covered by the Charter, and that it was so written that way? If he agrees that was the process which led to the present writing, would he also agree that what the Government ought to have done if it wanted to remain clearly away from the claims of the Charter was to have brought a Bill before the Parliament of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member shows a grave misunderstanding of the intentions of the Government. It certainly did not want to go around the Charter. It did not propose Section 33, but it was compelled to accept Section 33. In fact Section 33 was put forward by the NDP Leader in Saskatchewan who felt that Governments should be able to extract themselves from the operation of the Charter. That was the origin of Section 33. We do not like it on this side. We hope that some consensus in Canada will eventually get rid of Section 33 which was put in the Charter by virtue of an NDP Government.

Mr. Broadbent: What about Sterling Lyon and a few others?

Mr. Trudeau: Well, we can talk about Sterling Lyon and a few others as the Hon. Member asks, if he wants to ask me questions about Sterling Lyon, but now he is talking about Section 33. I think it is a regressive Section but it was necessary to reach a compromise, as he knows, because some Premiers did not want the full Charter.

We want the full Charter to apply, we are not trying to go around it, we just want the courts to decide—

Mr. Broadbent: You are going around it now.

Mr. Trudeau: We want the courts to say publicly what the Charter means, and the Hon. Member would know that if I were to say the Charter means this, he would say, "Go to the courts". That is what we are doing, Madam Speaker.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF VISCOUNT THOMAS OF TONYPANDY, FORMER SPEAKER AT WESTMINSTER

Madam Speaker: I would like to draw the attention of the House to the distinguished presence in our gallery of the Right Hon. Viscount Thomas of Tonypandy, whom Members will remember as George Thomas, the former Speaker of the House of Commons of Great Britain.

Some Hon. Members: Hear, hear!

* * *

● (1430)

HEALTH AND WELFARE

ISSUANCE OF CHILD HEALTH RECORDS

Mr. Gilbert Parent (Welland): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. In a newspaper report over the weekend a term was quoted whereby, supposedly, the Minister is thinking of issuing a "health passport". I am wondering, as are many of my constituents, just how this passport will work, and will all Canadians be asked to carry this passport? Will the Minister please elaborate for us?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am very surprised to have a chance to answer immediately—

Mr. Nielsen: Oh, surprise, surprise.

Miss Bégin: —and to explain that in a few weeks we will be issuing to the families of Canadian diplomats—and maybe that is why the press gave it the name of "health passport"—

Some Hon. Members: Oh, oh!

Miss Bégin: —and to our Armed Forces, a little booklet for their children. It is called "Child Health Record", and it is to keep track of smallpox, chicken pox and measles shots, and what not, and it has nothing to do with anything that would be imposed on Canadians. It has nothing to do with medicare or the new Canada Health Act, as I have clearly said.

Some Hon. Members: Hear, hear!

INCOME TAX

DELAYS IN PROCESSING TAXPAYERS' RETURNS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of National Revenue. The Minister will know that thousands of Canadians are still waiting for their income tax refunds. The delay in processing this year's refunds was a direct result of a one-month delay in sending out the blank returns and a two-month delay while the computers were reprogrammed. Now it is to late to do anything about the 1982 returns. What steps are being taken by the Government to ensure that there are not these unconscionable delays in the processing of 1983 income tax returns?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am glad the Hon. Member brought up the subject. I listened carefully to the preamble to his question in which he mentioned the exact causes of the delay in mailing or processing income tax returns, and in fact, departed from what was said by his colleague from Athabasca and from his own earlier statement, both of which were entirely irresponsible in their conclusions as to the reasons for the delay. I would like to point out that today, 98 per cent of income tax returns have been processed and that over $6 billion has been refunded to Canadian taxpayers. We were sorry about the fact that the delay in passing legislation in the House caused the delay in processing income tax returns. We are taking every possible step to ensure that next year, we shall be able to process returns as quickly as possible and expedite the mailing of tax refunds to taxpayers, as has been our custom in the past.

[*English*]

Mr. Lewis: Madam Speaker, that is not what the Director of Taxation for P.E.I. said last January 7.

AMENDING LEGISLATION

Mr. Doug Lewis (Simcoe North): I would like to direct my supplementary question to the Minister of Finance. The Minister is on record as saying that he wants to "end the uncertainty over our tax laws and let affected taxpayers know precisely where they stand". That is what he said last December 7. The Minister of Finance tabled the budget on April 19. It is now five months later, and the enabling legislation has still not been brought forward for debate. When will the Government bring forward for debate the income tax legislation in order to eliminate administrative delays, to allow for effective tax planning, and to eliminate delays in processing the 1983 income tax returns?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I welcome the eagerness of the Opposition to deal with this particular legislation. I remind the Hon. Member that the Ways and Means Motions are before the parliamentary committee on finance. I invite the committee to deal quickly and effectively with those measures. I can tell him that, as soon as

the Crow legislation is passed by the House, I will be very interested and eager to introduce the Bill—

Mr. McDermid: Blackmail.

Mr. Lalonde: —dealing with taxation, at the first opportunity.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—CONDEMNATION FOR SHOOTING DOWN KOREAN AIRLINER—CANADIAN POSITION AT UNITED NATIONS

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question to ask the Secretary of State for External Affairs with regard to the opening of the General Session of the United Nations this afternoon. Would he indicate to the House his commitment that he will use his speaking opportunity next week to express the views of the Parliament of Canada with regard to KAL Flight 007, as unanimously adopted by this House? Further, would he indicate whether the Government has any plan or strategy to bring the entire matter surrounding the murder of those passengers before the Assembly for resolution?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I intend, of course, to deal with the question of the airliner in my address at the United Nations. I will certainly consider his suggestion that I use as much of the resolution as was unanimously adopted by Parliament in the expression of those views. No decision has been taken as to whether it would be appropriate at this stage to make an attempt to put this particular item on the agenda of the General Assembly. Discussions are going on with other countries as to whether this would be an effective step to take at the present time.

REQUEST FOR STRONG CANADIAN REPRESENTATION

Mr. John Bosley (Don Valley West): Madam Speaker, my supplementary question relates to the last part of the Minister's answer. Surely the Minister would admit that, given Canada's involvement in trying to persuade the Security Council to deal with the matter, which the Soviets vetoed, Canada certainly has an obligation—if it does not believe the Soviet Union is in fact stonewalling on the issue, as many people do—to press forward as far and as hard as possible to persuade the United Nations to deal with a matter of such international importance and of such repugnance to all citizens of the world?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): I have no difficulty with the comment made by the Hon. Member. I think we all share the repugnance. We were among those who asked that the matter be dealt with by the Security Council. The conclusion of the Security Council was unfortunately vetoed by the Soviet representative. Now there is a question as to whether the insertion of this particular item on the agenda of the General Assembly would make an effective contribution to the situation, particularly in light of the fact that the matter is presently being dealt with and will be dealt with in Montreal at the General Assembly of the International Civil Aviation Organization.

There is no difference between us as to the depth of our repugnance. It is a question as to what is the most effective step that could be taken in present circumstances.

USE OF GANDER AIRPORT BY SOVIET AIRCRAFT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also directed to the Secretary of State for External Affairs whose Department has indicated that it is reviewing the situation with respect to the landings of Soviet aircraft at Gander Airport. Would the Minister indicate whether his Department is in a position to recommend the closing of Gander to further Aeroflot flights and, second, has it taken the precaution of at least attempting to monitor what is being carried on these planes as they land and then leave from Gander?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, there have been no flights at Gander, or stop downs at Gander, since the particular declaration was made terminating the Aeroflot flights to Montreal. There have been no flights except the particular flight that I thought was justified, to return the circus to Moscow. I should add that, apart from the Aeroflot flights that were regularly scheduled, the number of flights that have used Gander is very limited. I think there were only one or two flights in 1983, up to the present time. There have been no other flights, to my knowledge, since we announced the termination of the regular Aeroflot flights.

LANDING RIGHTS AT GANDER—COMPENSATION FOR KOREAN AIRLINER VICTIMS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again my question is directed to the Secretary of State for External Affairs. Would he answer two questions? First, have there been no further Soviet flights because they have chosen not to come into Gander, or has the Government told the Soviet Union that its landing rights at Gander have ended?

Second, in view of the fact that the editor-in-chief of the Soviet Communist Party newspaper has indicated that there will never be an apology or any compensation for the victims of the KAL 007 tragedy, would the Minister indicate what further steps will be taken by the Government to ensure that compensation will be forthcoming, in view of the fact that it has practically been laughed at in its first two attempts just to deliver a note indicating a hope to seek compensation?

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the present circumstance is that the Soviet authorities have not formally requested permission to come down in Gander for any flight. That is formally. I had intimation that they might have asked for permission for Mr. Gromyko en route to New York, but that was not dealt with because the request has not been made. But there have been no flights up to the present time, to my knowledge, and each of them will be dealt with on their merits since the number of flights is so limited that it does not seem to me to add materialy to the action we have taken at the present time.

The Hon. Member will also realize that we have suspended, or delayed, signing a memorandum of agreement between the Government of Canada and the Soviet authorities with respect to the future use of Gander as a refuelling base. That action itself has rather adversely affected the future prospects, at least for the moment, for Gander. In the circumstances I feel that I have taken sufficient action with respect to Gander to demonstrate the attitude of the Government of Canada.

With respect to the compensation, I do not think that this will be an issue that will be quickly resolved. There are countries such as the United States, Canada, and South Korea, that are all making the same claims against the Soviet Union. I have explained to the Hon. Member the steps that I have already taken. If there are further steps that would prove to be effective in order to secure compensation for the families affected, then I would be prepared to consider those steps.

* * *

INDUSTRY

WHITE FARM EQUIPMENT LTD.—FUTURE OF COMPANY

Mr. Derek Blackburn (Brant): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce and it concerns the White Farm situation. He indicated in a previous answer this afternoon that negotiations had been going on yesterday and were going on at the present time. I want him to know that not only I but the vast majority of workers at White Farm do not want TIC to regain control of that company. They had nothing but one fiasco after another for two years while TIC owned it.

Why is a viable company such as Linamar Machines of Guelph, which was a former minority owner, not upfront in the bidding and not being encouraged by the Minister, his Department or his officials, to submit an acceptable bid to take over the company and make sure it remains Canadian, operating in Canada, and in Brantford?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am not aware of all of the details of each of the offers, but my understanding from the receiver is that there were deficiencies in each one of the offers. The company which the Hon. Member suggests would certainly be acceptable to the Government of Canada as long as it wanted to undertake the three criteria that we basically have recommended to the receiver which are; one, operating it as a going concern; two, making valuable use of that leading edge technology; and three, protecting the dealer network.

If there is another offer of which we are not aware, we would be happy to have a look at it. I know that the receiver, who has been very co-operative in this whole process, would be most interested in looking at any offer coming forward from any company.

MONEYS OWED TO EMPLOYEES

Mr. Derek Blackburn (Brant): Madam Speaker, the Government guaranteed 90 per cent of the loans from the banks to the White Farm Equipment Company to keep its head above water. TIC owes the workers on average anywhere from $4,000 to $8,000 in back pay, vacation pay, other fringe benefits, and severance pay. If the company should go into liquidation—and it does appear as if it is heading in that direction—will the Government give the same guarantee to the employees that it gave to the banks? Why not have equal justice for all in a situation like this where 900 employees may very well be turfed out onto the street with no money whatsoever and no recompense whatsoever?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): First, Madam Speaker, like the Hon. Member, we hope that liquidation will not be necessary. Second, with respect to the money owed the employees, if I am not mistaken I think that the receiver is under some obligation and has funds to pay things like vacation pay. Under the Bankruptcy Act, the directors are responsible for salaries owed to employees and the Enterprise Development Board which reports to the Government of Canada through the Minister of Industry, Trade and Commerce has a representative on the board. Thus we are partly responsible for those salaries, and I am confident that any moneys owing to the employees will be resolved.

I might just add that my colleague, the Minister of Consumer and Corporate Affairs, has talked about the Bankruptcy Act being a Government priority whereby workers will be treated as secured creditors. I would hope that every Member in the House will be supportive of changing the Bankruptcy Act in this regard.

* * *

SENATE REFORM

ATTENDANCE OF LIBERAL COMMITTEE MEMBERS

Hon. Erik Nielsen (Yukon): Madam Speaker, my question is directed to the Prime Minister and it is based on the fact that out of six members of the Joint Committee of the Commons and the Senate reviewing the Senate reform question, out of the six Liberal Members of the Commons who

should be attending those committee hearings there have been only two today in Edmonton, and indeed the attendance of Liberal Members has been rather atrocious throughout these hearings. In view of that, I question the sincerity of the Prime Minister and the Government—

Madam Speaker: Order. At the present time I am questioning whether that question is in order in the House since the Hon. Member is seeking information about committee meetings. As he knows, those questions should not be asked in the House of Commons.

Mr. Nielsen: Not at all, Madam Speaker. If my question had been heard in its entirety it would be apparent that I was not seeking information about committee hearings. The question I am—

Madam Speaker: Order, please. It simply was not apparent after several sentences. I would urge the Hon. Member to go right to the heart of the question and then I would know if it is in order.

Mr. Nielsen: I am sure *Hansard* will show in both interventions of the Chair that I was on the word "question".

Some Hon. Members: Oh, oh!

Mr. Nielsen: My question to the Prime Minister—if those jackals over there will simply calm down—is if he is serious about Liberal attendance at the meetings, will he ensure through his responsible Minister, the Minister of Justice, that Liberal Members of the Commons attend those committee meetings so as to enable the committee to do its work?

Madam Speaker: Order. That question is obviously out of order.

* * *

[*Translation*]

THE ECONOMY

INTERNATIONAL MONETARY FUND REPORT

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Finance.

Yesterday in the House, the Leader of the Opposition referred to the report of the International Monetary Fund with respect to the economic situation in Canada. Madam Speaker, I do not know whether the Leader of the Opposition actually read the report. In any case, I would like to ask the Minister of Finance whether, as the Leader of the Opposition said yesterday, there was a reference to the situation in Canada and whether in referring to this country's deficit,, there was not also a reference to Canada's economic recovery?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I thought the Hon. Leader of the Opposition went away last week to do his homework on the economic situation. I am sorry to say that the Leader of the Opposition either failed to do his homework or he is really a very poor student.

He referred to a report of the International Monetary Fund that was published Sunday, and he made a number of statements regarding Canada's deficit. If the Hon. Member had bothered to read the report, he would have seen that the document does not indicate anywhere that Canada has the largest deficit of the seven major industrialized countries, and furthermore, the report does not provide any classification or ranking of countries according to the relation of their deficit to the Gross National Product. On the contrary, the report says more specifically, on page 39, that Canada—

Madam Sepaker: Order, please! We are trying very hard to keep questions short, and the same should apply to answers.

Mr. Lalonde: Madam Speaker, it is clear the Leader of the Opposition misled the House yesterday on the subject we are discussing. The report clearly indicates that Canada, and I shall quote in English:

[*English*]

—have gone further in re-establishing conditions for sustainable growth and have consequently provided their economies with greater scope for expansion—

[*Translation*]

Compared to countries like France, Italy and a large number of smaller industrialized countries.

* * *

● (1450)

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT LTD.—OFFER BY UNITED STATES COMPANY

Mr. Arnold Malone (Crowfoot): Madam Speaker, the reason the Liberals are so happy is they found out we were just better than Italy.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. This is Question Period.

Mr. Malone: You don't need to correct me, Madam Speaker; I am not NDP.

I have a question for the Minister of Industry, Trade and Commerce. Yesterday the Hon. Member for Kindersley-Lloydminster asked:

Has he or his Government, either officially or unofficially, directed or placed an objection to the receiver's selling of White Canada interests to White U.S.A.—

—to an offer from a United States company.

The Minister answered:

—we do not favour that particular proposal—

My question is why?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Very simple, Madam Speaker. The Opposition, which is very concerned about government deficits, will understand this because the net result of that application would mean we would lose $8 million already and would have to add another $1 million to the pot if that application were acceptable. I am sure the Hon. Member would understand the reasons for that.

INQUIRY RESPECTING REASONS FOR GOVERNMENT'S POSITION

Mr. Arnold Malone (Crowfoot): Madam Speaker, the same question was asked and the same answer was given with respect to TIC, and again my question is why?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): I am sorry, Madam Speaker. I am not aware of the Texas Instruments Company question. I do not recall it ever being asked of me.

* * *

UNEMPLOYMENT INSURANCE

PLIGHT OF PEOPLE EXHAUSTING BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. The Minister may know that yesterday I raised the plight of people in my constituency who are about to run out of unemployment insurance, who have been looking for but cannot find jobs because there are no jobs, and who cannot pay their bills because the welfare payments they get, or are about to get, will not be sufficient to meet their commitments. In what way does this plight in which they find themselves contribute to the over-all economic recovery which the Government tells us is on the move and is showing signs in Canada?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is obvious there are still a large number of people who are facing very difficult personal situations. Even in times of very high prosperity in this country we have known people who have lived in poverty and have had to face very difficult situations. I have a great deal of sympathy for those people who are facing such situations. But what the record shows is that the Canadian economy is growing at the present time faster than any other economy among the industrial countries. We are creating jobs faster than any other industrial company.

Some Hon. Members: Oh!

Mr. Nielsen: Come off it.

Mr. Lalonde: Indeed, we have succeeded in cutting inflation by half in the course of the last year. As a matter of fact we have reduced inflation more than any of the largest seven industrial countries. We are doing everything we can to help the plight of Canadians who are facing difficulties, by stimulating the economy.

Mr. Nielsen: Rubbish.

Mr. Lalonde: But I cannot guarantee to the Hon. Member that he will not be able to identify Canadians even in the best of times who will be in difficulty. I am afraid this is what we must face. What we should do through our social security programs is to try to help those people, and this is what we have done as a government, contrary to a lot of provincial Governments—

Some Hon. Members: Sit down.

Madam Speaker: Order, please.

REQUEST FOR EXTENSION OF BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the Minister indicates that the Government is working as hard as it can to create jobs. In the meantime, given that we cannot produce a sufficient number of jobs today or next month, or let us say even by this time next year, to meet all of the needs of the people who are unemployed and looking for work, will the Minister recognize the need to extend unemployment insurance benefits to those who are legitimately out of work, who are looking for work and who cannot find work, during this period when the Government has no programs that will meet their needs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member knows that the Unemployment Insurance Program is already running a large deficit. He also knows that welfare programs, the social assistance programs, are under provincial responsibility and that social assistance programs are there to help people who are in dire straits. My hon. friend should realize that we, as a federal Government, have maintained the social net in this country. We have maintained the social programs, contrary to what has happened in a lot of other countries and contrary to what has happened in a lot of Provinces.

I submit to the Hon. Member that the points he raised should be raised in the provincial Legislature of Ontario—

Mr. Deans: This is where they should be raised.

Mr. Lalonde: They should be asking the provincial Government of Ontario to do its share—

Mr. Deans: These people are unemployed, damn it.

Mr. Lalonde: —in terms of helping people in providing adequate welfare payments—

Mr. Deans: Social insurance was never intended to be pulled back.

Mr. Lalonde: —and providing them with adequate money. At the same time I invite my hon. friend's Party to support the Crow Bill—

Mr. Deans: Sit down.

Mr. Lalonde: —and create those jobs that we need and provide for the investment of $25 billion in this country.

Some Hon. Members: Sit down.

Some Hon. Members: Hear, hear!

* * *

CONSUMER AND CORPORATE AFFAIRS

SMALL PRINT USED IN TELEPHONE BOOKS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. I have received copies of petitions from the Townships of Somerville, Anson, Hindon and Minden, Fenelon Falls, Verulam, and many others. They deal with the new print in the 1983 Bell telephone books for the Lindsay-Peterborough area. Will the Minister speak to Bell Canada and ask that company to assure her that this print will be larger so citizens can read the directories? I hope this matter comes within her Department.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I am not at all sure that it does, but I will certainly take the matter under consideration and look into it immediately.

* * *

SHIPBUILDING

PIP GRANTS—LOSS OF JOBS IN SHIPYARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question I would like to direct to the Minister of Finance. The Minister will be aware of the growing concern about the PIP grants program rewarding Canadian entrepreneurs by forcing them offshore for leasing purposes. I ask this question because we now know that in the first six months of this year we lost some 5,869 jobs in Canadian shipyards. Is the Minister giving consideration to the modification of that program so as to keep these jobs here at home in Canadian shipyards?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I always take the representations of the Hon. Member seriously, and I will examine his representation.

CONSTRUCTION OF DRILLING RIGS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a supplementary question for the Minister. Would he take a look at what he considers a representation in light of the imminent loss of $250 million in new construction for three jack-up rigs for exploration work off the East Coast of Canada alone, three rigs which in turn might provide some 1,800 new jobs for East Coast and river shipyards?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the answer is the same as for the first question.

Mr. McDermid: He doesn't know.

* * *

MULTICULTURALISM

REDUCTION IN SIZE OF CONSULTATIVE COUNCIL

Mr. Jack Murta (Lisgar): Madam Speaker, I have a question for the new Minister of State for Multiculturalism. First I want to congratulate him on his appointment to the Cabinet.

Some Hon. Members: Hear, hear!

Mr. Murta: The Canadian Consultative Council on Multiculturalism, or what is known as the CCCM, is responsible for providing an ongoing source of consultation to the Government on matters pertaining to the development of Canada's multicultural policy, based on the broadest possible representation. Of course we on this side of the House would very much agree with the basic concept of that particular body.

Why or how is the Minister carrying out a reduction in the size of the Council from the 100 members that it had, to a proposed 25? Why the number 25, and how does the Minister expect to get that broad cross-section of opinion so necessary in this area?

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Madam Speaker, I thank the Hon. Member for his question. I worked with him for many years going back to the transport committee, and I am sure we will continue our good relationship.

With respect to the CCCM, the Cabinet did agree in July, following a unanimous recommendation by the CCCM, to reduce the effective working group of the Council to 30 members, not 25 members. That, I repeat, was a recommendation of the Council, and the Government responded to it. The name of the Council will change to the Canadian Multiculturalism Council, which will be a little easier to say. With respect to the operations of the Council, we feel 30 members will be a more effective body in discharging its obligations and giving advice to the Minister. As to the nominees for that Council, that is subject to the normal consideration and consultation.

• (1500)

PETITIONS

MR. HERBERT—NORMALIZATION OF SITUATION OF MISS CILÉ MERVIL IN CANADA

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Vaudreuil (Mr. Herbert) on Monday, September 19, meets the requirements of the Standing Orders as to form.

MR. McDERMID—FOREIGN AID—DISCRIMINATION AGAINST TAMIL POPULATION

Madam Speaker: The petition presented by the Hon. Member for Brampton-Georgetown (Mr. McDermid) on Monday, September 19, does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. McGRATH—S.O. 21 STATEMENT OF MR. CULLEN—RULING OF MADAM SPEAKER

Madam Speaker: Order, please. I would like to make a few remarks on the point of order raised in the House by the Hon. Member for St. John's East (Mr. McGrath) concerning a statement made by the Hon. Member for Sarnia-Lambton (Mr. Cullen) under Standing Order 21.

I believe at the time the statement was made I said to the House that it seemed to me the particular statement was in order. However, having reread it in *Hansard*, it seems to me that it was extremely borderline and that perhaps it would have been better dealt with under a point of order, since the major complaint of the Hon. Member was that some modifications had been made to *Hansard*. However, Hon. Members had a chance to reply and to rebut, so I am satisfied that no Member has been frustrated in his right to express his views.

I thank Hon. Members for pointing out this particular case. It is not always easy for the Chair to know what will be the conclusion of an Hon. Member's statement. Some preambles to the questions they want to raise are longer than others. Sometimes the Chair waits patiently and realizes that perhaps the statement was not entirely in order. However, with the help of the House from time to time, I will be able to maintain the objectives of that particular Standing Order. I think we are doing pretty well under it. I will try to check Hon. Members sooner, although I am very reluctant to intervene too soon because I like to give Hon. Members a chance to express themselves.

[*Translation*]

Regarding the point of order raised by the Hon. Member for Yukon (Mr. Nielsen) in which he protested changes made in *Hansard*, saying that they went well beyond those allowed in the course of normal editing, I realize that the Hon. Member is not questioning the impartiality or integrity of those who are

assigned to transcribe and revise the *Debates*, but he nevertheless implied, as did the Hon. Member for Sarnia-Lambton (Mr. Cullen) in his statement, that the changes made in the transcript went well beyond the limits allowed in editing *Hansard*. I may remind Hon. Members that *Hansard* is not a verbatim transcript of the *Debates*. It is a transcript *in extenso* of the *Debates* and obviously, in the case of repetition or for a number of other reasons such as more specific identification, it is acceptable to make changes so that anyone reading *Hansard* will get the meaning of what was said.

The rule is that when Hon. Members correct their blues, they are not to change the substance or meaning of what they said but only try to improve comprehension of the text. That is the rule and the same rule applies to those who edit *Hansard*. They must not go beyond their obligation to make a sentence more readable, since there is, after all, some difference between the spoken and the written word.

After reviewing the record and considering the comments made in the House on the days following the occurrence, the Chair is of the opinion that *Hansard* of Tuesday, September 13, provides, in both versions, a full and objective account of the proceedings. The substance was not materially changed, and the form is the prescribed one. Hon. Members will be aware that calling someone by name in the House is not permitted, certainly not by the person's first name, for the very simple reason that we must know who is meant. There might be three or four Moniques, and we might have five or six Erics, but we only have one of those, no doubt about that. And we do not need more than one.

The editors of *Hansard* have to change the text so that the reader knows who is meant. In the present case, we had someone who was called by her first name. It was therefore necessary to identify that person as being the Minister of National Health and Welfare. There was also the element of repetition, and furthermore, the sentence was very short. Usually we delete repetitions. When a person is speaking, there is of course a tendency to say the same thing twice, but these repetitions are not reproduced in *Hansard*. For all the reasons mentioned, the editors of *Hansard* did the best they could in the circumstances. I looked at the text from every possible angle, but I really do not see how I could have improved on what was produced in the final editing. In my opinion, the final edition of *Hansard*, considering the freedom given the editors, is objective and was done in the best interests of the House.

The Hon. Member for Yukon suggests that we resubmit the blues to Hon. Members if the editors feel that substantial corrections are necessary. Now we may do that in cases where there is a reasonable doubt, but this will complicate the work of the *Hansard* editors enormously and also delay the printing and translation of *Hansard*. So, if Hon. Members agree, and considering the fact that incidents of this nature are rather uncommon, we shall continue to trust our editors.

Point of Order—Mr. McGrath

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I thank you for that ruling. One thing however occurs to me, and that is that, to use this case as an example, the French transcript went to the office of the Leader of the Opposition (Mr. Mulroney) for vetting, for correcting. Subsequently it went back to the editor unchanged, and it was changed by the editor. He, the editor, had to exercise a value judgment after a value judgment had been exercised by the Hon. Member, who made no change. You, of course, today have exercised a value judgment with which I wholeheartedly agree, but it denies the Member from exercising the same judgment, because the Member himself or herself could come to a judgment entirely opposite to that exercised by the editor in making the changes subsequent to the vetting of the transcript by the Member; and of course the Chair can come to a judgment the same as that of the editor but quite different from that of the Member.

In order to ensure the utmost fairness, I think as far as humanly possible the transcript should be resubmitted when changes have been made subsequent to the examination by the Member whose transcript is in question.

Madam Speaker: The Hon. Member is concluding exactly the contrary to what I have concluded, that we should continue to have confidence in the editors because, as I have explained, it delays the process enormously if we resubmit the "blues" to the Hon. Member. The Speaker is there to make those judgments, and I have made one today. As the Hon. Member says, there has been no unfairness. I think Hon. Members might inform themselves as to what is admissible and what is not. If the Member in question had been better informed, he probably would have corrected that sentence himself.

● (1510)

However, I think we have done really well despite all of the discussions we have had. I cannot promise that we will re-submit the "blues"; I will only say that in so far as it is humanly possible, we will do so.

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Madam Speaker, I do not want to belabour the point, but those of us on this side of the House would like to study your ruling a little more carefully and perhaps have this matter discussed through the normal channels. I believe that this kind of discussion, the bargaining or whatever, should not take place on the floor of the House. Perhaps we could discuss this matter with you and also through the normal channels.

Madam Speaker: It should take place on the floor of the House. It is a point of order. There is no other way but to discuss it in the House. I would be very reluctant to discuss it behind the curtains.

Mr. Collenette: Madam Speaker, I am sorry, I was not talking about the particular point of order. I was talking about the general point that flows from the specific question raised by the Hon. Member for Sarnia-Lambton (Mr. Cullen). Perhaps that could be dealt with among House Leaders or whatever.

Madam Speaker: I am in favour of anything that will help House proceedings.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

ADDRESS TO PARLIAMENT OF PRIME MINISTER OF UNITED KINGDOM

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Madam Speaker, I rise on a point of order. You may recall that yesterday we had some discussion about the visit on Monday of Prime Minister Thatcher. We put through a House Order. It became evident among discussions with the House staff that there would not be enough time to make the necessary physical arrangements between three and four o'clock on Monday. Therefore, after consultations between House Leaders there has been an agreement that we would have Question Period at eleven o'clock on Monday morning, to be followed with the normal Routine Proceedings until one o'clock. The House would then adjourn until 4 p.m. Therefore, the House Order of yesterday should technically be rescinded.

The new House Order would read as follows:

That on Monday, September 26, 1983, the House shall meet at 11 a.m. and the order of business shall be that usually followed on a Friday, provided that the House shall adjourn that day at 1 p.m.;

That the address of the Prime Minister of the United Kingdom to be delivered in the House Chamber on Monday, September 26, 1983, at four o'clock p.m. before the Members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an Appendix to the House of Commons Debates of that day and form part of the records of this House; and

That Prime Minister Thatcher's speech, attendant and related remarks be made available to the media for transmission in the usual way by the House of Commons broadcast system.

I might add that this means some Ministers who will be in meetings with Mrs. Thatcher will be unable to be here for Question Period. I am sure Members will understand that.

Hon. Erik Nielsen (Yukon): Madam Speaker, that is agreeable. That order is not a copy of what the Minister was kind enough to provide to me, but I listened carefully to the wording and it is acceptable to us.

Madam Speaker: Does the House agree that the order of yesterday be discharged and be replaced by the one just read to the House by the Minister of State for Multiculturalism (Mr. Collenette)?

Some Hon. Members: Agreed.

Madam Speaker: It is so ordered.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,718, 4,971 and 4,996.

[*Text*]

CMHC TASK FORCE

Question No. 4,718—**Mr. Fisher:**

1. Was Mr. Donald Matthews of London, Ontario appointed to head a study of Canada Mortgage and Housing operations and, if so (a) on what date (b) on what date did the study end (c) how many days did the study function in total?

2. Were any other persons appointed to act as staff on the inquiry and, if so, in each case (a) what was his/her name (b) for how many days did he/she work on the study?

3. What amount was paid for fees for personal services to (a) Mr. Matthews (b) any extra staff (i) per diem (ii) in total?

4. Were additional amounts paid to (a) Mr. Matthews (b) any extra staff for receipted expenses and, if so, what were the amounts?

5. Was Mr. Matthews a candidate on behalf of the Progressive Conservative Party in the Constituency of London East in the general election in (a) 1972 (b) 1974?

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

1. Yes. (a) July, 1979. (b) The study ended on October 15, 1979 and the report was submitted on October 26, 1979 to the Hon. Elmer MacKay, the then Minister responsible for CMHC. (c) July 15—October 26, 1979 (104 days).

2. Yes. (a) and (b)

Patrick E. Brady	7 days
Mac D. Campbell	4 days
Michael A. Goldberg	5 days
G. E. (Ernie) Jackson	2 days
Richard R. Lebeau	6½ days
André Pigeon	11 days
Donald M. Smith	2 days
Lawrence B. Smith	18 days

The services of F.W. Graves and Thomas S. Sloan were also retained but they were not paid on a per diem basis.

3. (a) (i) $300 (ii) $11,700, (b) (i) Varied between $300 and $500 (ii) $21,150.

4. (a) Yes—$5,533.75, (b) yes—$10,807.67.

5. (a) Yes, (b) no.

CANERTECH INC.

Question No. 4,971—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Canertech Conservation Inc. and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of Canertech Conservation Inc.?

Order Paper Questions

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1.

Name	Address	Occupation
Lorne D. R. Dyke	1003, 213 Notre Dame, Winnipeg, Manitoba, R3B 1N3.	President and Chief Executive Officer, Canertech Inc.
Wilbert H. Hopper	P.O. Box 2844, Calgary, Alberta, T2P 3E3.	Chairman and Chief Executive Officer, Petro-Canada.
David P. O'Brien	P.O. Box 2844, Calgary, Alberta, T2P 3E3.	Senior Vice-President, Finance and Planning, Petro-Canada.

2. Information is proprietary to Canertech Inc.

COAL INDUSTRY STUDY

Question No. 4,996—**Mr. McKinnon:**

1. Is the Department of Energy, Mines and Resources paying $142,656 to establish the prinicpal parameters governing the effectiveness of flocculants to remove particulate matter in coal washery effluents and provision of criteria for the preparation of superior flocculants for specific application and, if so, for what reason?

2. Will this study be in connection with an attempt to convert Cape Breton coal?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. Yes, EM&R issued a contract for $142,665.52 to Raylo Chemicals Ltd. of Edmonton, Alberta to establish the parameters governing the effectiveness of flocculants to remove particulates matter in coal washery effluents and provision of criteria for the preparation of superior flocculants for specific applications.

This scientific research and development contract is part of the continuing effort to support the Canadian coal industry by provision of environmentally acceptable techniques/materials for use in Canadian coal preparation plants.

2. No.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

Hon. David Crombie (Rosedale): Madam Speaker, it gives me some pleasure to be able to speak on this Bill this afternoon. As all Members know, since the opening of the doors for the fall part of the session of this Parliament we have been dealing with this Bill. We in the Progressive Conservative Party have stood against the Bill as written. This is the eighth day we have put forward speakers, which demonstrates to the House and to those who are concerned, as most Canadians are, that this is an extremely important Bill.

By and large our criticisms of the Bill have related to three general areas. These three general areas take as their first assumption the importance to this country of trade. We welcome the opportunity to speak on the Bill. I cannot think of any theme which has occupied the minds of Progressive Conservative Members more often than the importance of trade to this country, of being able to be world competitive, being able to develop products and services which will stand us in good stead as a trading nation of the world. We have spent time on this Bill to ensure that our objections to it as written are clearly understood.

There are three reasons we are opposed to this Bill. Speaker after speaker has tried to indicate as clearly as possible to the Government, not often listening, why those three criticisms are important and ought to be considered by the Government when it makes it final speeches. First, we have dealt with the Bill itself. We have dealt with it in terms of the corporation. Speaker after speaker has pointed out that the request by the Government to double the capital authorization of this corporation is far beyond what is necessary, an actual doubling of the capital authorization. That is why the motion put forward by the Hon. Member for Mississauga South (Mr. Blenkarn) indicates clearly recognition of the need for credit, the need for insurance, the need for the corporation to be able to assist in our exports, and allows for growth in that opportunity. It does not simply double without any further parliamentary control the capital authorization of the Export Development Corporation.

Also with respect to the corporation, a number of Members in this Party have pointed out, hoping that the Minister responsible and the Cabinet generally would pay attention, that there are criticisms, honest, clear and sincere criticisms by people in this country who use the services of the EDC, that it is wanting, particularly with new customers. Surely it is new customers that this country is interested in when it comes to export. It is with new customers in particular that we have had difficulty making sure that the corporation plays a role that is efficient, that does not have undue delays and is open and accessible to people who want to export from this country to other countries of the world.

We know the importance of jobs and world competition which this country has to engage in over the next 20 years. That is why we have been unimpressed. When it comes to dealing with the corporation, the Government simply will not listen to fair and honest criticism made not only by us but by citizens, companies and corporations in this country which tries to use its services.

There has been a second area of criticism and concern, one which the Government would do well to pay closer attention to. That is the question of the role of Crown corporations in the country. This Bill raises once again a question which has always been an important one to the country, and that is the role of Crown corporations, particularly those Crown corporations that deal with economic development and economic growth.

● (1520)

There is no question that, certainly in the early and middle parts of this century, we have had a proud record of what Herschel Hardin, in a book he wrote some ten years ago, described as the importance of public entreprise to the future of Canada. It was a proud record, but if I could, Mr. Speaker, I would like clearly to explain why we take objection to the way Crown corporations have not been used by the Government but have been abused by the Government.

In 1962, 21 years ago, there were 28 Crown corporations in the country which controlled $8.4 billion worth of assets. Twenty years later there were 300 Crown corporations employing 263,000 people with assets of $74 billion and liabilities of $63 billion. Those are enormous figures, Mr. Speaker. For example, the $63 billion that is owed by the 300 Crown corporations in the country is equal to the total budgetary request of the Government for the last fiscal year.

Clearly, Mr. Speaker, Crown corporations have assumed a role and an importance far beyond that which Canadians understood it to be. If I may, Mr. Speaker, let me indicate that the point I make is not a point that comes only from the Progressive Conservative Party. I direct your attention and the attention of the House, Mr. Speaker, to the Auditor General's Report of seven years ago to which the Government paid absolutely no attention. At that time, the Auditor General in his Report said:

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central Government agencies of financial management and control practices in these Crown corporations—

I emphasize the following words.

> —are virtually non-existent.

The Auditor General said that seven years ago.

These sentiments were echoed in the Lambert Report which said the same thing. What those reports basically said and what I say to you today, Mr. Speaker, is that the Government

has so abused the principle of Crown corporations that we no longer have the ability to control those things which we have created. I quote from the Lambert Report, which was an excellent report as many Members may recall. It said:

> In examining the bewildering array of Crown corporations we have found that existing provisions for classifying them and for accountability for each category have been rendered obsolete. The resulting state of confusion, if left unattended,—

This report was written seven years ago.

> —will seriously impair the value of these agencies as instruments of public purpose and do further damage to the tenuous and sometimes obscure accountability links that, in varying degrees, we already have with Government and Parliament.

It is not foolish or silly of me to indicate to you, Mr. Speaker, the second concern of our Party with respect to this Bill. That concern raises a question that the Government has been unwilling to deal with for these many years, and that is the role played by Crown corporations which try to help rather than hurt. For example, those of us who have supported certain Crown corporations in our time have always been clear on one principle about Crown corporations, and that is that they had objectives which were publicly arrived at and which were operated by a board consisting of people primarily from the private sector so that they be run in a businesslike and efficient manner. That principle has been reversed by the Government. At every turn of the road the Government seeks to remove Crown corporations from the scrutiny of the House and the public.

Finally, Mr. Speaker, the third area of criticism this Party has for this Bill lies in the area of control by Parliament. Our ability now to control 300 Crown corporations through the House and its committees has, as the Auditor General has said on more than one occasion, been rendered obsolete. The power that Parliament has to control Crown corporations goes to the very heart of what the parliamentary system is about. All of the rights that you enjoy on our behalf, Mr. Speaker, arise from the power of Parliament to control the public purse.

Anyone who says with a straight face and a clear eye that today, after 15 years of Liberal Government, Parliament can control $74 billion worth of assets from 300 Crown corporations is a stranger to the truth, because to do so is not possible. In fact, the Government has become so inured to resolving the problem that it finally invented a Crown corporation to control Crown corporations. That, Mr. Speaker, is why we stand against this Bill and will continue to do so.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure for me to rise and speak on Bill C-110 after hearing the comments made by my distinguished colleague, the Hon. Member for Rosedale (Mr. Crombie). It shows that the Conservatives from the east, the west and the middle of Canada all feel the same way about this abuse of legislative process that puts more and more money in the hands of Crown corporations.

I feel that the Conservative position is not one that is opposed to Crown corporations simply because they are Crown corporations. We believe that there is a place in our society for Crown corporations. All we want is to be sure that they are accountable and that they are accountable to Parliament. After all, we bring them into the world and we should look after them. We should see that they act in a businesslike and reasonable manner and we should see that we do hear from them as to their financial manoeuvrings, their profits, their losses and the work they are doing.

There are several things about this Bill that we do not like. We are against the legislation that exists as well. However, this Bill would increase the borrowing power of this particular Export Development Corporation from $10 billion to $20 billion. That is a great deal of money. It will be done without any referral back to the House to find out what will be done with the $20 billion that the corporation would then be able to borrow. It increases the ceiling for loans and guarantees far beyond what it is at the present time.

I would also like to point out that the EDC is not required to table an operating budget, it is not required to table a capital budget and it is not required to provide us with any information on the size of its payroll. Given those three factors, it is very difficult to believe that we are not giving it a blank cheque to do what it wants.

I would like to quote from the Report of the Auditor General for the fiscal year ended March 31, 1982, at page 47, where he said, *inter alia:*

> The time has come for meaningful action to be taken to increase the accountability and control of Crown corporations.

This Bill goes in the exact opposite direction. I really do not see why we should have to tolerate this absolute disregard and defiance of what the accountants tell us is the problem.

● (1530)

I would like to speak for a moment of what has happened with Canadair, the famous Canadair, which was taken over by the Government, along with a Toronto firm, de Havilland, so that it would have what it referred to as a viable air industry which it hoped to sell to private industry when it was finished with it. The Government bought the firm for $46 million. It gave the firm a loan guarantee of $1.35 billion and equity infusions of $440 million. One of our complaints about this firm, of course, is that the board of directors is dominated by Government appointees, the chief one being the Hon. J. P. Goyer, the former Solicitor General and former Minister of Supply and Services. In both of these positions he was a member of the Liberal administration. Along with two other appointees of the Government, he was left to run Canadair. These three appointees have been spectacularly unsuccessful in this operation, Mr. Speaker. They have lost $1.4 billion. One could wonder how much cheaper it would have been to do almost anything else other than to appoint these three people to those positions.

Some people believe that it is a great thing to be sent to the Senate. It costs a lot of money. If you were to reckon that a Senator receives $50,000 a year, and that there are 100 Senators, the amount of money Canadair lost in one year would keep the Senate running for 280 years. This profligate

spending amounts to 280 years of the existence of the Senate. However, if you would like to spend it all in one year the way Canadair did, you could pick 280 of the largest cities and towns in Canada and get them to expand their councils to 100 people and give them each $50,000 a year. That is the kind of bill you could pay with the money which Canadair managed to lose in one year. It is an astronomical amount of money to consider.

There is one individual who has kept his role in this pretty quiet, that is, the current Minister of Energy, Mines and Resources (Mr. Chrétien). When we first got into the Canadair project, particularly the Challenger aircraft, he was the Minister of Industry, Trade and Commerce. Today I was looking through the records of the House of Commons. The public accounts for the fiscal year which ended in March of 1919 showed some interesting figures from the time of Confederation, which came about in 1867, to 1917, 50 years later. The Canadian Government had managed to get into debt to the extent of $112 million in 1869, in two years. It then went along paying its way to a fair degree, and it was in 1917, three years into World War I, that it managed to get in debt up to the $1.3 billion which Mr. Goyer and his friends were able to lose in one year. What it took to run the country for 50 years, they managed to run up in the form of a loss in that one year.

The Minister of Energy, Mines and Resources was very proud in the early days of the Challenger program. On February 10, 1977, he had been that Minister only since September. He said, as reported at page 2934 of *Hansard* for that date, and I quote:

> I have only been holding that position since September—

He meant the position of Minister of Industry, Trade and Commerce. He went on to say:

> —I announced that Canadair in Montreal would undertake a program for the construction of a revolutionary executive jet, the LearStar. If the program becomes productive, we will directly create some 1,500 jobs at Canadair in Ville Saint-Laurent, which means more jobs than on the Olympic sites during the construction of that so popular stadium in Montreal. Unfortunately the press did not often mention it. And not only those 1,000 jobs directly related to Canadair.

It is only of passing interest that he managed to lose 500 of those jobs in one paragraph. However, there he was, boasting, and we put up with that boasting day after day in the House. Every time the subject was brought up, the Minister of Energy, Mines and Resources would have more to say on it. He said on March 8, 1977, as reported in *Hansard* at page 3763:

> I could go on like this, Mr. Speaker, in many other fields. However, I might talk for a few seconds, with your permission, about the famous LearStar jet project. I was asked questions in the House this afternoon on that matter. This is becoming one of the greatest success stories in the history of industrial development in Canada.

Such naivete, Mr. Speaker, is unbelievable, at that stage of the negotiations and of the operation of the Crown corporation. He continues:

> Within three months, we have already sold 71 aircraft at a cost of some $5 million each.

He goes on to say:

> Today, less than six months after Canadair first became interested in that project, 60 orders with deposits have been placed and contracts signed. . . . by the end of 1977, a total of 131 aircraft will have been sold, the minimum required for that project to be completely profitable.

This is at March 8, 1977, Mr. Speaker, and he claimed that by the end of that year we would be breaking even on the entire project. That indicates very clearly, Mr. Speaker, the difficulty you have when people who understand very little about the operation of business get into a controlling position of business and are able to delude themselves the way in which the Minister of Energy, Mines and Resources was able to delude himself at that time. Again he said on March 8, 1977, as reported at page 3763 of *Hansard*, and I quote:

> . . . of the 79 sales made so far, only two or three are for the domestic market. All the others are for export. So we have a great advantage. This project is creating jobs in Canada and the high-quality finished product is being sold around the world. This is one example of the job of work the government is doing in an effort to maintain our capability in the field of high technology while increasing our exports abroad.

Of course, we all know the Federal Express story. The Government lent Federal Express the money to buy its planes and it lent a company the money to build the planes. Therefore, both the vendor and the purchaser were being financed by Government money, and in the eyes of the Government that made for a great success story. It was selling planes. To finance both sides in a deal like that is a mug's game, and it should have been known at the time. In fact, it turned out to be worse than that because, far from buying the planes, Federal Express held the Government to its contract and was able to settle without taking the planes and was given a plane, and I believe it was $4 million, just to let the Government out of a bad contract.

Finally, Mr. Speaker, I would like to mention something which happened considerably later. It was illustrated in *The Canadian Military Journal* in the winter of 1981, some four years later, when everyone in the country, except the Minister, knew what a failure that program was. The Minister, whose name is mentioned, at the time of the Challenger roll-out was quoted at page 18 as saying, and I quote:

> . . . that he had warned them, (with tongue in cheek) that "if the airplane doesn't work, you will all be out of a job and so will I.
>
> I'm glad the Challenger is such a tremendous success, so now our jobs are secured".

I do not know if the Minister's job is secure or not. I understand he is trying very hard to get another one. But we will find that out within the next few months. However, these frivolities from people such as the Minister—and there is no indication that the Government has become any more hard-headed about it—and the frivolities from politicians in such positions, has cost the Canadian taxpayers $1.4 billion, and I would ask Hon. Members of the House to consider very carefully why we should extend a line of credit to the EDC from $1 billion to $2 billion in order that they can lose money even faster than Canadair, even though it is hard to believe that that is possible.

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I am amazed at the Hon. Member for Victoria (Mr. McKinnon) and the arguments which he has advanced. Surely he does not take himself seriously, nor does he take his argument very seriously. How can the hon. gentleman be at odds with the Hon. Member for Rosedale (Mr. Crombie) who, before the Hon. Member for Victoria rose, indicated that he fully approved of the role which EDC played, that Canada cannot survive in an international environment without the promotion of exports, and how instrumental EDC has been in promoting exports and creating jobs within Canada?

In today's marketplace, Mr. Speaker, there is no question but that if you wish to strengthen your manufacturing capacity you must sell abroad.

Mr. Malone: Who says?

Mr. Blais: The Hon. Member for Crowfoot (Mr. Malone) says, "Who says?" the fact is, he knows full well that the industry which supports his constituents would not be able to survive were it not for exports. Of the grains grown in Canada, 66 per cent are exported. The only way I can suggest there is any relevance for the Canadair issue in this debate is because the Hon. Member for Victoria wanted to tie the aerospace industry into exports. It is true that in the aerospace industry, which now involves approximately 40,000 workers in Canada, 80 per cent of that industry's production is for export. The hon. gentleman knows that, he was the critic for National Defence. Having followed the evolution of dossiers in National Defence, he knows how important exports are in maintaining a defence production manufacturing base in Canada. Yet he finds objections to a doubling from $1 billion to $2 billion of the line of credit of the EDC in order to facilitate the financing of exports. I just do not follow that sort of reasoning.

● (1540)

The other point I just cannot accept from the hon. gentleman is his castigating the Canadair Challenger. He criticizes the Government concerning certain actions which might have been taken in the past relating to the financial arrangements of Canadair. That has been done before in this House and in committee as well. But what he was saying, Mr. Speaker, is that somehow the Challenger was a poor investment. I personally was involved in that from my very early days in Government and I look back upon it with a great deal of pride because there was a very high risk at the time and the then Minister of Industry, Trade and Commerce, the now Minister of Energy (Mr. Chrétien), identified that risk. But this Government and Canadair assumed the risk, and as a result we now have the Canadair Challenger which is the single most effective executive jet rolling off a production line today.

The hon. gentleman knows very well that the Lockheed JetStar is now no longer produced and that the only competition for the Challenger is the Gulfstream III. The international community recognizes that in terms of fuel efficiency, range, passenger comforts, economy of maintenance and performance, the Challenger is superior to any of the competition.

Mr. Blenkarn: You know better than that.

Mr. Blais: Mr. Speaker, 20 civil aeronautic records have been broken by the Canadair Challenger. I do not know whether it is because he is from Toronto and the Challenger is manufactured in Montreal and the old competition between those two metropolitan centres is at play, but the Hon. Member for Mississauga South (Mr. Blenkarn) has given himself a mission of attempting to defeat the success of the Canadair Challenger in the Canadian market.

Some Hon. Members: Shame!

Mr. Blais: This is to the detriment of the workers, not only those involved with Canadair but also in the whole supply network, some of whom are in the hon. gentleman's own riding.

I am suggesting, Mr. Speaker, the fact that has to be learned here is that Canadian technology is superior once Canadians take the trouble to develop it and bring it into the marketplace. We have had some losses with the Challenger, but in effect that money did not disappear into thin air. It went into development costs, paying suppliers and workers in Canada, and it provided us with the best aircraft of its class anywhere in the world. That is a fact. But what is happening because of the Opposition's criticism of that aircraft? I was in Bromont, Quebec, to open the new blade and vane plant that General Electric built as a major part of the offset program for the purchase of the CF-18 from McDonnell Douglas. That offset is valued at close to $500 million within the next 15 years. I spoke to people who utilize executive jets, from the U.S. as well as from Canada, and they asked me, "What is the matter with you Canadians? Why is it that you criticize your own best technology? We are hesitating about buying Challengers." I asked why. They said, "Because we do not know if you are still going to be in production by the time we reach the mid-life of that particular aircraft. We do not know whether people on the other side are going to want to maintain production of the Challenger. That is why we are concerned about making an investment of over $10 million." That is the point they were making, because they say that when they fly an aircraft, they just do not buy it for today, they buy it for the next 25 years and they need to have spare parts and logistic support, and they have to know that the aircraft is going to be in production. Well, Mr. Speaker, I told them right there and then that as far as this Government was concerned, we were going to keep the Canadair Challenger in production.

Some Hon. Members: Hear, hear!

Mr. Blais: However, Mr. Speaker, I said I wanted them to get to their friends on the other side of the House who were destroying, through their vituperative attacks on Canadian technology, our ability not only to save jobs in Canada but also to make Canadian technology available and popular in the

international market. The narrowmindednesses of those power-hungry individuals on the other side of the House—

Some Hon. Members: Oh, oh!

Mr. Blais: —never ceases to amaze me because even though they may figure that one issue may be politically advantageous in the shortrun, the next 18 months or two years, they forget that Canada does not operate in the short term. Canada addresses its future to the long term. We want to ensure not only jobs for today and tomorrow, but we want to ensure the existence of an industrial structure in this country which will ensure jobs for the next generation.

We are competing with the whole world to create those jobs in Canada here today for the future and one of the areas is the aerospace industry. Why? Because it is an export sensitive industry. That is why the Government and the Provinces of Quebec, Ontario, Manitoba, indeed every Province in this country, wants to find located within its boundaries—what? The aerospace industry. Even Nova Scotia does. The Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) will know full well that as a result of this Government's policies we have established in his Province a capacity in the aerospace industry that is—yes, IMP, and you know full well the reasons why IMP is developing.

Mr. Forrestall: My God, you were in diapers when IMP started. What are you talking about?

Mr. Blais: All I am saying to you, Mr. Speaker, is that EDC is essential if we are going to tap the international market. If we do, we are going to need money, and if the hon. gentlemen opposite think that in their short-term political interest they can make political points, I call upon them to think about the long-term future. It is their children who are going to be living in Canada, not just those of the Members on this side of the House, who are of course going to be in Government for some time to come.

Mr. Forrestall: Mr. Speaker, I rise on a point of order. The debate has gone along quite well and we have, I think, as a general rule in the Chamber, respected the rules with respect to relevancy. I find it somewhat astonishing that a responsible Minister of the Crown would rise, take up 13 minutes of House time, and make absolutely no reference to the matter in front of us. Nor did he even make any reference to the Bill in general concerning the EDC. I think that perhaps there is some point beyond which the leniency of the Chair should not in fact properly go.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member is, in the Chair's opinion, absolutely right. The Chair takes great care and pain to exercise the utmost leniency in determining whether a Member's remarks are relevant or not to the subject matter at hand. On many occasions the Chair sits quietly and gives the benefit of the doubt to the Hon. Member who has the floor, because it is anticipated that sooner or later the Hon. Member will deal with the heart of the matter. That happens regularly, in many speeches. However, in the matter involving the last two speakers, the Chair must say that they strayed somewhat far from the subject matter now being debated.

● (1550)

First, I should remind Hon. Members that we are dealing with the Export Development Act and motions which seek to amend two clauses thereto, and that some reference was made to them late in the speeches, I must say, but very little reference has been made. It turned out that the debate dealt with another Crown corporation altogether. In recognizing that the Chair has some difficulty in applying the rule of relevancy, and that Hon. Members are indeed seriously attempting, by illustration, to make valid points in debate, I would invite them to come back to the heart of the matter.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I would like to make a few comments on the Bill before the House and the amendments we are considering today, since they concern a fundamental principle—that is quite clear—namely, that Parliament must retain control over the expenditures of Crown corporations. I was listening earlier to the Minister of National Defence (Mr. Blais), whom I would like to congratulate on his new duties. The Minister inferred that the Progressive Conservative Party was more or less indifferent to the importance of Canadian technology and the expansion of Canadian industry. I did not particularly enjoy listening to the malicious and inappropriate comments the Minister of National Defence made before the House. The Minister did not, of course, deal with the contents of the Bill but reminded Hon. Members that the Export Development Corporation had made it possible to accomplish a great deal and, in doing so, had provided a stimulus for Canadian industry.

The Hon. Members opposite know perfectly well that we are entirely aware of the importance of Canadian exports, and that we want those exports to increase. We realize, Mr. Speaker, in speaking to this bill, that it is important for Canada to have access to foreign markets. We are in favour of such markets, and we support the Government provided—I think all of us and all Canadians will readily understand this—that Parliament retains control over the expenditure of public funds. It was true yesterday, and for the last 15 years, and especially the last 5 I must say that we have never seen a Government that has been so eager to dilute and diminish the power of Parliament to control expenditures. The Government is not alone in this building today. Parliament is here and it consists of all Canada's elected representatives. I believe that the responsibilities of these representatives consist in ensuring that public funds, that tax monies collected by the Canadian Government, are spent in a useful and positive manner and in the best interests of Canadians.

That is the principle we are defending in our debate on this Bill and in the amendments we are proposing. We want to make Government Members understand that Canadians want

Parliament to have its say when their money is being spent and we mentioned examples including Canadair without challenging the desire of any Government that is supportive of its industry to promote companies like Canadair and the products it has to offer on the world market. But to go so far as to allow a company like Canadair to misrepresent its financial situation in Cabinet and to let it get away with padding their order books . . . I think the Minister of National Defence, like all those other Hon. Members, would be well advised, if they have the courage to do so, to demand that this company at least come clean before a Government that has made it possible for them to make a number of extraordinary accomplishments in the aerospace field. However, if we respect our commitments to our constituents, we cannot allow our corporations to deceive the Government in order to obtain subsidies, and thus cause the public to raise a number of questions for which there is every justification but no answer.

That is why, in the interests of all Canadians, we are emphasizing the basic principle that Parliament must retain control over the expenditure of public funds. This should be abundantly clear to Canadians watching us today, Mr. Speaker. But why, and especially in recent times, are Hon. Members opposite who, like me, are not in Cabinet, leaving it up to the ministers to decide whether or not to give Government support to this or that Crown corporation? Those Hon. Members, like myself, are entirely aware of the increased deficits of Crown corporations. But these corporations do not have to ask Parliament for appropriations.

Mr. Speaker, we know perfectly well that under any Government, representatives, directors and chairmen of corporations are appointed by Cabinet. The chairman of Canadair or Air Canada is not appointed by the Member for some obscure riding but by Cabinet. We all know that. As a result, these people have no obligation to ask for appropriations and have them approved by Parliament. This institution should have responsibility for the expenditure of public funds—that is what Canadians want to know and what they deserve to know. This Government could not care less how public monies are spent by these Crown corporations.

This lack of control on the part of the Government is unacceptable and reflects—I challenge anyone to say otherwise—irresponsibility on the part of a Government that professes to respect the individual. That is the battle we are fighting in the House, Mr. Speaker, and we are being criticized because we insist and demand that Parliament control the expenditures of these corporations. Is this not perfectly legitimate? Mr. Speaker, I have always felt that the expenditures, the massive loans these corporations must contract and which are endorsed by the Government, are just a blank cheque, and they are under no obligation to get prior approval from the House, whose Members are accountable to the people. That is precisely the question which we are raising today, which we raised yesterday and which we will continue to raise as long as necessary because, deep in our conscience anyway, we feel the obligation to ensure that this wanton spending of public funds be stopped, Mr. Speaker. We simply have to insist that this Government refrain from taking decisions in the inner sanctum of Cabinet and from disregarding altogether the opinion of those who have been elected to defend the views and the interests of the population.

That, Mr. Speaker, is why we are asking today to this Parliament, to this House and to Hon. Members who perhaps fail to grasp the significance of our claims that the House be given control over Government spending, because of course the Government is spending the money collected from Canadian taxpayers. With respect to the powers of Crown corporations, we have seen too many examples in recent years—particularly the deficits of Crown corporations and those of the Government—not to seek to regain control by moving amendments to this Bill. Mr. Speaker, it goes without saying that we are all in favour of unlimited development, but we insist that the corporations responsible for such development be held accountable to the elected representatives.

I happen to think that it is a legitimate principle and that we have to uphold it in the House. It is a debate and an objective which we must pursue in the best interests of the Canadian people. Contrary to the views expressed earlier by the Minister of National Defence who said that we could not care less about Canadian technology and industrial growth, God knows they have no lesson to teach us when it comes to job creation. It is all very well to talk about creating temporary employment, but what Canadians want are permanent jobs! They also demand responsible management, which they have not had these last few years.

In our amendments and our arguments, we are asking and demanding that the Government give Parliament some control over the spending of the taxpayers' money. We ask, and justifiably so, that Canadians be protected, and not by the Government but by the House of Commons, which indeed played such a role a long time ago and should keep on doing so. However, the Government is trying to grab more and more power as we have seen in other areas, but in this case, if we have anything to do about it, Parliament will not lose its control over the expenditure of public funds. Mr. Speaker, these are the comments that I wanted to make and felt I had to make in the interests of Canada and the future of Canadian industry.

• (1600)

[*English*]

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I am pleased to rise today to make a few remarks in the House concerning the Export Development Corporation. I believe that it would be reasonable for all Members of the House to consider the EDC within the context of what we as Canadians want to achieve

over-all on the economic plane. When considering our great strength in Canada we must realize that we depend on our exports above all else for our economic strength. More than any other western country, Canada is an exporting nation in which 30 per cent of our Gross National Product comes from our exports. This is higher than the level in Japan, the United States or any other western nation.

During the past year we have seen the results of strong policies in this area. We have had a record surplus on our trade account. I believe that this record only shows the direction in which we should be heading. Instead of being a success with which we should be satisfied, it indicates to me that since we have succeeded even in these difficult times we cannot sit back on our laurels. We have an opportunity to go ahead and make even greater inroads into international markets of the world. I believe this can be accomplished by setting a new economic target for Canada.

We have many new good news themes coming forward today. For example, interest rates are down and inflation is down. Unfortunately, unemployment is at an unacceptably high level. What direction must be followed in the future in order to resolve these problems? I would suggest that the six and five program, which was very successful, was a defensive measure. We will have to control inflation and keep that defensive measure in place, but the sign of a good team is a balanced offence and defence. I believe that our offence should be on the export side. I would suggest that all Canadians could support a measure under which we work in a non-partisan way as Canadians from every part of the country to try to increase our share of international trade over the next several years from the present level of 3.6 per cent to 4.6 per cent. This is a positive measure which I believe all of us could support.

What should be done specifically? It is not enough to say that we must increase our share of world trade by one percentage point over the next several years. I believe an integral part of the specific measures we should follow to achieve this goal is making the private sector in Canada competitive in the world marketplace. The Government cannot do that. It will be producers in Canada who will determine their ability to compete in world markets. However, part of that competition comes from the public sector for the private entrepreneurs in our country. Part of that support is represented in the EDC.

Every country in the world has some type of body which supports its exporters. It is the Export Development Corporation which is the subject of the debate today. Much of the debate focuses on the fact that our exporters and the EDC itself have been extremely successful in the past. The fact that we want to expand the resources of the Export Development Corporation is an indication of what truly is a Canadian success story and something of which we can all be proud. I am not talking only about those of us in the Government, but about all Canadians from coast to coast.

The fact that we need extra funding for the Export Development Corporation means that we are on the road to achieving that goal of increasing our share of world trade. The Opposition has argued in part that this is an enormous sum to be spending. It has talked about Crown corporations running amuck. However, does the Opposition suggest to us that there is any country in the world where this type of support to the private sector, in terms of concessional financing and insurance against risks, is carried on only by private institutions without the help of public funds? No, they do not. Even the Opposition would have to agree that this is a role which is best performed through the public sector, or at least that we have not found an alternative.

I have listened to many Opposition comments on this subject. I would have to agree with the Hon. Member for Elgin (Mr. Wise) and the Hon. Member for Rosedale (Mr. Crombie) who have said that their experience with EDC has been one of general satisfaction, and even in some cases enthusiastic satisfaction, for the role that has been played.

We can talk of many success stories. For example, I saw in today's paper that Mitel has undertaken a public issue of $20 million using the new research and development incentives under the previous budget and taking advantage of scientific research investment contracts to raise this $20 million from the private sector in order to increase its capacity to become a world scale producer. Mitel is just one of the many success stories we have in Canada. Public sector support went into the creation of Mitel by way of grants. We have co-operated with Mitel in developing tax incentives, which work on an on-going basis. Certainly the type of service performed by EDC in helping it export to various countries in the world is a valuable complement to what will be an even stronger economic future for Canadians.

There are developments taking place around the world, and one which I welcome is the recent appointment of James Medas in the United States. He is the former Special Assistant to President Reagan and is now the Deputy Assistant Secretary in the State Department. His sole responsibility is to deal with Canadian-U.S. issues.

The United States takes approximately 70 per cent of Canada's exports and provides us with about two-thirds of our imports. The United States is more than a trading partner, it is a close ally when it comes to determining the strength of our economic sectors.

I look forward to a closer co-operation with the United States in resolving the problems which we have experienced over the past several years. I believe we should be concerned about signs in the United States where there are over 60 Bills in Congress aimed at the freedom of Canadians to do business in the United States. This is of no small concern, but with the appointment of this particular individual and with an increased emphasis by our Government, led by our dynamic and outward looking Minister of State for International Trade (Mr. Regan), I believe that we will be able to resolve these problems in a way that is even more salutary than in the past, in a way that will take us to the goal of which I spoke, increasing our share of world trade from 3.6 per cent to 4.6 per cent.

• (1610)

What are some of the criticisms that have been leveled at us by the Opposition? The Hon. Member for Fundy-Royal (Mr. Corbett) gave a very impassioned speech about Government spending being too high. He wants us to reduce taxes. None of us, I suppose, will ever be satisfied with the level of taxes in this country. But when you compare his statements with some of the statements made by other Members in the Opposition, they are somewhat different. For example, the finance critic for the Opposition want to see us use the extra funds, those from the increase due to the lowering of the level of the deficit and the fact that our economic circumstances turned out better than the Minister of Finance (Mr. Lalonde) predicted in his April budget, to help consumers. I beg your indulgence, Mr. Speaker, but could you inform me as to how much time I have left?

The Acting Speaker (Mr. Corbin): I regret to inform the Hon. Member that his time has expired. He may continue if there is unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Peterson: I can say that this may be a mixed blessing. But it is with a great deal of pleasure that I continue, Mr. Speaker. It is important to point out to Canadians that while we all support the ideal of lowering taxes and lowering Government deficits, even the Opposition does not have a solution in its hands on how to do it. The finance critic said, "We will use these extra funds to stimulate consumer spending." The Leader of the Opposition (Mr. Mulroney) demonstrated his preoccupation with the fact that the deficit was too high. How do you decrease the deficit if you decrease taxes? We all want to get business rolling. I would suggest that one of the most important things we can do is to assist specific measure that will help our economy grow. The best way I see of doing that is to assist our export-oriented producers. They are the ones who have demonstrated that, on a world basis, they are competitive, that they can meet the tests of productivity on an international scale. What better way to do it than to increase the funds and resources available to an institution with a proven track record, namely, the Export Development Corporation?

Hon. Members of the Opposition have indicated at times that they feel the EDC might not be sufficiently accountable to Parliament in terms of its spending.

Mr. Blenkarn: You have got it.

Mr. Peterson: I think the Opposition must look at the facts. After all, it was a Conservative Government that inaugurated the system under which the EDC's capital budget and its reference levels would be approved by an elaborate departmental process. That was a Conservative measure that is being followed by the EDC.

Second, we know the EDC must go through the Estimates process. If it has a loss ratio which has to be made up by a Supplementary Estimate, that goes to committee. Members of Parliament then have an opportunity to explore in depth all of the spending of the EDC. In addition, we have the office of the Auditor General, a very effective mechanism for evaluating the effectiveness of Government programs. We have the audit committee which reports to the Auditor General's office. The Department of Finance, again, can be examined through the Minister on what happens in EDC under any of our provisions because the Minister of Finance must approve any new borrowings or EDC prospectuses.

The corporation's programs have also been the subject of a comprehensive audit. The Hon. Member for Mississauga South (Mr. Blenkarn) knows that a comprehensive audit is a very thorough undertaking by very competent public officials to ensure that the money is being spent effectively in our economy.

These are many ways in which the EDC is held accountable to Members of Parliament. It would be a shame for us, Mr. Speaker, at a point when our exports are leading in many ways our economic recovery, when, to me, they offer the greatest potential for economic recovery in the future and for an expansion of our growth, to cut back on what is a very strong, and I can say I am proud of it, Canadian success story.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please! It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Fundy-Royal (Mr. Corbett)—Transport—Provision of alternative service to communities affected by Via Rail cutbacks. (b) Communities without service; the Hon. Member for Athabasca (Mr. Shields)—Energy—Incentives for oil sands projects. (b) Government offer; the Hon. Member for Burnaby (Mr. Robinson)—Trade marks and patents—Proposed changes in drug manufacturing licences. (b) Former Minister employed by Department.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as recorded (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 3 and 5 (Mr. Blenkarn).

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am happy again to participate in this debate on yet another amendment to the legislation regarding the Canadian Export Development Corporation.

I want to say at the beginning that I and my colleagues in the NDP, generally speaking, support the thrust of the Conservative amendments to this Bill, including this one, not because we accept the simple argument, and what some of us would think is the simple-minded argument of some, that any expanded public role or state intervention is wrong per se, because it is not. Rather, we support the thrust of the amendments before us because we believe in the safeguarding and creative processes of governmental and public accountability.

To those Members of the Conservative Party who share this rationale, and I know there are many of them, I say we agree with you. But to those other Conservatives, particularly B.C. Conservatives, such as the Hon. Member for Capilano (Mr. Huntington), the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish) and the Hon. Member for North Vancouver-Burnaby (Mr. Cook) and, in fact, most B.C. Tories who are the blood brothers, bed partners and policy partners of the Conservative Government of British Columbia, the Social Credit Government of British Columbia—I must say that I cannot and will not agree with their demonstrated purpose which is to centralize public authority and to destroy even the existing mechanisms of public accountability of Crown corporations and public policy.

The B.C. Social Credit Government, the B.C. Conservative Government and all the P.C. Members I have mentioned, who have on a number of occasions gone public making it clear they are all one and they essentially believe in the same things, are part and parcel of a government policy in Victoria which has disbanded the legislative committee on Crown corporations. Meanwhile, some of the federal Tories have the unmitigated gall to say in this House that they want desperately to see the same kind of committee in order to bring our federal Crown corporations under control.

They cannot have it both ways. They and their friends in British Columbia have disbanded the legislative committee on Crown corporations, thus destroying the very kind of agency which their colleagues in the federal Parliament have advocated.

Do they speak with a forked tongue, Mr. Speaker, or are they simply confused? I prefer to believe that, because they are honourable men and women, the latter is the case. But Canada at this time of economic difficulty and challenge cannot afford such gross confusion that says "nonaccountable state intervention and irresponsible heavy borrowing by Crown corporations and Government agencies is okay as long as it is us Tories and Socreds that do it, but it is the devil's work and the road to ruin if done by anybody else." They cannot have it both ways. We can look at the record in British Columbia to see what these people do when they have the power of government. That Government, essentially a Conservative Government, has gone from $4 billion to $14 billion or $15 billion in Crown corporation and agency debt in less than eight years. There has been an increase in that Government's Crown corporation debt by over 350 per cent in less than eight years. That is what a Conservative Government has done in the Province of British Columbia. Often this is based on totally false projections of market growth and revenue potential despite some very informed warnings to the contrary. Conservative words and actions just do not jibe. They talk one line and they follow another. They are not bad guys, just confused.

• (1620)

Saul Alinsky once said that the secret of successful social action is to get people to do the right things for the wrong reasons. In the case of this Progressive Conservative amendment, the Official Opposition is advocating doing the right thing for the wrong reason. But because we would never question its motives in the House, we will likely support most and possibly all the amendments in order that we may do the right thing for the right reason—to provide greater parliamentary control and public accountability, and not simply because of blind dogma.

The "tinker toy" approach of the Liberals to government must be stopped. Growth for the sake of growth is just plain dumb. I fully agree with my Conservative friend who decried the number of bureaucratic academics in Government. To that I would add the excessive number of lawyers and others, whom I would call woolly-headed idealists abounding in the circles of Government and many other institutions across the country. By "idealists", I am referring to those lawyers and academics who fall into the trap of thinking that simply because a law is passed something has actually been changed. Anyone with experience in the real world knows that that just ain't so. Unless we have the will to perform a function, unless we have enforcement mechanisms, unless we have our roots down deep in the marketplace and in the realities of the world, nothing happens simply because a few words in the law have been changed. It just does not work that way.

There has been some talk and debate, going slightly beyond the amendment generally addressing some of our export and development strategies for trade. One example of export and industrial strategy has to be the joint decision of the Government opposite and the Conservative Opposition to launch the pre-build pipeline, an issue they would like to forget. That was part of an export strategy. They have fallen flat on their faces with that, as they have fallen flat on their faces with Northeast Coal in British Columbia, a combination of provincial Government and federal Government bungling. They gave the United

States exactly what it wanted. We built a pre-build pipeline at our expense to sell our gas at cheap prices to the United States. They gave up all our leverage, as Canadian Governments have often done, for future bargaining over trade and other matters. Then they squeal because the Americans keep coming back and saying, "Cut your prices, cut your prices". We keep lowering the prices because we have no leverage left. We have no guarantees. The lever which could have been used to strengthen our economic position was thrown away. Both the Liberals and the Tories were compliant partners in the whole process.

Now we see the Conservative Government of British Columbia and the federal Liberal Government, with regard to Northeast Coal, using taxpayers' money to subsidize the export of a non-renewable resource. As was the case with the pre-build pipeline, our Japanese customers are now saying that they must have a lower price, and we have no option but to give it to them because we have thrown away whatever leverage we might have had. How long do we have to listen to these Liberal and Tory bunglers? They throw away our leverage.

One does not play poker in the international marketplace with all one's cards face up. The other guys do not play the game that way. Canada has that kind of absolutely stupid reputation. That Party on the Government side and the Official Opposition on this side still have the same naive attitude they have displayed time and time again—give the store away and wonder why others take advantage of us. I for one and some people in business and labour with whom I have been associated, who know a little about bargaining on both sides of the table, do not believe that we can throw away all our bargaining power and then have the unmitigated gall to complain because the rest of the world does not hand something over to us on a platter. There has to be an end to this kind of jackass, stupid bargaining. We should get on with the job of developing a country which works and of which we can be proud.

Mr. Joe Reid (St. Catharines): Mr. Speaker, in following so shortly after the comments of the Hon. Parliamentary Secretary to the Minister of State for Economic Development (Mr. Peterson), I am pleased to join the debate and to emphasize once again that the issue is not one of trade, that the problem is not trade. It is the issue of parliamentary accountability that has plagued this Parliament. More than any other, it distinguishes the Party for which I speak this afternoon from the Party which represents the Government. I will be referring this afternoon to the continued proliferation of Crown corporations and the lack of parliamentary accountability.

The Auditor General noted seven years ago that the majority of Crown corporations lacked financial management and fiscal control. Four years ago the Lambert report indicated that existing provisions for classifying Crown corporations and the accountability of each had been rendered obsolete. Just one year ago the Auditor General warned Canadians that the growing practice of using Crown corporations to conduct a widening range of Government activities has so strained our accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and disbursements of public funds.

Mr. Blais: Mr. Speaker, I rise on a point of order. We are dealing with Bill C-110, an Act to amend the Export Development Act.

Mr. Blenkarn: Why don't you read the amendment?

Mr. Blais: It is part of the accountability process involved in this particular Act. The reason the Hon. Member is debating this Bill is that a provision is built into the Act that every now and again we have to come back before the House in order to change it.

The Acting Speaker (Mr. Corbin): Order, please. Obviously the Minister is making a speech.

Mr. Reid (St. Catharines): Thank you, Mr. Speaker. Is it accountability or lack of accountability? Bill C-110 is now the battleground, and the amendments proposed by the Hon. Member for Mississauga South (Mr. Blenkarn) have set out the position of this Party extremely well.

Mr. Blais: That is why we are here.

Mr. Reid (St. Catharines): I tell the Minister opposite that the vast majority of Canadian people support our position that Parliament must ultimately control the purse strings of the nation. Quite frankly, Canadians are fed up with billion dollar deficits and lame excuses. They are tired of the stonewalling and backpedalling on the Government side. People work too hard for their money to see it squandered by Crown corporations without so much as an explanation or without coming before Parliament.

• (1630)

We see in Bill C-110 all the elements of one more Crown corporation slipping away from Parliament's control. The Export Development Corporation has at present $10 billion in borrowing authority and $1 billion in authorized capital. Of these limits, less than $5 billion has been used up in borrowings and less than one-half of the authorized capital has been paid in.

We on this side fought the suggestion that the limits should be doubled, and we did so for a very good reason. If the Export Development Corporation needs more borrowing authority or more capital, the EDC should come to Parliament, ask for and justify that request. The Minister of State for International Trade (Mr. Regan) disagrees. He says that it is tiresome and inefficient to come to Parliament to justify the expense, and if a Minister is responsible, then what is the problem of the Opposition? Our problem has been the experience of the past. Our problem is the Post Office, VIA Rail, de Havilland, Canadair, Eldorado Nuclear, and I could go on. Name any Crown corporation. Year after year the deficits mount and the questions go unanswered. Meanwhile, the public goes on paying and praying. Motions Nos. 3 and 5 as well as Motions

Nos. 6 and 8, seek to keep the Export Development Corporation on a responsible track.

Bill C-110 proposes to increase the limits of a discretionary section of the Act from $3.5 billion to $10 billion. Under this section, the Cabinet may overrule or override a decision which the board of directors of the EDC has judged not to be in the best interests of the corporation. Not a good deal for the corporation is defined in the Act as one that "would, if entered into or issued, impose upon the Corporation a liability for a term or in an amount in excess of that which the Corporation would normally undertake." Should the corporation make the decision, the Cabinet may yet decide, good deal or not, whether it chooses to approve the transaction, and it is free to do so under these provisions of the Bill. It can overrule the board of directors which it has set up. Needless to say, if the transaction proves to be a dead loss, the taxpayers are obliged to make up that loss, or the deficit.

We believe that $3.5 billion, even with today's money, is ample. Should it not be sufficient, the Government owes it to the taxpayers of Canada to come before Parliament to ask for more. There is no indication, however, that $3.5 billion is an inadequate total at present. Less than half this amount has now been used. Why the unseemly scramble for an almost threefold increase? Does the Government have more Algerian monuments in mind, or are we to become a corporation of speculators, par exellence, a superman?

The motions before us simply wish to give the Members of this House an opportunity of review, and nothing is more fair than that. The Minister has tried to downgrade this debate, as has the Parliamentary Secretary, by attacking the Opposition for not caring about trade. Of course we care about trade. Of course we are concerned with our export business, and sometimes the deficit. However, this debate is not about trade. It could have and would have taken place over any other piece of legislation seeking to remove a Crown corporation a little further from the responsibility of Parliament.

I would be rather derelict in my duties and responsibilities to my constituents, as would any Member of this House, if I did not stand in my place and make every effort to protect their hard-earned dollars. Canadians have seen from experience what happens when Parliament's control over the purse-string is weakened. Deficits and red ink financial statements are now the order of the day. It is time that stopped. We on this side have proposed amendments to put a halt to this continuing erosion of our dollar. It now behooves the Government to demonstrate that it too has respect for the taxpayers' dollar by accepting these amendments. I urge the Government, in this last minute of my time, to do so.

Mr. Bruce Halliday (Oxford): Mr. Speaker, at this stage in a debate it is sometimes difficult to bring a lot of new information before the House. However, when a Government is determined to resist change and resist improvements to a Bill as much as this Government, it is sometimes necessary to emphasize the points you want to make.

The amendments we are dealing with, Nos. 3 and 5 put forward by the Conservative Party, deal with the authorization for capital borrowing of the Export Development Corporation. A couple of main issues spring to my mind when we think of the Export Development Corporation. One is, as other Members have suggested, trade. Some Government Members try to make it appear that we on this side are opposed to trade. If one examines some of the facts as to what has happened with regard to trade during the last 15 years that this Government has been in power, one finds some very interesting figures staring one in the face.

At present about 30 per cent of our Gross National Product is derived from trade. We appreciate that. Others have indicated the importance of that.

Mr. Blais: Talk about the trade surplus.

Mr. Halliday: The Minister talks about the trade surplus raw materials and grain products and does not mention the surplus in manufactured goods, which is way down. In 1968, the share of world trade that Canada enjoyed at that time was 5.74 per cent. In 1981, 13 years later, it was down to 3.8 per cent, close to a 50 per cent drop in the proportion of world trade that this country enjoys. That is no credit to the present Government. It indicates its lack of concern about the trade this country should be enjoying.

The Canadian Manufacturers' Association looked at this problem from a different point of view. It indicated that if we were to regain our share of world trade to the extent we had in 1970, just 11 years ago, we would create 2.7 million jobs. That is the number of jobs that would have been created during the past 15 years if the Government had had a true concern about trade and not just trade in raw materials and other products which do not produce many jobs, like the manufacturing sector does.

We might ask ourselves why we have had this poor trade performance. A few moments ago we heard from the Parliamentary Secretary to the Minister of Science and Technology (Mr. Peterson). He tried to justify the present status of trade that he believes we are enjoying. He failed to acknowledge that the significant drop from 5.7 per cent to 3.8 per cent is probably because we have suffered from a lack of productivity in this country over the last number of years under this Government. We may ask why we have suffered from a lack of productivity. It probably boils down to one most significant point, which is the fact that the present Government, although it is trying to recoup its position now, has, over the years, failed to recognize the need for spending money on research and development in science and technology.

● (1640)

I well remember that when I first came to the House about nine years ago, the then Minister responsible for science and technology was trying to tell Canadians that we did not need to spend money on research in science and technology, that all we needed to do was to buy the research from the United States or from some western European country. The attitude

of the Government was that money did not need to be spent on science and technology. As a result, we now see that we are spending 1.2 per cent of Canada's GNP on science and technology compared to the United States which spends 2.4 per cent of its GNP on science and technology and Japan which spends 2 per cent of its GNP on science and technology. It is not surprising, therefore, to anyone who analyses the trade situation, that one of the major reasons for our difficulty is the fact that we as a country under the present Liberal Government have not been willing to spend any significant amount of money on science and technology.

Trade is the main consideration here today. The other consideration is the issue of Crown corporations. These are the background problems which lie behind the Bill that is before the House today and the amendments we are trying to introduce to this new legislation.

When looking at the issue of Crown corporations, one interesting fact that comes to mind is that they employ some 263,000 persons. That is over a quarter of a million persons. Yet I am sure that Canadians do not realize that Government Departments themselves employ fewer people than that. There are fewer public servants employed in Government Departments than in Crown corporations now. That is how far out of hand and out of control the Crown corporations have got, and many successive Auditors General have told us so. There are now roughly 25,000 more people employed by Crown corporations than by Government Departments. That, of course, does not take into account the 84,000 people in the Armed Forces.

One cannot help but think about the waste that has been shown to us over the years by the successive Auditors General with respect to Crown corporations. My colleague who is here in the House this afternoon, the Hon. Member for South Shore (Mr. Crouse), told an interesting story some years ago when I was a novice in the House. It was before the 1979 election, I believe, Mr. Speaker, and at that time he said that, in his view, it only took two documents to win an election. One was a description of how our tax dollars are spent and the second was the Auditor General's report. I believe that the Hon. Member for South Shore knows what he is talking about. He has campaigned in perhaps seven or eight elections.

Mr. Crouse: Ten.

Mr. Halliday: Ten elections, I am sorry. He said that all he had to do was to bring to the attention of his electorate in South Shore the manner in which tax dollars are spent by Crown corporations, for example, and the waste that occurs there. A research document that was prepared prior to this debate gave 18 horrendous examples of how Canadian tax dollars were wasted by the various Crown corporations.

Another interesting aspect of today's debate is the subject of the failure by the Government to be responsible to Parliament for some of its expenditures. This has been discussed a great deal during this debate. However, when the Minister of National Defence (Mr. Blais) spoke a few moments ago, he did not even refer to that point. We are making it one of our major points, yet the Minister did not acknowledge it as being an issue. He spoke as if the accountability of the Government was not of concern to the people. I was disappointed that he did not make some reference to that particular complaint that we have.

The other major issue that I would like to touch upon for a moment or two, Mr. Speaker, in the time that is remaining to me, is the lack of private-sector involvement in Crown corporations. I will first acknowledge that the Bill before the House will improve that situation somewhat as far as the Export Development Corporation is concerned. Before, there were to be 12 members on the board, at least six of whom were to be public servants. We will now have 15 members on the board, apparently with no requirement in the legislation for some of them to be public servants, yet the Government has said that there will be six of them nonetheless.

I had an interesting experience this past weekend which I cannot help but recount. I had the occasion to be at a banquet with one of the leading Liberals in Ontario. He happens to sit on the board of one of the country's prominent Crown corporations. He told me that what bothered him most about Crown corporations was their failure to have the private sector adequately represented on their boards. I found it interesting, in light of the debate we are now having regarding EDC, to hear this gentleman who is one of the strongest supporters of the Liberal Government indicate that his principal criticism of Crown corporations was their failure to meet the increasing need for more input from the private sector.

The same issue was, of course, raised by the Economic Council of Canada. It realized as well that that problem exists, and its document entitled "Intervention and Efficiency" states on page 51:

> Canada is perhaps the country with the least private-sector participation in export financing decisions.

That corroborates what my Liberal friend told me at lunch the other day, and that is, that we need to have more input from the private sector.

Perhaps I may close, Mr. Speaker, by reading something which sums up the situation surrounding Crown corporations. As I am sure you have heard before, Mr. Speaker, Professor André Raynauld of the University of Montreal said that Crown corporations were, and I quote:

> —rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire, and involving Canada in transactions and negotiations that are both costly and inefficient.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, in echoing the words of the Hon. Member for Oxford (Mr. Halliday), and especially his last words, I would have to say that the bureaucratic monster referred to by the professor whom the Hon. Member quoted has already come into existence. We have the monster. It is now time to find somebody who can slay the dragon.

If the Minister of National Defence (Mr. Blais) is to be used as an example of how we secure accountability, particularly when it involves something like $50 billion to $60 billion of taxpayers' money, suggesting to us that accountability

comes when the legislation is amended is the height of irresponsibility and is an example of just exactly what this debate is all about and the reason why the Government has screwed things up in this country so badly for so long.

The people of this country require and desire some real accountability and recognition.

Mr. Blais: Has the Hon. Member ever heard of Estimates?

Mr. Coates: Estimates? Before the Hon. Minister came here, we knew what Estimates were and we knew how they were debated and we knew something about the accountability of Ministers for the money they spent. I wonder how many times since the Minister has been on the Treasury benches he has appeared before Members of Parliament to be accountable for the moneys that were his responsibility and were spent by him.

Mr. Forrestall: Three times in seven years.

Mr. Blais: Three times in one year.

Mr. Coates: Three times. That is an example, Mr. Speaker, of exactly what I am talking about. There is no accountability. The Government is out of control. A $31 billion deficit is the end result of the Government being out of control. That is what we are talking about here today. The Government layers on another $30 billion or $40 billion that it wants to move around at its whim and pleasure for its friends, and we say that there is no responsibility to the taxpayers of the country. We say that we need to get things under control so that Parliament does have something to say.

● (1650)

Mr. Blais: Mr. Speaker, I rise on a point of order which refers to the question of procedure and Estimates. There are usually Main Estimates and Supplementary Estimates As, Bs and often Cs. In most instances I have appeared before committees in order to defend Estimates, either the Main Estimates or Supplementary Estimates As, Bs or Cs.

Mr. Coates: Mr. Speaker, that is just a spurious point of order. It is another example of the Minister not really being serious about what this debate is all about. That is a sad fact of life. Here we are debating a piece of legislation which could involve at least $50 billion of the taxpayers' money, which will be lent to various people. Some of it will be returned, some of it will not, if this corporation's past history is any example of how one can blow money totally. Yet, the Minister is getting up and suggesting to us that every once in a while there are some Estimates which come before us. That is true, but for a very limited period of time. You reach a deadline, and it does not make any difference what you are talking about during that period of time, all of a sudden Parliament spends two, three, four or eight hours voting, just rubberstamping, with no real control by the Opposition which is faced with a majority Government. It is the worst kind of democratic dictatorship there is when a majority comes in and just forces all the expenditures through in a limited number of hours. Hon. Members of Parliament on this side of the House are given no opportunity at all to speak to and be concerned about most of these issues, especially the overspending which is exemplified by a $31 billion deficit.

Mr. Blais: Why did you not change the rules when you were in power?

Mr. Coates: We, as Members of Parliament on this side of the House, have made some very reasonable amendments. We have made some proposals which would improve the Bill, which would guarantee protections to the taxpayers which do not exist now, and if the Government were responsible, it would take seriously those amendments and say, "All right. You want more protection for the taxpayer, we all should want more protection for the taxpayer and so we will accept a degree of accountability which does not exist in the Bill now." The amendment would be accepted, and then we would really be able to take this Government seriously. But you cannot take a government seriously when you tell it what its failings are, when a person as non-political as the Auditor General backs up your argument, and it still rejects out of hand any aspect of the proposals which you bring forward in the form of amendments.

We talked about the greater involvement by the private sector on the board. The Hon. Member for Oxford just laid out some of the criticisms which exist about our country as compared with others. There is no one in this Party who does not want to assist the private sector companies to become better traders than they are at the moment. Any way we can do that, we are anxious to do it. That is what it is all about. That is where the jobs are.

Someone was talking about reducing the deficit and at the same time giving people back more of their tax dollars. That can happen, Mr. Speaker, if we take the almost two million people who are unemployed today and give them jobs. And if we can assist the private sector to go out and get the contracts, wherever they might be, and produce the jobs here, then we will get the people off the unemployment rolls. They will not then be a drag on the state. They will be an asset to the state. There will not then be a $31 billion deficit. We will be trying to bring our budget into balance. However, if we are going to be the captives of a bureaucracy sitting on this board, as they are in every other Crown corporation, then I say, Mr. Speaker, we run the risk of another Canadair, another de Havilland, another one of the myriad Crown corporations which just mess things up and which have a bunch of incompetents at their head because this Government does not know how to get beyond the pork barrel. The only people who end up on boards are defeated Grits.

Mr. Blais: That is not true.

Mr. Coates: As the Right Hon. John Diefenbaker said when he was in the House, "They know how to win their war against poverty"—

Mr. Berger: I rise on a point of order, Mr. Speaker. The hon. gentleman referred to defeated Grits on the boards of Crown corporations. I would like to ask him if David Culver, the President of Alcan, who is the Chairman of Canadair, is a defeated Grit.

Mr. Coates: I will ask the Hon. Member if he remembers a fellow by the name of Barney Danson, who is now Chairman of de Havilland, who ran up something like a $446 million deficit last year, and who, when he served in the Armed Forces, was in the Army? He knows as much about de Havilland and aircraft as my son, who has never flown in one.

What the Grits had better get out of the habit of doing is just finding soft chairs for every defeated Liberal, and I will tell you that after the next election you really will be lonely because you are not going to have a government in Canada, and there is not going to be any—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Order. I am sure the Hon. Member for Cumberland-Colchester (Mr. Coates) realizes that remarks should be addressed to the Chair.

An Hon. Member: Right on.

Mr. Coates: Mr. Speaker, I am sorry. Maybe I got carried away a little bit.

An Hon. Member: Now you are speaking the truth.

Mr. Coates: There are many Liberals who are almost more fortunate in being defeated than by being elected, because they end up in some form of heaven, or at least as close to heaven as you can get while you are still on earth, by being appointed a director of some Crown corporation. And if you do not end up in a Crown corporation, you end up in the other place, which is even lovelier, because that is the way to go to heaven while you are still on earth.

Mr. Epp: Especially for the member from Yonge and Bloor.

Mr. Coates: To come back to this Bill and the reality of the day, we must face up to the fact—

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

Mr. Deputy Speaker: The Chair would like to call to the attention of the Hon. Member that, even allowing for the interruptions, the time allotted to him has expired.

The Minister of National Defence is rising on a point of order.

Mr. Blais: Yes, Mr. Speaker, simply to point out to the House that the Hon. Member should recognize heaven, having been in limbo for two and one half years.

Mr. Coates: Mr. Speaker, the Minister of National Defence had better improve upon his humour or the possible art of making jokes, because he is really not creating any special image for himself. He is no Rodney Dangerfield, that is for sure.

Mr. Deputy Speaker: Order, please. The Hon. Member may continue with the unanimous consent of the House. Is there agreement for the Hon. Member to continue?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent for the Hon. Member to continue his remarks.

Mr. Coates: Mr. Speaker, I very much appreciate the willingness of the House to give me some additional time and I believe I would like to go back, not to the partisan aspect of my speech, but to say just how seriously we, on this side of the House, take this particular piece of legislation. It is important because of the possibility of creating employment for those people in this country who right now feel they have little or no hope of entering the labour market again. What we are saying, Mr. Speaker, is that this can be done with all kinds of built-in production for the public and without in any way interfering with the effectiveness of the legislation in question. As a matter of fact, if there were greater private sector participation on the board of the EDC, there would be all kinds of possibilities which will never exist if it is loaded with public servants. They are not out there every day fighting for their lives, trying to get contracts which will keep their companies in operation. They are sitting here in their glass houses surveying all they control.

• (1700)

What we seriously recommend is to put into place business people who know what it is like to have to go out there and fight for a contract. They need the EDC to be of assistance, not a hindrance. They need to know what it is going to do for them and that it has to account for what it does to the Auditor General and the Parliament of Canada. We do not have that now, but if we receive that, then I think this Government will make a degree of progress which does not seem possible at this moment in time, and we will be much more satisfied that the Government at last realizes what has been happening in this country and will then know how to get it moving in the proper direction.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 3. All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, the recorded division on the proposed motion stands deferred.

The question is on Motion No. 5. Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, the recorded division on the proposed motion stands deferred.

The House will now proceed to Motion No. 6 and Motion No. 8 which are grouped for debate but will be voted on separately.

Mr. Don Blenkarn (Mississauga South) moved:

Motion No. 6.

That Bill C-110, An Act to amend the Export Development Act, be amended in Clause 14 by striking out line 11 at page 13 and substituting the following therefor:

"shall not at any time exceed 3 billion 500 million and 1".

Motion No. 8.

That Bill C-110, An Act to amend the Export Development Act, be amended in Clause 18 by striking out line 38 at page 17 and substituting the following therefor:

"shall not at any time exceed 2 billion 500 million and 1".

He said: Mr. Speaker, the House will know, and I hope the Minister now appreciates, that this Party is 100 per cent in favour of increasing Canada's trade. Indeed, if we were in Government we would not be falling behind in our share of world trade the way we have done under this Government. Our trade would be growing and expanding and we would be using the private sector and the ability of private entrepreneurs to supply the financing, the go, the insurance and the capacity this country so badly needs. The issue is not trade, the issue is accountability to Parliament. Parliament cannot under any circumstances give any government a blank cheque. Parliament cannot vote money for no definite purpose other than the amorphous purpose to supply to some group of bureaucrats in the future some day, somewhere, the right to take without a vote ever again money to support a program, whether it is good, in the sense that Parliament would approve it, or not.

Sir, the Minister of National Defence (Mr. Blais) has been here most of the afternoon and he said we could vote on appropriations for money to be put into the EDC, which would presumably be available to the Government to spend as it desires with respect to export promotion. The Minister will know that that is not the case. Once this Bill is passed, the Government will be able to draw down $62 billion in one form or another by either subscriptions to capital or through loans by the corporation, by insurance placed by the corporation to cover export goods or by loans made by the Governor in Council to people who, as the corporation's own directors have said, are not credit worthy, or by guarantees made to people who, as the Corporation's own directors have said, are not credible.

Sir, this Bill gives the Government $62 billion worth of authority, and any Member of Parliament who allows this Bill to go through the way it is is not fulfilling his duty to his constituents, the people of Canada. This is a heinous Bill, which under no circumstances should ever pass this House of Commons. I remind you, Mr. Speaker, that in the last group of amendments over 80 Members of Parliament speaking for the Progressive Conservative Party spoke out and demanded accountability. I say to you, Sir, that those Members will again rise and speak out demanding accountability. We will continue to rise and speak out demanding accountability because we will not have Parliament become a rubber stamp for $62 billion without any further votes, just on the basis of something that some Minister and his henchmen in the Civil Service may decide is in our best interests.

Under no circumstances, Sir, can this Bill be proceeded with in the way it is. These proposed amendments will at least partially control the rape of the public Treasury and the credit of Canada. We must pass these amendments or work out something with the Minister or the Government to come to grips with the problem. we cannot go on forever debating the contention that Parliament is meaningless and this Government has the God-given right, because it is Liberal and trade is a wonderful thing, to grab $62 billion and use it as it sees fit.

Sir, dealing with Motions Nos. 6 and 8, the Government presently has the right to endorse, guarantee and insure up to a limit of $3.5 billion by Order in Council alone activities in the nature of trade which the directors of the EDC find improvident or poor deals. How that legislation ever came to be in place is beyond me. How any previous Parliament could have ever given the Governor in Council the right to go out and sign Canada's endorsement on promissory notes right around the world is beyond me. I remind Your Honour that these are promissory notes which the directors of the Export Development Corporation find to be the kind with which Canada should not be involved. However, that is what the present Act states. Under Bill C-110, the Government wants the right to extend this guarantee provision, this insurance provision, ordered by Order in Council alone, to $10 billion. The amendment brings it back to reason, back to the $3.5 billion. It does not go far enough. The amendment should abolish the right to make guarantees without coming to Parliament. However, that is as far as one can go when one is amending a piece of legislation, according to the rules of the House.

● (1710)

Then the question comes to us: Does the Government need this money? How does it use these guarantees? The fact is that while it has the right to go out in the world markets and sign improvident promissory notes and give improvident guarantees, which even its own directors and its own officers say are not fair, are not good and amount to bad business for Canada, it has done so to the extent of $460 million. It still has the authority, under the existing legislation, to guarantee over $3 billion worth of trade notes and receivables and the like without the Bill going through.

One of the key principles of legislation demanding money from Parliament is that there be a need for the money. The Government cannot, under any stretch of the imagination, show the need for the guarantees and the kind of activity described in Motion No. 6. It still has over $3 billion of the right to give insurance and guarantees by Order in Council, without ever coming to Parliament, under the existing legislation; yet the Minister, without any thought at all, without ever explaining either in committee or in the House why he needs this guaranteed right, is coming to Parliament to ask for $10 billion worth of the right to sign promissory notes and make guarantees. He does not need that authority. There never was a need for that authority. There is no demand for that authority. No Parliament should have ever given the authority in the first place. To demand what he wants is totally and absolutely obscene. It is the kind of request that should be torn out of the Bill. I would expect the Minister in this debate to stand up and withdraw the whole section because he should know that this business of guaranteeing insurance claims, receivables and promissory notes that are not within the concept of the requirements of a prudent board of directors is the kind of guarantee that no one should allow.

I notice that Your Honour is rising. I will ask the consent of the House to continue because, unfortunately, these amendments are both separate and grouped for debate, and I would appreciate some help.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member to extend his remarks?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent.

Mr. Blenkarn: Mr. Speaker, I thank the House. Motion No. 8 is different from Motion No. 6 in that it deals with another activity by the Government. Under Motion No. 8, the present Bill provides that the Governor in Council have the right to take money from the Consolidated Revenue Fund up to the extent of $2.5 billion and to lend that money to foreign companies, foreign countries or people to finance foreign trade. I want to read into the record of the House the terms of the loans as follows:

31. (1) Where the Minister reports to the Governor in Council that

(a) the Board is of the opinion that a proposed loan or guarantee of the kind described in section 29 would, if made or issued, be for a term or in an amount in excess of that which the Corporation would normally undertake in relation to any one export transaction, person, country, government or agency thereof or in relation to a particular export transaction, person, country, government or agency thereof, and

(b) in the opinion of the Minister it is in the national interest—

The Minister can make those loans from the Consolidated Revenue Fund right now to the extent of $2.5 billion, and he wants it to be increased to $10 billion. What he is asking us to do in Bill C-110 is to give him $10 billion so that that money will never again have to come to a vote in Parliament. The Bill carries on until the money is all spent. It is a statutory amount in the Estimates. One never votes on it, one cannot dispute it. It is like the old age pension. One cannot say anything about it unless there is a change in legislation. It is statutory. He wants the right to have that amount of $10 billion so that by Order in Council it can be lent to whoever for whatever period. That is the way it will be. Right now the Government has the right to spend up to $2.5 billion. The Government has lent $711 million as of its last end of year. Therefore, as of its last end of year, it had roughly a $1.8 billion leeway.

The Government may state that it has commitments to give to foreigners, that it has agreed to give, for example, the people of New York City $600 million of Canadian money at 9.7 per cent. I want to say to Your Honour that the New York deal was turned down in large part by the directors of the Export Development Corporation, but the Cabinet, so businesslike, so competent, so capable, so careful with the money of the taxpayers of Canada, wanted to lend to the city of New York, which was at one point, I believe, virtually declared bankrupt, $1 billion. It therefore had to come up with $650 million from the Government of Canada. The Government of Canada needs to help the poor, deprived people of New York. The Government of Canada therefore has a commitment, according to the Minister, to take out of this $2.5 billion allowance that extra $650 million or so to give to the city of New York. Even if the $650 million is taken against the limit, there is still a great deal of a limit there.

There should not be any limit there. If the Government of Canada wants to make grants, loans or advances through Cabinet order, then it should come to this House and present an estimate, a Bill, and allow Parliament to vote with respect to the money so that Parliament would have some say as to the purpose of the money.

What we have here is a Bill which gives the Government the right to use the money any way it wants. There are really no restrictions. Any transaction in any agency, government or corporation does not have to be proven to be for the benefit of Canada. As long as the Minister says it is for Canada's benefit, then it is and we rubberstamp it. Under these two provisions there is the right to go to a total of $20 billion. That is unconsionable.

● (1720)

If the Minister were to come to us to say that the Government will need $500 million of taxpayers' money from the Consolidated Revenue Fund to promote a particular job or project, we could work out a system whereby the money could

be expedited for that project or system. But to give any government, even if it happens to be a Progressive Conservative Government, this right not only this year but next year and in the years to come is wrong because a government is only that. The Members of this House are the representatives of the people of Canada. They have the obligation from the time Parliament was first created to grant or refuse funds to Her Majesty. It is our obligation as Members of Parliament to fight for that principle and to insist upon it.

I point out that that is what this debate is about. It is not about exporting or foreign trade. It is about one thing, the fact that government must be accountable to Parliament and government does not have the right to demand a blank cheque of Parliament. It matters not what the cause is. Export is quite a valid cause, but the cause does not matter. The Government does not have the right to ask this of us and it does ask this of us in this Bill. These amendments must be supported, and I would appreciate the House giving them its support.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am sure it is clear in general terms to Members opposite why we on this side have reservations about the Bill before us. It is question of accountability to Parliament of a Crown agency to control a very significant chunk of public money. This Bill would give it control of a very much larger chunk of public money as well. In itself, the request for more money might make some sense, although I must say that so far I do not believe that the Government has had the courtesy to try to present any sensible case for asking for such a huge increase in the ceiling put upon EDC by statute.

I say to Government Members opposite that if there is a sensible case to be made why the Export Development Corporation needs so much increase in the ceiling, to please make it. I know that some of my colleagues on this side are concerned that EDC is being used by the Government to become another foreign agency, particularly since the Government wants to have a CIDA representative on the board. I must say that I personally may be less alarmed about the question of EDC acting as a giver of foreign aid since I was convinced by the hearings of the Special Committee on the National Trading Corporation three years ago that concessionary financing is a virtual necessity for our export community. I mean that I do not regard concessionary financing as a form of foreign aid. It is a form of promotional financing offers, such as other countries make in their credit mixed packages and such as we must make if we are to sell abroad on many major projects.

Perhaps it does cost the country money in a way, but if properly handled it is the kind of public cost that should be repaid by public benefits such as an increased revenue base for Government.

All of which is to say that I could see certain kinds of arguments that the Government might have in mind as reasons for asking now to have the ceilings on EDC increased by so much. But the Government does not appear to want to grant us the courtesy of making these or any other kind of sensible arguments to convince us that the money limits it is proposing for EDC are really needed for the corporation's exercise of its proper purposes.

What is of very great concern on this side of the House is that the Government appears to treat the Act we are being asked to amend as a form of spending authority. It appears to want Parliament to approve enormous increases—in fact a tripling or quadrupling—in the authorized capital and loan limits on EDC, yet without going through the formal and, I suggest, sacred process of getting formal spending authority from Parliament. What the Government appears to be proposing is that the Parliament of the people, which has grown through the centuries precisely because it has held the power of the purse strings, should step aside and allow a Crown corporation to determine, in consort with the bureaucrats of the Treasury Board and the PCO, how and when to spend a big chunk of the taxpayers' money.

This is just not acceptable. We may have the greatest respect in the world for the talents and good judgment of civil servants and Crown employees, but the fact remains that this Parliament exists, as it has always existed, to provide a check upon the Crown and its employees. The bureaucrats may have good judgment and might exercise good judgment, but when it comes to making decisions about spending public funds it is not their judgment to make. It is ours, even if we exercise judgment poorly.

It seems to me to be a fundamental principle of our parliamentary system that no funds—not even one single penny—can be properly spent without some sure and certain parliamentary authority. Merely passing a Bill that increases the statutory ceiling for EDC's capitalization does not confer any kind of spending authority at all in my view. If that is so, then the Government's apparent belief that EDC can receive new appropriations of its authorized capital merely by Order in Council and without a parliamentary appropriations Bill is wrong. If it is wrong, then we should ensure, as custodians of the public purse, that we get this matter cleared up before we make any changes in the statutory ceiling on EDC.

Let me repeat the point. In my view, no matter how good the judgment of bureaucrats may be, when it comes to spending public money, it is not up to them to decide that public money may be spent. At the very most, it is the proper job of the bureaucrats to decide how this money will be spent once we here in Parliament say that it can be spent. Once again I say that even if we exercise bad judgment about spending public money, we here in Parliament are the only body in the land that can exercise any judgment, good or bad, about spending public money. That power to grant or to withhold money from the Crown is a power belonging to the people and held by us in trust as their elected representatives. This is not merely some vague or colourful historical theory. This is the actual fact, constitutionally recognized, and we are sworn to uphold the Constitution that recognizes it. We are also pledged, by our act of faith with our electors, to maintain for them the power to grant or withhold money from the Crown.

Time and again in Parliament we on this side object to the kind of attitude displayed by the Government toward the

spending of public money. It is almost the whole of what was meant when we talked about bypassing Parliament. It may be in the nature of governments to want to exercise power without any controls. Apparently, it is in the nature of many people at any rate. But it should certainly be in our nature as Parliamentarians to want to oppose that tendency of Government.

We have grown accustomed to watching Members on the other side of the House bark like trained seals when their Cabinet bosses tell them how to vote. However, even given that whimpering, cringing response, we should expect that Government Members who are afraid to challenge their Cabinet bosses here in the House would sit down privately with them and explain the limits to them. Something very important is leaching out of our system of government if Parliament goes along with the trampling of its control over the public purse.

Therefore, my colleague for Mississauga South (Mr. Blenkarn) has proposed amendments that would deny the Government increases in the ceilings that it wants to use as a signed blank cheque. What I would like to see is an Export Development Corporation that serves the needs of Canada's exporting community in a broad sense. I suspect I may be less restrictive than some of my colleagues in my understanding of what kinds of functions properly fall in this mandate. And yet, equally with them, I want to see EDC preserved as an instrument that serves only our export aims, and not our unrelated foreign policy aims. It is merely a failure of imagination or administrative competence if the Government cannot manage its foreign policy aims without corrupting the functions of agencies like the EDC. At the moment, however, EDC is not short of money or of borrowing authority. If we accept the amendments of my colleague from Mississauga South, we are not going to starve the corporation. What we are going to do is to say, as a Parliament, that we are not sent here to give away power over the public purse but to retain it and to exercise it. And so I say to Members opposite, that whether they want to speak in private to their Cabinet overlords to persuade them to accept our amendments or withdraw the Bill, or whether they are willing to stand up and be counted here in the House, they should in either case accept and support the amendments proposed by my colleague.

● (1730)

I think it is clear to all Members opposite that the public has not been impressed with their stewardship of the public purse and their management of the country's economic affairs. It is no good blaming mismanagement on the Prime Minister (Mr. Trudeau) and the Cabinet if Members opposite continue to vote with them and never act as they were sent here to act. So I say to Members opposite that we look to them to act as we do, ensuring that the parliamentary controls over EDC are not weakened but that we begin to reassert our historical authority over public spending. I urge support of the amendments proposed by my colleague, the Hon. Member for Mississauga South.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in joining to support this amendment I should like to say that it is of basic importance that Members opposite really understand what they are doing even if they do not understand the proposals that my colleague has made with regard to Bill C-110. Somewhere along the road we do have to put a ceiling on government spending. There is absolutely no way that we can allow governments or government Crown corporations to continue to grow in the direction in which this Government has been allowing them to go now for approximately 18 years, and more especially in the last three or four years.

We are not speaking against exports. Many of my colleagues have stated that we are not debating that issue at all. We recognize that there is ample room for more export than we have ever had before because we have a $20 billion deficit and because our industries are running at only about 80 per cent capacity. Therefore, there is ample room for business to catch up in Canada and get the show back on the road.

It has not been a lack of funding that has created this situation, it has been a lack of initiative and the political climate provided by the Government in order to facilitate the exporting of what we can do best.

Unfortunately, many Canadians, and I would even suggest that perhaps a large number of bureaucrats, are not even aware of the numbers or the names of many Crown corporations in Canada. I remember when AECL was before the Public Accounts Committee. Each day Government Members would come in and give an increased number of Crown corporations. You would remember that, Mr. Speaker. It was an embarrassment to them. I would wager today there is not a Canadian, in the Civil Service or elsewhere, who would be able to put an exact figure on the number of Crown corporations we have. As a result, we have to exercise some kind of control over that.

I would like to bring to the attention of the House the question put on the Order Paper by the Hon. Member for Esquimalt-Saanich (Mr. Munro). The question was answered on June 29. There we have Petro-Canada, a Crown corporation. It is just a baby as far as Crown corporations are concerned. But yet there are 33 subsidiaries to Petro-Canada at the present time. It has exploded. This is what happens unless you can exercise some kind of control over a situation like that. Further, we find one individual in particular has 23 directorships on Crown corporations. It is a massive business for the bureaucrats in which to get involved. I would hope that Members opposite would recognize just exactly what they are doing.

If the system had been working, if we had an example, then I could go along with it, and I am sure my colleagues could too. But between 1977 and 1982, Canadian productivity rose by just .3 per cent, whereas in Japan it rose 27.6 per cent; in Italy it rose 22.6 per cent; in France it rose 22.3 per cent; in Germany it rose 14.7 per cent; in the United Kingdom it rose 18.2 per cent, and in the United States it rose 3.6 per cent. But here in Canada our productivity rose .3 per cent. Extending the amount of money that is provided to this Crown corporation will not resolve the problem.

We recognize one of the great institutions that we have in Canada, which I believe has a lot of credibility, the Economic Council of Canada. In its recent report, on page 51, we find this:

Canada is perhaps the country with the least private-sector participation in export financing decisions. The governments of most other industrial nations encourage bank participation in this area, more so than does the government of Canada. In six of the industrialized countries examined, the supply of primary financing is left completely in the hands of the private sector, which may, however resort to public rediscounting facilities. In most of the 17 countries studied, the negotiations for granting export credit are also left to the private sector. This is not the case in Canada, where direct negotiations take place between the EDC and the foreign buyer. When the banks are invited to participate jointly with the EDC in long-term financing, they often complain of being denied access to all the information and to the negotiations, and of being presented with ready-made proposals.

This is exactly what I was saying earlier when I said I do not think that any of the bureaucrats really have all the basic knowledge and information required in these situations.

The Economic Council report devoted a full chapter to the subject of export finance and the EDC. The Government Members on the other side of the House would do well to read the report before performing on cue before the proposed amendments are put to a vote. The thrust of the report is to scale down and reorientate the EDC, not to augment it. Seven of the report's 31 recommendations pertain to the EDC.

The Economic Council found that few credit and insurance gaps exist in Canada. It questioned whether or not the EDC needs to be involved in insurance and in financing when the private sector is able to meet the need. It observed that Canadian exports are not as heavily subsidized as exports in other countries, and what subsidies do exist find their way to a very limited number of firms. It recommends that the EDC do less direct financing and that the private sector do more.

These are the recommendations made by the Economic Council. I hope Members opposite will pay attention to them:

We recommend that the Export Development Corporation gradually move towards providing export credit re-insurance, leaving the field of insurance proper to the private sector. We further recommend that the Export Development Corporation serve as the insurer of last resort to close any gaps left by the private sector in the supply of export credit insurance.

We recommend that the Export Development Corporation continue to provide direct financing for Canadian sales abroad when there is reason to believe that the private sector is unable to provide the required credits. Public financing should be made available only under terms and conditions commensurate with the risks involved and the costs of such assistance—including the opportunity cost of the funds used—except in those cases where it is deemed necessary to take into consideration the export-support programs of other countries.

● (1740)

We further recommend that the Export Development Corporation's gradual withdrawal from most direct lending activities be accompanied by an increased concentration of its efforts in the field of credit insurance and bank guarantees. The Corporation should also stand ready to provide refinancing facilities for private lending institutions engaged in export finance.

We recommend that the federal Government continue its efforts, at meetings of the Organization for Economic Co-operation and Development and the General Agreement on Tariffs and Trade, to obtain an international agreement to further limit subsidized export credit. In the absence of such an agreement, we recommend that Canada use subsidized credit only in cases where there is a sufficiently strong presumption that it will facilitate the opening of new markets, or that it will increase the market share for Canadian products.

We recommend that, in the absence of an international agreement to further limit subsidized export credit, the federal Government consider the advisability of matching foreign export-support programs that currently have no equivalent in Canada and of providing assistance to domestic firms which must compete with imports that have benefited from foreign subsidized credits.

We recommend that the private sector be encouraged to supply direct export credits to Canadian producers even when a public subsidy is deemed necessary. The federal Government, through the Export Development Corporation, should assume the cost difference between the preferential conditions offered and the conditions that would have prevailed had private financing been offered in the absence of public support.

We recommend that the Export Development Corporation manage separately those of its activities that are intended to expand markets for Canadian products. We further recommend that provision be made for greater co-ordination between the Export Development Corporation and the Canadian International Development Agency whenever their activities overlap.

I apologize for reading these recommendations. I know it is always boring, but I wanted to bring to the attention of Hon. Members opposite what the Economic Council of Canada indicated. I thank the House for the opportunity to present it at this time.

Hon. Jake Epp (Provencher): Mr. Speaker, I support Motions Nos. 6 and 8 in the name of the Hon. Member for Mississauga South (Mr. Blenkarn), and I want to give the reasons for saying so. Government Members might be somewhat surprised by the manner in which the Official Opposition is speaking out on this Bill. They might have felt there would be a period of time in the House when Opposition Members would make their case and then silently slip away into the night. I am sure that was the Minister's hope. The reason the Official Opposition is so adamant and that many of its Members are speaking on these various motions is that the Bill has finally given us a vehicle with which to press home the point that Canadians are not satisfied with the financial accountability the Government has applied to the use of taxpayers' money.

Whether one speaks about the Export Development Corporation, other Crown corporations or the daily administration of Government itself, Canadians across the country are concerned about the lack of accountability. Unless Government Members are willing to make some changes and to come to some understanding on the motions that have been moved, they might have to sit for some period of time yet to hear the case we are making on behalf of Canadians. We intend to keep making the case.

Motion No. 6, which was adequately described by the mover, would allow the Government of Canada to increase the limit on promissory notes to $10 billion from the present $3.5 billion. When one looks at that motion, it is interesting to note that the Government has come to the House of Commons with a request to increase the limit to $10 billion when in fact it has not expended the present limit. I understand it has expended about $460 million, leaving over $3 billion or roughly 80 per cent of the present limit. Surely the first question which must be asked is why the Government wants to increase the limit if the present limit has not been expended in the first place.

The Government cannot simply be given a blank cheque, because our past experience with its profligate spending and its

desire to operate outside Parliament or away from the scrutiny of Parliament would allow it to do so again in spades, even more than what is presently in place. The Government has not been able to expend the limit, yet it wants the limit increased. The Minister and his supporters do not give us the reasons for this.

I ask Government Members whether or not they have asked their Minister why he wants it increased from $3.5 billion to $10 billion. If they have asked him, which I doubt, even more important, are they able to explain to the Canadian public why the Export Development Corporation, through the Government, needs a $10 billion limit rather than the $3.5 billion which is not being totally used at present? I am sure they have not asked the Minister about this.

It is not only the Opposition which should hold the Government accountable. Government Members should hold their own Ministers accountable, and I suggest they are not doing it. I do not know why the Government would want to come to Parliament and request an increase in the limit when at present it is only expending 20 per cent of the $3.5 billion. This is what we are being asked to do.

Motion No. 8 would allow loans through the Consolidated Revenue Fund to be increased from the present limit of $2.5 billion to $10 billion. Again we find that the Government has not reached the present limit in this respect. It is at some $700 million as against the $2.5 billion limit. I will not make the argument again about why it asks for more when even this profligate Government has not expended it to the limit. What is more important is that we would allow these expenditures from the Consolidated Revenue Fund. If the Canadian public does not understand what is the Consolidated Revenue Fund, let me indicate that it is a fund that has been financed by Canadian taxpayers. It is a pot of their money. The Government is saying that it wants that limit without a vote in the House by elected Members of Parliament. This is what the Government is after.

I ask Government Members whether they have asked the Minister how they are to explain back home an expenditure of up to $10 billion without any parliamentary vote, without any parliamentary discussion, without any parliamentary scrutiny. Have they asked, or do Government Members simply relish their reputation for asking nothing, seeing nothing, hearing nothing—

Mr. Friesen: But spending everything.

Mr. Epp: They want to be allowed to sit on the right side of the Speaker; then life is complete for a Liberal. It is a little more complicated than that.

● (1750)

Yesterday I had an opportunity to have a discussion with a number of representatives from the private sector, people from the United States, Australia and Canada. The purpose was to have an exchange between people in the private sector and people in the public sector in terms of accountability, how Parliament functions and how it should function. Executives of the private sector simply cannot understand how Members of the Crown and executives of Crown corporations are not literally put on the griddle by their supporters on a constant basis, asking reasons why something was done in such and such a way and what is the bottom line. They cannot understand it, and neither can Canadians.

A recent poll indicated that for many Canadians Parliament is irrelevant. There are reasons for that. I will not go through all the reasons. However, I suggest that Parliament only became relevant in Britain when it was able to hold accountable those who were in charge. The reason Parliament is not important to Canadians today is that they see that that function has been largely lost by Parliament. Nobody is more to blame than the Government opposite.

There are all kinds of emoluments or certain perks that Members of Parliament may have, but do not question the real issues, such as how the Government is spending the taxpayers' money. That is the real issue. The Minister, fine chap that he might be, knows that all he has to do is to ride out the storm and eventually it will be a $10 billion limit here, a $10 billion limit there, a $60 billion limit on EDC. What can he do then? He can go and have his party with the boys at EDC. He will say, "Boys, it was a long, hard battle, but here's your money. I got it for you."

I am being very blunt with the Minister. I say to him that it is high time that this Government came to grips with that accountability question. I see you rising, Mr. Speaker, I am sure in anticipation of my next sentences. I simply say that if the Government wants Parliament to become relevant, then let it become accountable and be willing to come under the scrutiny of accountability which I believe the Members of this House are willing to give it.

Mr. John Bosley (Don Valley West): Mr. Speaker, I rise for the third time on Bill C-110, this time on amendments Nos. 6 and 8 proposed by the Hon. Member for Mississauga South (Mr. Blenkarn). I do so following the Hon. Member for Provencher (Mr. Epp). I say to that Hon. Member that I wish I had thought of many of the words he contributed and to congratulate him on his speech. I would like to follow on what he has said because the Minister is present.

I should say to the Minister that if he would see his duty in terms of parliamentary control over spending the way he sees his obligation as a Minister to be here when his Bills are before the House, which is unusual for Members of the Liberal Cabinet, we would not have a problem. What is frustrating about this issue, and we have debated several of these issues, is that we appear to be butting our heads against the brick wall on an issue that ought to be fundamental to any Member of any government in Canada.

The Hon. Member for Provencher put the figures on the record. Let me just repeat them briefly. The funds already available under the section which amendment No. 6 deals with are $3.5 billion, of which just over $460 million have been taken up, the funds available under amendment No. 8 are $2.5

billion, of which $1.4 billion have been committed but only $711 million have been advanced.

Just as important is the fact that there is unused authorization, which makes a mockery of the suggestion that more authorization is needed. Just as important, if in other sections of the Bill we were talking about the EDC in terms of its own transactions needing greater authorization, we are in this case talking about transactions which the EDC cannot finance. In both cases we are talking about either insurance guarantees or loan guarantees which require the approval of Cabinet over what for the sake of reference may be called the Cabinet's own account. Let us be clear about what that means.

The Cabinet has proposed that we consider increasing authorizations beyond what appears to be necessary in accounts the very nature of which is that the decisions to spend those moneys will not be taken by an independent or semi-autonomous Crown corporation, but will be taken directly by the Cabinet, because they are not good for proper business transactions in the sense that they are too great or beyond the scope or outside what the EDC believes it can do.

We have a marriage of two principles here. We are being asked to consider increasing authorizations well beyond needed funds, based on the existing experience, to be spent in secret by the Cabinet. All Parliament will ever know is after the fact. It ought to be a simple matter to get it clear to a Minister of the Crown that everybody in this House wants to see Canadian trade expanded. This debate will go on forever about the trade aid question. There will be times when it will be necessary to use forms of EDC financing, forms of EDC guarantees, forms of CIDA aid assistance to make deals. Everybody in the business knows that. Everybody in the world is competing on those terms.

When the Cabinet has a proposal that would be good for Canadians business in its view, one that would require funds to be advanced under these sections, those sections which the Cabinet has authority over and which it believes would be good for Canadian industry and trade and job development, the principle espoused in the Bill is "We will do it, but we do not dare trust telling Parliament in advance about making those extensions of Canadian liabilities the qualities of the deal. Later we will tell you what we used your money for." The principle that ought to be near and dear to the heart of the Minister is that Parliament authorizes the spending of the money and therefore Parliament ought to consider deals that are beyond the business scope of EDC. If we cannot deal with the scope of the internal matters that relate to EDC, surely to goodness when those deals involve direct Cabinet approval because they are beyond the scope of EDC, those are exactly the situations which ought to be before Parliament for its scrutiny.

It is really that simple. Perhaps nowhere else in this Bill is this principle more important than in the sections governed by these amendments. The principle is this. If the Minister believes that selling something Canadian to another country is in the best interest of that industry and of Canada and he proposes to guarantee it, if he wishes to avoid creating the impression that there is something to hide in that deal and avoid creating the impression that the Government proposes to create more fiascos of the nature we have seen in the last little while after the fact, then let him say one of two things now. Let him say that the Members of the Opposition are right, that Parliament should see deals that exceed the EDC natural disposition before they are made so that the Minister can get the best wishes of Parliament. Second, the Minister could say to the House that the EDC needs authorization 7, 8 or 9 times what already has been spent, or that those changes are not necessary in any sense of normal business practice.

● (1800)

I note the clock, Mr. Speaker, so through you, I would say that the Minister must come to recognize that the opposition on these points of fundamental principle will not go away. Parliamentary control over spending is far too important.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—PROVISION OF ALTERNATIVE SERVICE TO COMMUNITIES AFFECTED BY VIA RAIL CUTBACKS. (B) COMMUNITIES WITHOUT SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, on December 15, 1981, after the infamous announcement made by the then Minister of Transport indicating that it was his intention to axe 20 per cent of the nation's rail services, which threat he in fact carried out, I asked the Minister what he would do to provide alternate services to such communities as Minto and Chipman, Napodogan and Juniper, Plaster Rock and McGivney and others. He informed me that bus service would be provided to those communities that were left without alternate sources of transportation. That was on December 15, 1981, Mr. Speaker.

Yesterday we were treated to an announcement by the new Minister of Transport (Mr. Axworthy) that in effect there may have been some mistakes made by the former officials of VIA Rail which were, of course, sanctioned by the then Minister of Transport, and that he would ask VIA Rail to take a look at the cuts that were made with a possible view to restoring two of those lines, one of which was the Edmundston-Moncton run which would service a great many of those communities I just mentioned.

I was pleased to hear that the Minister is making that recommendation to VIA Rail officials, and I would anticipate that not only will he ask that they review it, but will suggest in strong terms that they positively favour the re-establishment of

that particular run between Edmundston and Moncton. I shall listen with a great deal of interest to the Acting Parliamentary Secretary to the Minister of Transport. No doubt he will address himself to that particular question as it is indeed of particular relevance to the question I posed to the Minister back in 1981.

I would also like to hear the Acting Parliamentary Secretary address himself to the other major cut that was made to the railways in New Brunswick, primarily the elimination of the VIA Rail service, the Atlantic Limited, which was certainly one of the most popular trains in the nation at the time and which carried approximately 240,000 passengers annually, the elimination of which left southern New Brunswick and area virtually without connection to Upper Canada and to points west.

I would like to read from an article that appeared in *The Telegraph-Journal* on October 7, 1981, and I quote:

Modern new trains will be coming to the Maritimes in the summer of 1983, Federal Transport Minister Jean-Luc Pepin said here Tuesday—

He said:

"That's why I'm willing to gamble. Popularity is a very, very difficult thing in life, so I'm willing to take two years of flak because people in the Maritimes and in the West, in two or three years from now, will ride in their LRCs and they'll say this guy Pepin wasn't so crazy after all, was he?"

According to *The Telegraph-Journal*, Mr. Speaker, he went on to say that:

—he is anxious to hear the reaction of people in Moncton and Saint John a few years from now when the light, rapid, comfortable (LRC) trains are introduced. He said he would like to hear them say "Mr. Pepin was not so nuts after all."

● (1805)

The summer of 1983 has come and gone and so have the hopes and aspirations of all of those in Saint John and Moncton and other areas which might have taken the word of the Minister and hoped that they would be riding on LRC trains. But in fact this did not materialize, just as the Minister of Transport of the day has dematerialized.

The comment to the now Minister would be that I would hope he will actively, even if it is in a political way, pursue the possibility, in a very positive manner, of re-establishing the Edmundston-Moncton route, as we have been pressing for, and also pursue the re-implementation of that most popular train, the Atlantic Limited, which created such a beneficial service to the residents of southern New Brunswick as it carried passengers from Moncton through Sain John to Montreal. Those people have been left without direct transportation to Montreal. They now have to travel hundreds of miles backwards to get to Montreal if they are going to take the most economical form of transportation. Who can afford air fares now, except those of us who are subsidized by the citizens of Canada so that we can travel back and forth on Air Canada?

I would leave the House with this thought. The decision that these services be eliminated must rest with the CTC. Just get those trains on and when we form the government we will ensure that they stay on.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank the Hon. Member for his concern about this vital matter. Undoubtedly he is expressing the concerns of many constituents who have spoken to him about the cuts in rail services to their communities. However, I believe in all honesty he would admit that he is glossing over the problems which led to the decision VIA Rail had to make several years ago to cut some of its services. It was facing an increasingly large operating deficit which was in the neighbourhood of half a billion dollars a year. The Government had to make a decision to either continue to pour money into the operating losses or cut some of the services, take some of that money and put it into spending for new capital equipment which would enable VIA Rail at some future date to have new capital equipment with which to better serve the Canadian people and attract the kind of passenger traffic which is necessary to make it a viable service.

I am sure we have all heard of the huge amounts of money it costs to transport each passenger. I am not the parliamentary secretary for this Ministry, but I believe that every time a passenger pays $1 for rail transportation the Government contributes $4 or $5 in addition.

The present Minister of Transport (Mr. Axworthy) has directed that efforts be focused on achieving four main objectives: an improved national system of rail passenger services coast to coast; improved service to regional areas; increased operational efficiency and improved financial performance; and encouragement of feedback from the public generally and from other affected parties on Canadian rail passenger services. He is holding a meeting in Edmonton on September 29 with his provincial counterparts to discuss these matters and, hopefully, he will come up to the kind of judicious solution we expect from him. Thank you.

ENERGY—INCENTIVES FOR OIL SANDS PROJECTS. (B) GOVERNMENT OFFER

Mr. Jack Shields (Athabasca): Mr. Speaker, on June 2, just prior to the summer recess at the House of Commons, I asked a question of the Minister of Energy, Mines and Resources (Mr. Chrétien). I suggested that the development of the oilsands creates thousands of jobs in virtually every sector of the Canadian economy, and particularly in Central Canada. I wanted to know whether the offer being made to BP and PetroCan on the Wolf Lake project in northeastern Alberta was being made to other oil companies to develop the vast resource of the oil sands industry in northeastern Alberta. His reply was that they could make an application and it would be reviewed by the Minister. He went on to say, and this is something to which I take serious objection:

● (1810)

Of course one of the problems is that many of the projects in the past were based on an ever-increasing international price for oil. We see now that the price has gone down so the economics of these projects are not the same as they were two years ago.

Most of the difficulties are not because of the tax propositions we have put forward.

Today in Calgary the Minister of Energy and his Alberta counterpart announced that the $300 million Cold Lake project will go ahead. The reason the project is going ahead, Mr. Speaker, and I am reading from the press release, is that the federal Government will provide earned depletion allowance and waiver of payment of the petroleum gas revenue tax until the company has recovered its capital costs in accordance with federal budget provisions announced in April, 1983.

The Minister has the audacity to stand in this House, Sir, and say to me that the economics of this project are no longer feasible, and then in a press release today, to get maximum political impact in Alberta, particularly in northern Alberta, he says that they have waived the PGRT, a tax which damn near killed the industry in western Canada and the western basin.

When I asked this question I suggested that there were thousands and thousands of jobs available if the Minister would get off his posterior and get those oil sands developed in northeastern Alberta. He states in the press release that 700 direct jobs will be created and filled primarily by residents of the Cold Lake region. Another 90 permanent jobs will result from the operational phase of the project.

My point is, Mr. Speaker, that if the Government with its national energy policy had offered this deal to Imperial Oil in the very first place we would have a $12 billion construction program in northeastern Alberta developing one plant in Cold Lake, and another $12 billion plant north of Fort McMurray developing the oil sands in that area. Rather than 90 permanent jobs each plant would create 2,000 permanent jobs. Rather than a construction force of 700, we would have a construction force of ten times that size. When we get up and ask the Minister of Energy questions concerning the effect of the PGRT on the industry in northeastern Alberta we continuously get these shuffling evasive answers and that is just not good enough. In fact, Mr. Speaker. I will not use another term which is unparliamentary but it is certainly evasive. I would think that you can imagine what I would like to say.

At two o'clock today Edmonton time, Mr. Speaker, the Minister announced with great fanfare a project to develop the oil sands in northeastern Alberta which will probably have one tenth of the impact it could have had on the constructions force. All this at a time when people are looking for jobs and cannot find them, when people are begging for jobs. Unemployment is extremely high across the country and a megaproject the size of which I am talking about multiplies the number of jobs right across the land, so there would even be increased employment in central Canada. This affects virtually every Province in the country, Mr. Speaker.

● (1815)

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. gentleman, in his comments, obviously ignored the economics of oil production. He ignored the fact that international oil prices over the past two years have been extremely depressed which has affected some of the larger oil sands proposals, even though generous Government incentives had been offered. He pointed out that a deal was announced today in Calgary, I believe, but he also forgot that the incentives included in the deal announced today were previously announced in the budget of April 9, 1983.

Mr. Shields: Too late.

Mr. Berger: He also failed to mention that in addition to the concessions the Government of Canada has made, the Alberta Government will be lowering its royalty payment requirements. Although he may attribute all the blame to the federal Government, it would be more correct to note the over-all world situation than to note the efforts being made by other Governments in order to encourage production of this nature.

The gentleman was correct in saying that at the peak of its construction, 700 direct jobs would be created and another 90 permanent jobs would result from the operational phase.

TRADE MARKS AND PATENTS—PROPOSED CHANGES IN DRUG MANUFACTURING LICENCES. (B) FORMER MINISTER EMPLOYED BY DEPARTMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, yesterday during Question Period I asked the Minister of Consumer and Corporate Affairs (Mrs. Erola) a question concerning the Government's proposed plans to remove Section 41(4) of the Patent Act. The effect of this change in the legislation would be to substantially increase the prices of pharmaceutical drugs to Canadian consumers as well as to increase taxes generally as a result of the dramatic rise in the total cost of preventional pharmacare plans. I could perhaps provide a bit of history concerning this situation.

In 1969, the Hon. Ron Basford brought forward proposed amendments to the Patent Act which implemented a scheme of compulsory licensing. This was as a result of a report by a parliamentary committee which very clearly documented that pharmaceutical drug prices in Canada were the highest in the world at that time. It was in response to this very, very serious situation that the Government moved in 1969. As I indicated, Ron Basford brought forward legislation to in fact permit the manufacture in Canada of generic drugs. At the time, the Conservative Party bitterly opposed this change. Today, it remains silent on the proposals of the Government. In 1969, the Government moved forward despite a very serious and powerful lobby by the multinational drug corporations.

Since the legislation was enacted in 1969, I would note that drug prices in Canada have dropped quite dramatically. The availability of generic drugs, both to hospitals and to consumers, has resulted in drug prices in Canada which are significantly lower than those in the United States, for example.

Just to give a few illustrations of the impact of this important legislation, I would note that 250 milligram tablets of chlorpropamide are sold in a one thousand tablet lot in Canada for $14.07, while it cost some $281.38 in the United States.

This drug is commonly used by diabetics. As well, concerning medication for heart patients, 1,000 tablets of chlorthalidone costs $30.47 in Canada and $289.98 in the United States. This is the cost from the wholesaler to the pharmacist. As a final example, one of the most commonly used pharmaceutical drugs in Canada is diazepam, the generic name for the drug better known as Valium. Again concerning the price to the pharmacist from the wholesaler, five milligram tablets of Valium cost $3.13 per 1,000 tablets in Canada and $189.97 in the United States. Clearly the effect of the legislation introduced in 1969 was to dramatically lower the costs of a wide range of pharmaceutical drugs to Canadian consumers and provincial Governments.

● (1820)

Earlier this year the Minister of Consumer and Corporate Affairs proposed to repeal this important provision. It is interesting to note that the original author of the legislation, Ron Basford, has come out strongly opposed to the proposal and in fact has indicated that the Government is caving in to the multinational drug companies.

I note as well that a number of Members even in the Government caucus are speaking out in opposition to this regressive proposal because they recognize the very significant impact it would have on Canadian consumers. I would also ask how the Minister of National Health and Welfare (Miss Bégin) could possibly defend such a proposal. She claims on the one hand to be trying to protect Medicare, but, of course, if the proposal of her colleague, the Minister of Consumer and Corporate Affairs (Mrs. Erola), is enacted, then the cost to provincial pharmcare plans for pharmaceutical drugs will go up very significantly. Indeed, so significantly that it could seriously threaten the survival of provincial pharmacare plans. There also would be a serious job loss in the generic drug industry in Canada which currently employs some 1,300 individuals.

In my view the impact of this legislation on the sick, poor and particularly elderly Canadians, whose reliance upon pharmaceutical drugs is greater than most of the others, would be devastating. I repeat that the Government's proposal amounts to nothing less than an attack on the poor, the elderly and the sick. It is for that reason that that the federal New Democratic Party is strongly opposed to any amendments whatsoever to Section 41(4) of the Patent Act.

I noted as well in my question yesterday that the Government has refused to consult until this point with those who are most affected; the Consumers Association of Canada, the National Anti-Poverty Organization and provincial governments. All are strongly opposed to this legislation. Indeed, the only group which has been consulted is the multinational drug industry and its former lobbyist, Martin O'Connell, who is now being paid by the taxpayers of Canada to advise the Government on these proposed legislative changes.

I urge the Government to withdraw any suggestion of these amendments and not to in any way dilute compulsory licensing in Canada. I would hope that the Government would recognize that the impact of this legislation would be very devastating, indeed, to many thousands of Canadian consumers, particularly the elderly, the poor and the sick.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I have often wondered how the Hon. Member could stand in the House with a straight face and make some of the outrageous exaggerations and assertions that he makes, particularly when he is trying to play with the sensibilities of the elderly, the poor and the sick, trying to score cheap political points at the expense of some of the people in our society who are least able to defend themselves.

I also argue that he is guilty of monumental hypocrisy. He and his Party are always crying about jobs. Now he is upset that the Government is showing concern about jobs in an extremely vital industry, an industry which holds so much portent for the future.

[*Translation*]

The Hon. Member ought to know, Mr. Speaker, that the current study was initiated following the shutdown of a number of drug companies, especially in the Montreal area, and that the Government of Quebec and several other provincial governments expressed serious concern about the future of that industry.

[*English*]

The Government's objective is to maintain low prices for consumers. I repeat that its objective it is to maintain low prices for consumers and to create a business climate that will support development of the industry with an emphasis on the growth of return, the development of exports and an active ingredient manufacturing in Canada.

The consultations are broad. Provincial Governments are being consulted. Last week, the Minister met with provincial Ministers, consumer organizations, patent holding manufacturers, generic companies and health care professionals. Also, the Minister of National Health and Welfare (Miss Bégin) has expressed her concern that costs be kept low. A balance is being sought by the Government, even though that is an extremely difficult thing for the Member and his Party to understand.

With regard to Mr. O'Connell, he fully disclosed his previous association and severed all ties prior to being retained by the Minister. The Minister felt that his awareness of the company's concerns and his knowledge of government workings would be an asset in this particular review. There is no question but he is exercising his present attitudes in a fully impartial manner. I would ask the Hon. Member to stop dragging another person's name in the mud.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 6.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, September 21, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA POST CORPORATION

PROPOSED CANCELLATION OF HIGHWAY SERVICE DELIVERIES

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, it has come to my attention that Canada Post plans to cancel its highway service deliveries to small communities in Ontario on Saturday and Sunday, effective October 1, next. This will mean that residents will have to wait until Monday, and in some cases Tuesday, for their mail. Many of these residents receive their unemployment and pension cheques on Saturdays. It is unfair for these people, who are already in a tight financial situation, to wait any longer than is necessary.

I believe that Canada Post will eventually close down its Saturday wicket service, using as logic: why stay open when there is no incoming and outgoing mail?

While I can understand that Canada Post is trying to eliminate its large deficit, I do not believe that residents in smaller communities should be made to suffer. Surely there must be other alternatives, besides reducing this vital service.

I strongly oppose the proposed cancellation of highway service deliveries on weekends and I would encourage my colleagues in Parliament, and residents of Ontario, to take the necessary measures in order to ensure the reversal of this decision.

* * *

INCOME TAX

LOSS OF TAXPAYER'S PAYMENT

Mr. Gordon Taylor (Bow River): Madam Speaker, this Liberal Government confiscates money from a private bank account without notice to the owner, loses or steals $1,000, destroys the departmental records, and then glibly declares, "The case is closed"!

In 1975 a Canadian citizen, through the Mercantile Bank in Calgary, mailed a $1,000 cheque to Revenue Canada as an instalment payment. The cheque was stamped by Revenue Canada and credited to his account. Then someone in the Department decided that the cheque had been credited to the wrong account, and so it was transferred. The citizen and his accountant notified the Department of the mistake, and continued to do so for several weeks, and were told that it was a simple computer mistake and would be corrected shortly.

It was corrected shortly all right, the Liberal way. Revenue Canada, without notice to or approval of the citizen, took $1,000 out of his account and credited it to his taxes.

During this dispute the records of Revenue Canada moved from Calgary to Winnipeg, and the citizen was told that the records had been destroyed and the case was closed.

The Minister of Revenue now parrots the statement and tells me that the case is closed. This is a complete cover-up by someone in Revenue Canada; no file should be destroyed when it is in dispute. The Government has a responsibility to replace this $1,000. Everyone knows this Liberal Government is money-hungry, but has it sunk so low as to condone the theft of $1,000 from an ordinary hard-working citizen, or to make him pay the same bill twice?

Honesty, honour, justice, are all I ask.

* * *

ENVIRONMENTAL AFFAIRS

SPRUCE BUDWORM SPRAYING PROGRAM IN NOVA SCOTIA

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, the Government will undoubtedly be aware of last week's Nova Scotia Supreme Court decision which basically gave the green light to both the provincial Government and the forest industry of Nova Scotia to recommence widespread spraying with 2,4-D and 2,4,5-T over populated areas in order to combat spruce budworm infested forest areas. This decision has obvious and serious forestry, environmental, and health implications, not only for Nova Scotia but also for the forest industry and related communities and regions across Canada. Yet the silence from the Government has been deafening.

Surely the Minister of Environment (Mr. Caccia), who is also responsible for forestry, has at least been able to consult with himself in his two separate roles, and hopefully he has also discussed this serious matter with his Cabinet Colleague, the Minister of National Health and Welfare (Miss Bégin). If so, why have we not heard a word from him? Perhaps one of the reasons is the schizophrenic nature of his portfolio, which includes both forestry and environment.

I hope that the obvious contradiction of having these two Departments under one Minister will cause the Government to reconsider the many submissions from the Canadian Institute of Forestry, the Canadian Forestry Association, the IWA, and

the Forestry industry, concerning their request for a separate Ministry of Forestry or Department of Renewable Resources as has also been suggested by both this Party and the Official Opposition.

* * *

[*Translation*]

FEDERAL ADMINISTRATION

ROLE OF GOVERNMENT

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, I am grateful for this opportunity to take advantage of these few seconds and draw the attention of the House to a political truth that has just dawned on Quebecers. Recently, we heard from members of the Lévesque Government's Cabinet that they intended to extend their sessional leave by one month, which means that they did not intend to sit until mid-November. They later changed their minds, and so on, but in any case, Quebecers now realize that since the Quebec Government came to power, provincial members have been sitting 40 or 50 days a year, Madam Speaker. That is the shameful truth that has now dawned on Quebecers. The people who accused us of not doing our work here in this House are the same people who have been sitting about 40 days a year for more than three years, while we federal members sit about 180 days in a year. They have failed to understand that their first duty and what they are being paid for—is to represent their constituents in the National Assembly. We, on the other hand, are fully aware that our duty consists, not in playing politics in our ridings but in representing our constituents in the House and protecting their interests. Today, Madam Speaker, I would urge Quebecers to advise their Government in Quebec that its duty is not to try and sell them a new country and a new flag but to sit in the Assembly and represent the people who elected them for that purpose.

* * *

[*English*]

VIA RAIL

CALL FOR RESTORATION OF PASSENGER SERVICES

Mr. Ron Stewart (Simcoe South): Madam Speaker, a century ago Sir John A. Macdonald united this country by building a railroad from coast to coast. Two years ago the Grits began the process of dismantling that symbol of national unity when they announced a sharp reduction in passenger rail service.

The announcement by the Minister of Transport (Mr. Axworthy) that the Government is considering restoring service on two VIA Rail lines, one originating in his own constituency, is an indication that we are fast approaching an election. Canadians who were affected by the cuts will not forget the manner in which the disruptions were unilaterally imposed without parliamentary debate.

The Minister spoke of an attempt to re-establish the credibility of VIA. Finally we have an admission that his predecessor dealt a blow to its credibility. Restoration of two lines does not go far enough, however. Hundreds of jobs were lost, terminals were closed, lives were disrupted, and economies severely affected.

● (1410)

If the Minister is serious about demonstrating his good faith he will restore service to all lines that were cut, forgetting any silly review process. He will also open up the books of the public railway to the Auditor General, notwithstanding the recent remarks of Jack Horner.

Other countries are improving their rail service and conserving fuel, while this Government persists in promoting the most costly and energy wasteful forms of transportation. My constituents in Simcoe South know full well what it feels like to be deprived of a vital transportation service after losing the Barrie to Toronto run.

Canadians demand a restoration of an efficient national passenger rail service and they want it now, not when it suits the political ambitions of the Grit Party.

* * *

POLITICAL PARTIES

SCENARIO OF PLAY GAME

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, last night members of all three political Parties took part in the playing of a new game called "Poleconomy"—the game of Canada. The results of this game were such that I feel a responsibility to inform all Members of the House and the people of Canada of its outcome.

The Conservative Party was represented by the former President of the Treasury Board and the previous Finance critic, the Liberals were represented by the Chairman of the Finance Committee, and the NDP was represented by the Member for Vancouver-Kingsway (Mr. Waddell) and myself.

The stage is set. The national political party representatives go head to head in a test to solve our country's economic problems. The Member for York-Peel (Mr. Stevens) becomes the Prime Minister and immediately he and his Tory colleagues enter into a sweetheart alliance with the Liberals to form a coalition government against the NDP. The NDP immediately embarks on a comprehensive program bringing business, labour, and government together in a new era of co-operation. We presented solutions and alternatives that were heralded as nothing short of brilliant. However, just as we were about to achieve economic and financial success, the Prime Minister, the former President of the Treasury Board, announces that he has bankrupted the federal treasury—

Some Hon. Members: Oh, oh!

Mr. Riis: —and that the Government and country are bankrupt. With that, the game was brought to an end.

I would submit that this game is a true reflection of reality in Canada and that, together or alone, the Liberals and Tories will bring economic and social chaos to this country, and that only the NDP can provide the necessary leadership and policies to meet the challenges of the 1980s.

Madam Speaker: Order. The ball game is over.

* * *

CANADIAN ARMED FORCES

SUGGESTED REVIEW OF DEFENCE CAPABILITIES

Mr. Girve Fretz (Erie): Madam Speaker, there is a saying that the price of peace is eternal vigilance. There are groups in Canada who think our present equipment for maintaining that vigil is not adequate. Surely there is no group more qualified to judge the merits of our military organization than our war veterans as represented by the Royal Canadian Legion. On behalf of that group and other concerned Canadians I would like to add my support to their requests for an immediate review of our defence capabilities.

The Royal Canadian Legion, in a letter to me this month, invited me to share with the House their concern that the Armed Forces at this time are extremely undermanned and lacking in modern arms and equipment. As well, they are deeply worried that we may not be able to meet future obligations with regard to defence. I submit that these concerns are real and valid, and that the Minister of Defence (Mr. Blais) should give serious consideration to the representations I have mentioned. With recent events giving tragic proof of the hostile intentions of the U.S.S.R., there is an urgent need to attend to the security of our country.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

POSSIBLE APPLICATION FOR CHANGE IN TELEPHONE TARIFFS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, at the moment Bell Canada and all other Canadian telephone companies charge their subscribers a fixed monthly rate for the right to make as many local calls as they want. Although a high percentage of households are quite comfortably able to pay for flat rate service, basic rate make a private phone for some Canadians prohibitively expensive. For this reason, apparently, the phone companies are continuing to consider introducing usage sensitive pricing, or local measured service, in which local calls would be billed according to one or more of the following factors: the number of calls, their duration, the time of day, and the distance.

If low income households use the phone sparingly, as the theory goes, then under usage sensitive pricing their phone bills could be much lower than under the present flat rate service.

My concern is that usage sensitive pricing will not provide less expensive phone service to the elderly and the poor since they have a greater need to use their phones as a vehicle to keep in touch with relatives and friends, to seek employment, and so on. Therefore I feel that extensive research should be done by the CRTC before it considers any application by Bell Canada to use the USP system, in order to ensure that the poor and the elderly will have adequate telephone facilities at a price they can afford.

● (1415)

ORAL QUESTION PERIOD

[*English*]

CANADIAN NATIONAL RAILWAYS

DENIAL OF ACCESS TO BOOKS TO AUDITOR GENERAL

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the Minister of Transport. The Chairman of CN has suggested that the Auditor General of Canada has no business auditing the books of CN. Is it the Government's position that the Auditor General, through whom the House guarantees accountability to Canadians, should not have anything to do with the books of the CN or have any access to them?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, to begin with, I am not aware of the statements made by the Chairman of the CNR.

Mr. Nielsen: Why not?

Mr. Axworthy: I will certainly make an effort to determine what, in fact, his statements may be relating to this particular issue. As the Hon. Member knows, all Crown corporations have their own auditors and their statements are made public.

POSITION OF GOVERNMENT

Mr. Doug Lewis (Simcoe North): Madam Speaker, the Auditor General is the servant of the Parliament of Canada. He is the servant of all Members here and of all taxpayers. It is through his audits we guarantee to the people of Canada that we are accountable for the money they are giving us to spend wisely. What does the Government have to hide by refusing the Auditor General of Canada access to the books of CN?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I am a little surprised at the suggestion made by the Hon. Member that some of the most reputable chartered accountant firms in this country, which have the responsibilities for doing the audits for major Crown corporations, would

not do their job. I think the Hon. Member should not be denigrating the professional competence of such distinguished firms because we certainly trust in the private sector and the ability of those firms to perform these services.

Mr. Nielsen: Like Harrison.

GUARANTEE SOUGHT ON USE OF COMPANY RESOURCES

Mr. Doug Lewis (Simcoe North): Madam Speaker, the Chairman's statement in his speech to the Canadian Women's Club in Alberta is that CN's internal auditors report to management, but that is the very management which is denying the Auditor General access to CN's books. What guarantees do the people of Canada have that the resources of CN are being used efficiently to the benefit of all Canadians?

Mr. Baker (Nepean-Carleton): Like value for money.

Mr. Nowlan: Like CAST.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as I said, I have not had the benefit of reading the speech given to the Canadian Women's Club. I would point out to the Hon. Member that on more than one occasion the President and Chairman of CNR appeared before the Standing Committee on Transport. CN's full audits and its examinations are available for discussion by that committee.

Mr. Forrestall: That is not true and you know it.

Mr. Axworthy: That is the place where the accountability is aired. Again, I would be pleased to undertake to look at the statements made by the Chairman, but I think that the Hon. Member is beginning to make suggestions that are not borne out by the facts.

VALUE FOR EXPENDITURES

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a supplementary question for the Minister of Transport. Having regard to the massive infusion of public funds that will accrue to the CNR under the auspices of the Crow Bill, and having regard to the attitude of the Chairman of CNR toward the Auditor General, who made reference to the fact that the Auditor General was a threat to the managerial autonomy of Crown corporations, can the Minister say anything in the House today that would assure this House and the taxpayers of Canada that this massive amount of money to accrue to the CNR will be spent in the most cost efficient manner, and that there will be value for money received by the taxpayer of Canada? What assurance can the Minister give, over and above the rhetoric of the Chairman of the CNR?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the Hon. Member has been participating in the hearings of the Crow committee for the past three or four months. He should be aware that the Bill before that committee contains a number of clauses that hold the railways accountable on a variety of guarantees, and that the kind of funds being allocated by the Government of Canada to bring about major railway expansion are also conditional upon both performances and the kind of evaluation that the CTC will be doing. As well, the Minister of Transport has the right to withhold funds if such performances are not lived up to. It seems very clear under the legislation, as both originally presented and amended, that there are very sound obligations for CNR to perform as we would expect it to perform.

● (1420)

Mr. Mazankowski: Most of these guarantees are of a notional nature. Quite frankly, the Auditor General has pointed out the deficiency in the measurement of cost efficiency and value for money received in his previous report. If the Minister would like to inform himself, he might read page 426 of last year's Auditor General's report.

CHAIRMAN'S STATEMENT—MINISTER'S POSITION

Hon. Don Mazankowski (Vegreville): Madam Speaker, is it the Minister's position that he supports the view of the Chairman of CN that the Auditor General should not be involved in any way in the auditing of the books of CNR "because", to quote the Chairman's speech, "it would involve a loss of the independence from political interference that is vital to any corporation operating in a competitive environment"?

Is it the position of the Government that it does not want the Auditor General to interfere or audit the books of the Crown corporation because it may prevent the Government from interfering with the corporation in a political manner?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as I pointed out to the previous questioner, it is not possible for me to support, endorse, or deny a statement I have not read nor have the full contents of. I will make an effort to receive that speech, read the statement of the Chairman and discuss the matter with him, at which point in time I would be glad to respond to the question of the Hon. Member.

* * *

CHARTER OF RIGHTS

CONSTITUTIONALITY OF PROPOSED BRITISH COLUMBIA LEGISLATION

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to either the Prime Minister or the Minister of Justice. It is clear that the Government of British Columbia intends to go ahead with its highly repressive legislation. Bill-2 currently before the British Columbia Legislature so restricts the right to organize, and the freedom of association as to be in clear violation of two international treaties signed by the Government of Canada, one in 1935 and one in 1948. Has the Government of Canada officially pointed this out to the Premier of British Columbia? Has it made an

official request, either for fundamental change in this legislation or for its complete withdrawal?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the legislation presently before the Legislature of British Columbia has concerned the federal Government in a number of ways. A number of individual Ministers, depending upon their responsibilities, have made representations to the Government of British Columbia, some by telegram. At the conference on human rights a week or two ago, I spoke about our concern that the human rights code would eliminate all the mediatory aspects and leave merely the legal skeleton, which is an enormous step backward. This Government is making its views known to the Government of British Columbia. Of course the legislative process is under way in that Province and there may very well be changes to that legislation in the course of its consideration there.

Mr. Broadbent: Speeches are one thing, telegrams are another. Neither is to be completely dismissed, but formal and official action is quite another matter.

CIVIL LIBERTIES OF BRITISH COLUMBIANS

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that the Government of Canada, when confronted with equally repressive legislation in the Province of Quebec last spring, entered into a formal legal arrangement in support of university teachers objecting to the legislation, what comparable action or what formal testimony to its good intentions is it prepared to show in the British Columbia case? Is it prepared to show as a Government that it is as concerned about the civil liberties of people in the Province of British Columbia as it is about the civil liberties of people in the Province of Quebec?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, my colleague, the Secretary of State, has already granted funds to at least one group in British Columbia to consider the implications of the legislation and to engage in public education with respect to it. But my hon. friend has to take into account that in the case of the legislation to which he referred in Quebec, it was passed before the Government took action. It would not be appropriate for the Government of Canada to take any form of legal action in the courts until the legislation was actually in effect. In that case, of course, what we did was to intervene on behalf of groups in the Province that were appealing.

● (1425)

POSSIBLE VIOLATION OF INTERNATIONAL AGREEMENTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, we are asking for some public and serious initiatives before the legislation takes effect. I come back to my first question to the Minister of Justice. Is the Minister aware that Bill-2 in the Province of British Columbia, which is currently being debated, violates at least two international agreements signed by the Government of Canada, one in 1935 and one in 1948? If the Minister agrees there is such a violation, why does the Government of Canada not approach, directly and officially, the Government of British Columbia and ask for changes in that legislation?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, my colleagues and I have this matter constantly under review. We will look at the matter again. I will be in British Columbia this weekend. If further representations are required, I am prepared to make them. I will be meeting the Attorney General of British Columbia tomorrow. I can assure the Hon. Member that we will be discussing the legislation which is before the British Columbia Legislature.

* * *

[*Translation*]

EXTERNAL AFFAIRS

LEBANON—ASSISTANCE FOR VICTIMS OF FIGHTING

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, my question is directed to the Deputy Prime Minister and Secretary of State for External Affairs. The Minister knows that we are all distressed by the daily news of tragic events taking place in Lebanon, and the Minister is also aware that we are in favour of the withdrawal from Lebanese territory of all foreign troops and armed factions, and that we want to help the Lebanese and their Government to establish their country's sovereignty over all Lebanese territory.

[*English*]

Has the Government made its position clear on the tragic events which are occurring in Lebanon? What is being done to assist those Lebanese who are suffering most as a result of the fighting?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, just a few days ago I had the opportunity to meet with representatives of the Lebanese community in Canada. I expressed to them, as I do today, the distress we feel at the continued violence and fighting in Lebanon. We have consistently urged that all forces withdraw from Lebanon. We have supported the present Government in its efforts at reconciliation, and we have consistently supported the independent and territorial integrity of Lebanon. Obviously we regret that the mediation efforts under way have not been successful.

With the indulgence of the House, I would make one further point. That is to reply to the Hon. Member's request or suggestion that we assist those who are suffering in Lebanon. This year we have already provided several hundred thousand dollars to the International Red Cross. Just recently we received an appeal to which we responded by providing an additional $500,000 to help those currently affected by the violence in Lebanon.

Oral Questions

ADMINISTRATION OF JUSTICE

REFERENCE TO FORMER MINISTER IN NEWSPAPER COMBINE CASE

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Prime Minister. It is prompted by an exhibit in the trial of Southam and Thomson Newspapers. I wish to stress that my question, and I expect the Prime Minister's answer, will obviously have nothing to do with the guilt or innocence of the accused. In the memorandum that was filed this morning, signed by George Currie, who was the President of FP Newspapers, there was reference to two people. One was the former Minister of Industry, Trade and Commerce, Jack Horner, and the other was Gordon Fisher. With regard to the Ottawa situation and the Ottawa *Journal*, the memorandum stated as follows:

Gordon thought that the proposed amendment to the Competition Act could be quietly forgotten by the Government.

I am quoting exactly from the memorandum. I again quote:

Jack Horner (then federal Industry Minister)—

● (1430)

Madam Speaker: Order, please. The Hon. Member's quotation is much too long. No quotations should be used in questions. I would ask him to go immediately to his question.

Mr. Speyer: It is alleged that Jack Horner had a meeting which was quietly forgotten by the Government, with respect to an amendment to the Combines Investigation Act. I would like to ask the Prime Minister if he was aware of any such communication between Jack Horner and any officials of FP or Southam. And secondly, if the Prime Minister was aware of that, were any enquiries instigated by the Prime Minister regarding what Jack Horner said or did with respect to any amendment under the Combines Investigation Act?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, Mr. Horner has not been a member of this Government for quite a while and I have no recollection of the facts that are referred to, but it seems to me that the Hon. Member, though he took some precautions at the beginning of his question, is asking me to comment directly on evidence in a trial which is before the courts. I think, Madam Speaker, with respect, that that is highly irregular.

INQUIRY RESPECTING MINISTER'S KNOWLEDGE OF ALLEGATIONS

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is directed to the Minister of Justice, or, in his absence, to the Acting Minister of Justice. Was the Minister of Justice, who instructs counsel for the Attorney General of Canada, aware that allegations were being made on behalf of the Attorney General of Canada as to the conduct of Mr. Horner concerning the Southam and Thomson newspapers?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have no personal knowledge of the matter but I will bring it to the attention of my colleague, the Minister of Justice.

* * *

VIA RAIL

PROPOSED REINSTITUTION OF PASSENGER SERVICES

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport and deals with something which is very much within his personal knowledge. I refer to the interesting remarks he made over the weekend when he underwent a remarkable conversion by going to VIA's side and confessing that the Progressive Conservatives were right and that his predecessor was wrong in unilaterally chopping off 20 per cent of the VIA Rail routes. Since the Canadian Transport Commission was not involved in the initial decision or in the Minister's weekend announcement, could the Minister please advise us of what criteria he intends to use in resurrecting those abandoned lines other than the geographic requirement of being within Liberal backyards to save Liberal hides?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the last sentence of the Hon. Member's question points out why I have never in my life said that members of the Progressive Conservative Party were right about anything, and I certainly did not say so last weekend. The Hon. Member's suggestion that we were in any way endorsing what Progressive Conservative members had to say about VIA is, of course, not true. We did indicate, however, that my predecessor had said that after a two-year period certain reviews would be made. We are now undertaking to make those reviews because conditions during that period of time have changed.

We are looking at the representations made by certain groups in the areas of Manitoba, Saskatchewan, and Alberta, as well as in New Brunswick, all areas which contain ridings of members of all partisan persuasions and beliefs. We believe that we, as a Government, do not think in the same terms as does the Hon. Member who is thinking purely in partisan terms. We try to think in terms of the national interest.

Mr. Nowlan: Madam Speaker, the Minister's conversion makes Paul on the train to Damascus look like a piker.

Some Hon. Members: Author? Author?

Mr. Nowlan: That is how big of a flip-flop his conversion was, and to try to indicate that it was not a flip-flop—

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member is again engaged in one of his speeches. He should ask a question.

Mr. Nowlan: Absolutely, Madam Speaker.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Pat Nowlan (Annapolis Valley-Hants): In order that we may try to see if there is any substance to this one or two-year trial period that will safely bring the Minister past the next election, can the Minister show some good faith and table the paper and the Bill on VIA that were promised by his predecessor for last Christmas?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would like to point out to the Hon. Member that if I were to choose a biblical allegory, I would say that the Garden of Gethsemane was not on the road to Tarsus.

I would like to point out to the Hon. Member that, before any paper is presented, we must first have serious discussions and consultations with Canadians who are interested and affected by the whole question of the movement of passenger traffic in all modes, rail, bus, and air. I happen to believe that one very important priority is to ensure that we get good, safe, cost-efficient transportation for people. We are now engaged in those kinds of discussions. When they are completed, the Hon. Member will be one of the first to find out.

FUTURE OF SERVICES IN SASKATCHEWAN AND NEW BRUNSWICK

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question also concerns VIA Rail. Two years ago, through an Order in Council for what might be called the "Great Train Robbery" in this country, the Government eliminated passenger rail service to many parts of Canada. That took only three months to accomplish.

The Minister referred specifically over the weekend to the possibility of restoring the service on the Saskatoon-Melville line in Saskatchewan and the Edmundston-Moncton line in New Brunswick. I would like to ask the Minister whether or not he can now assure the House that passenger rail service will be restored on these lines within the next three months; in other words, as quickly as they were eliminated. Will we have those trains back on the track before Christmas?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would point out to the Hon. Member that we are considering a number of options related to the whole issue of the movement of passenger traffic. We felt in the case of the particular VIA line that he is talking about, the Melville-Saskatoon-Edmonton line, not only were a number of representations made but the judgment of some of the experts who looked at the situation was that the clientele and the conditions of markets had changed. Therefore, we would be prepared to review the situation to see whether that line might possibly be reinstated. However, we would first have to examine the position of VIA Rail, and we would also have to take such matters back to the Canadian Transport Commission. Therefore, I cannot give the Hon. Member an actual time line, but I can point out to him that we are giving the matter some active and very strong consideration.

TYPE OF SERVICE TO BE RESTORED

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, one very important consideration is the kind of service that is restored in terms of the proper speed of trains, the frequency of trains, the connections and so on, if we do indeed get this service restored. In view of the fact that the Government once promised that the next order of LRC trains would be used in western Canada and the Atlantic Provinces, can the Minister assure the House that he will do what he can to make sure that the Melville-Saskatoon line will have an LRC service so that people can use that train efficiently and quickly?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the Hon. Member asks what kind of service would be restored, and I agree with him that what is perhaps essential to any good passenger movement system is the quality that is provided, both by the equipment and by the personnel. I would like to point out to him that my colleague, the Minister of Industry, Trade and Commerce and DREE, has been working very closely with the Hawker Siddeley group in Thunder Bay to develop new forms of passenger traffic vehicles that might well have application on other routes. As that is still in the experimental stage, it obviously would have to go through various prototype stages.

I would like to point out that we are committed to looking at how quality service can be restored within our fiscal framework, because it is also important that we maintain accountability and responsibility in that area.

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TRANSPORT

STUDY OF MARITIME FREIGHT RATE SUBSIDIES

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Transport. Some months ago before he held the portfolio of Minister of Transport, great consternation and dismay were caused in the Atlantic region by the appointment of consultants. The word was out that those consultants were going to recommend that freight rate subsidies which are so vital to the Altantic region and the Maritime Provinces in particular, would be cut back. Since it is vital that the uncertainty be ended immediately, can the Minister give his assurances to the House—and I hope that he can—that there will be no cutback of any kind on subsidies going to producers, the small and medium-sized businessmen, in the Maritime Provinces? Can he give us that assurance today, please?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would be very pleased to answer the question of the Hon. Leader of the Opposition. However, his question is about seven hours too late because this morning I was in Moncton and met with members of the Atlantic Provinces Transportation Commission and told them at that time that the subsidies that are provided to the Maritimes will be maintained.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Mulroney: Madam Speaker, we in the Maritime Provinces are grateful to receive the smallest of blessings from the Government at any time. Those blessings come so rarely and so infrequently. We were aware, and I commend the Minister for it, that the Minister had taken some initiatives this morning. I am surprised that he had not announced them in the House.

Some Hon. Members: Oh, oh!

• (1440)

REQUEST THAT SUBSIDIES BE INCREASED

Mr. Brian Mulroney (Leader of the Opposition): In light of the concerns that were brought forward by the four Atlantic Premiers and by the people with whom the Minister met this morning, has he put in train a plan which will enhance those meagre subsidies to Maritime producers, who need much more than the small amounts being handed out by the Government?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I am not sure how the Hon. Leader of the Opposition goes about measuring what is meagre or small.

Mr. Nielsen: He just looks at the Cabinet.

Mr. Axworthy: In the last fiscal year the Government introduced over $650 million worth of transportation subsidies and programs to the Atlantic Provinces. The subsidy under the freight rate is $67 million this year. The Hon. Leader of the Opposition may ask, "What's $67 million?" We happen to think it is a lot of money. We also hope that the Leader of the Opposition will reconsider some of his propositions about cutting the deficit because that is what the people of the Atlantic region would be afraid of—his proposal to cut the deficit would cut their subsidies.

Mr. Mulroney: Madam Speaker, I am in no way minimizing the impact of $67 million.

Mr. LeBlanc: You were.

Mr. Mulroney: It represents the cost of three weeks' UIC with the massive unemployment costs generated by this Government. Any amount is handsome; we will accept what we can get.

ASSISTANCE FOR BUSINESSMEN

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, has the Minister put in train a program which will enhance the amounts granted to small and medium businessmen in the Maritimes who desperately need these amounts of money to lay down products at competitive prices in central Canadian markets? That is the question.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, we are glad to see that there has been such a quick conversion on the part of the Leader of the Opposition. Now he wants to spend money rather than to cut back.

I should like to answer his question by saying that in my discussions this morning with the business community of the Atlantic Provinces, I issued an invitation to them to look very carefully at the analysis contained within the Hickling study that we will release next week. I invited them to come back to me with recommendations, and said that we would look at the possibilities for the future of transportation.

My colleague, the Minister of State for Economic Development, is in the Atlantic Provinces now, negotiating a series of agreements under the new Industrial Regional Development Program in which transportation could provide sub-agreements. I say to the Hon. Leader of the Opposition that things are progressing very well.

Some Hon. Members: Joe! Joe!

Some Hon. Members: More! More!

Mr. Chrétien: We want Joe.

* * *

ADMINISTRATION OF JUSTICE

REFERENCE TO FORMER MINISTER IN NEWSPAPER COMBINE TRIAL

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Minister of Justice. Has the Minister reviewed the evidence produced at the combines trial in Toronto which contained serious allegations of improprieties and possible obstruction of justice by his former colleague, the former Minister of Trade and Commerce, now the Chairman of CN? If so, what action does he propose to take? Can he tell the House if he has discussed the matter with the Right Hon. Prime Minister?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I can say that that matter has not yet come to my attention. I have not discussed it with anyone, including, of course, the Prime Minister.

MINISTER'S POSITION

Hon. James A. McGrath (St. John's East): Madam Speaker, in his capacity as Attorney General of Canada, could the Minister of Justice explain how he can express no knowledge of this matter, since he has the responsibility of instructing Crown counsel in this case? How can he explain his abysmal ignorance in this matter?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, as I imagine my hon. friend knows, most legal actions taken in the name of the Attorney General are not taken with

his knowledge or his direct personal authority. They are taken under his authority but not with his personal knowledge.

* * *

CROWN CORPORATIONS

REQUEST THAT ACCOUNTS BE AUDITED BY AUDITOR GENERAL

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Prime Minister and it centres on the Canadian Development Investment Corporation, specifically the mother of Canadair and de Havilland, at the present time. Would the Prime Minister indicate if any decision has been made—Senator Austin said it was under consideration—as to whether the Auditor General of Canada will be given the responsibility of auditing CDIC, Canadair and de Havilland, or, in fact, is Chairman Horner's statement the prevalent view of the Government?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Minister responsible for the Corporation has already indicated that when the House considers the provisions of the legislation governing the Corporation, we shall give special consideration to this aspect of the question. Up to now, the legislation has not been examined and no final decision has been made with respect to this aspect of the question.

[*English*]

AUDITOR GENERAL'S STATEMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is directed to the same stand-in Minister who undoubtedly knows that Auditor General Dye stated in committee on June 9 this year as follows:

> In the Canadair case, the taxpayers have suffered a staggering financial loss. What we have here is a costly experiment about which Parliament and the public receive little relevant or little realistic information.

Would the Minister indicate if he agrees with the Auditor General's statement with respect to the $1.6 billion loss run up by subsidiaries of CDIC, or does he agree with Chairman Horner's statement on behalf of CN and all Crown corporations?

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I have no wish to pass judgment on the comments of the Auditor General or those of the President of CN. I would like the Hon. Member to consider the very substantial benefits accruing to this country as a result of the fact that the Government had the courage to invest, through Canadair, in the development of a specific prototype plane, and I would also suggest that the Hon. Member take note of the latest comments made by companies using the *Challenger,* which indicate the level of quality and effectiveness this aircraft has reached. As soon as he has considered the benefits that will accrue to Canada if the program is continued, and the substantial economic advantages involved, perhaps he will see the statements to which he referred in a new light.

* * *

[*English*]

EMPLOYMENT

PLIGHT OF NEWFOUNDLAND FISHERMEN

Hon. Roger Simmons (Burin-St. George's): Madam Speaker—

Some Hon. Members: Oh! Oh!

Mr. Simmons: It is all right; I am just filling in the time while your Leader opens his mouth to change feet; that is all.

Madam Speaker, my question is for the Minister of Employment and Immigration. He will be aware that many thousands of Newfoundland inshore fishermen and their families are facing a pretty bleak winter because of very poor fish catches this summer. In many cases the catches were so low that they cannot even qualify for unemployment insurance benefits. Would the Minister indicate to the House whether he and his Department have addressed this problem and what kind of response they consider making to it?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, when I visited Newfoundland three or four weeks ago this problem was brought to my attention quite forcefully by some of the fishermen. I therefore asked my officials to prepare a report for me.. There appears to be a danger that some of the fishermen will not have sufficient catch to qualify for unemployment insurance. It is possible, as we have done on occasion in the past, to have a change of regulations to take this special problem into account. I would be prepared to do that once we have an understanding by the end of the season of the full extent of the problem and what would be the most appropriate way to respond. I am determined to respond, but I cannot really do so until we fully understand the dimensions of the problem.

* * *

WESTERN GRAIN TRANSPORTATION ACT

AMENDMENT TO FREEZE CROWSNEST PASS RATE FOR THREE YEARS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Minister of Transport, supplementary to those put by the Leader of the Opposition.

Mr. Chrétien: You have to earn your salary.

Mr. Ouellet: It is a reflection on your Leader.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. Order.

● (1450)

Mr. Nielsen: Now that the Minister of Transport has described in such glowing terms the so-called largesse that he is laying on the Atlantic Provinces, and which is welcomed by all Members on this side, can he tell us whether he will convince the Government of Canada to be as generous with the western farmers by agreeing to the three-year freeze on the Crow proposed in committee by Members on this side of the House?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, if the kind of assistance we are now providing to help in the economic development of the Atlantic Provinces through the maritime freight rate is generous, I would say the $3.6 billion the Government is putting into western Canada for a major railway expansion is doubly generous.

* * *

ROYAL CANADIAN MOUNTED POLICE

APPLICATION OF PROPOSED SECURITY LEGISLATION TO FORCE'S PUBLICATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General who knows that the names of current RCMP Security Service employees are regularly revealed in the RCMP *Quarterly*, a practice which would land the editor in jail for five years under Clause 12 of the Minister's new security legislation. Will the Minister clarify Government policy in this area and further explain the apparent contradiction in this policy when the RCMP reveals these names yet refuses to reveal to the taxpayers of Canada the annual budget for the Security Service?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member's problem is that he has constantly misinterpreted Clause 12 of the Bill to establish the Security Service.

Mr. Broadbent: So has everyone else in the country but you.

Mr. Kaplan: That Bill does not provide blanket requirements for non-disclosure of the identify of members of the Service. In fact it provides that only persons engaged in covert operational activities of the Service are covered by the provisions of Clause 12 in that Bill.

I am informed by the RCMP that no covert operational activities of the Service have been prejudiced by the reporting which takes place in the RCMP *Quarterly*.

SECURITY SERVICE BUDGET

Mr. Svend J. Robinson (Burnaby): Madam Speaker, the Minister, of course, refused to answer the question concerning the annual budget. I have before me an RCMP bulletin seeking applicants for positions within the RCMP Security Service headquarters in Ottawa. This document reveals for the first time that the current annual budget of the Security Service is the astounding figure of $67.7 million. I want the Minister to confirm this figure in a bulletin of his own Department, and explain to the House and the people of Canada the recently unannounced change in policy which has resulted in its publication?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I would like to see that bulletin before I—

Some Hon. Members: Oh, oh!

Mr. Broadbent: I bet you would.

Mr. Kaplan: —before I decide whether it would be proper to make any comment at all about it.

* * *

WESTERN GRAIN TRANSPORTATION ACT

PROPOSED THREE-YEAR FREEZE ON CROWSNEST PASS RATE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to ask the Member in Cabinet who represents western Canada, the Minister of Transport, and who did not answer the question put to him by the Hon. Member for Yukon, whether he is prepared to accept the proposal by the Progressive Conservative Party for a three-year freeze on the cost of moving grain? He said there was $3.6 billion being put in for the railroads, mining companies, coal producers and the construction industry, but not one nickel for the producers of grain in western Canada.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, for a Member of the House who is as knowledgeable about the grain industry as the Hon. Member who has just spoken, that statement does not do him justice. He knows full well that what is of critical importance to the western farmers is to have a modern railway system to move their product to export markets so that they can expand and grow. In the last 20 years, because of the freeze of the Crow rate and the inability to provide for major capital investments, the main lines and branch lines have not been improved, they have deteriorated, and we will be running short of capacity within a matter of two to three years. It would seem to me a matter of extreme importance that this Government go ahead, as we intend to do, to help the western farmer move his commodities to market.

FUNDING OF RAILROADS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, it is very obvious from the Minister's answer that he is not prepared to do for the grain producers in western Canada what he has done for Canadians in the Atlantic part of Canada. That I guess we can accept. But if he will look at the proposal put forward by our Party, investment in rail capacity would continue. Our proposal was that $216 million

of profit be withdrawn from the railroads, which is the amount the Minister of Finance spent in a photo opportunity.

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

Some Hon. Members: No.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker—

Madam Speaker: Well, I did not hear a question.

Mr. Axworthy: I have not heard a question either, Madam Speaker.

Some Hon. Members: Oh, oh!

* * *

FREEDOM OF INFORMATION

SALARIES OF CROWN CORPORATION HEADS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is for the President of the Treasury Board who is responsible for freedom of information. He may very well know that federal public servants have refused to release the publicly paid salaries and benefits of ten heads of Crown corporations and a federal agency, after a request was made under the Freedom of Information Act. The gentlemen involved are Canadians like Mitchell Sharp, Michael Warren, Joel Bell, Maurice Strong, Claude Taylor, Rene Amyot, Jack Horner, Maurice LeClair and others.

All of those records, Madam Speaker, are in the hands of the Privy Council Office, which is subject to the Freedom of Information Act. Upon what possible ground can it be justified that information which is clearly in that category is withheld from the people of Canada who pay the salaries of these gentlemen?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, the Act passed by this House on freedom of information and the Act covering privacy provide for the withholding of certain information of a personal nature. The letter in answer to the inquiry of the journalist which gave rise to my hon. friend's question said that the information in question came under that category.

However, I understand the Privy Council Office is in a position to give some of the information in question and I will be happy to get further information for my hon. friend, because certainly we want to comply with the Act. But the House has passed it in a certain form which has to be respected.

PROVISIONS IN LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, one of the things in that statute which was supported by this Party, I remind the hon. gentleman, was that the Minister responsible always had the right to release information if it fell within the jurisdiction of that statute. This is one of those cases. When the Minister is speaking to the public servants, will he also talk to himself and remind himself about the importance of that section of the statute?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, my hon. friend is quite right in his reference to the particular section, although there are other sections wich do not give the responsible Minister that authority. But the Act says that the Minister responsible is the head of the institution from which the information is sought, and in that regard I would suggest my hon. friend direct his question to the President of the Privy Council.

Mr. Baker (Nepean-Carleton): Why don't you talk to your friend?

* * *

FISHERIES

PEARSE REPORT—ABSENCE OF WEST COAST BUY-BACK PROGRAM

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Fisheries. This will be the second winter since the Pearse Report that no buy-back program has been established on the Pacific coast. Can the Minister tell the House how much money will be available this winter or in the spring for a buy-back program, and will he tell us to what degree he wishes to diminish the number of boats presently in the fleet?

• (1500)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): I would like to remind the Hon. Member that the position that I have taken, both on the Atlantic Coast and on the Pacific Coast, is that the Canadian Government will not use taxpayers' money to buy surplus assets. Whether we have boats or plants, this is not, I would assume, what should be done with taxpayer's money, to buy surplus assets. However, what I have said, particularly to the Minister's Advisory Council on the Pacific Coast, is that I would listen with great interest to any recommendation concerning the establishment of a legal mechanism whereby those who will remain in the fishery will finance those who would like to get out. But again, I do not think that the wisest means of using taxpayer's money is to buy the surplus assets of any Canadian.

Mr. Fraser: Madam Speaker, the Minister means well, but he does not know what he is talking about.

GOVERNMENT POLICY

Hon. John A. Fraser (Vancouver South): On the Pacific Coast we have a very severe problem. It is just the old problem of too many fishermen catching too few fish. Why is the Government absolutely afraid to use any up front money to get the excess catching capacity out? The stocks of fish are at

stake and the Government, led by this Minister and the Minister before him, does not seem to be able to know how to act. Will any money be put up as up front money, or is the Government just going to go on and do nothing?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): I have never said that the option to which the Hon. Member has alluded has been rejected by the Government. I would like to remind the Hon. Member that the 17 associations that compose the Minister's Advisory Council on the Pacific fishery have promised to come to me with their own plan for the reduction of the fleet not later than November. They extracted from me a commitment that I will not come with my own plan before they have a chance to present their own. So, please respect the fishermen on the Pacific Coast a little bit.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. YOUNG—ENACTMENT OF SAFE DRINKING WATER ACT

Mr. Neil Young (Beaches): Madam Speaker, it is my duty and honour to present a petition signed by some 20 residents of my riding, in which they petition the House as follows: That toxic chemicals are posing an increasing threat to the potable waters of this Province and that there is presently no legislation which will guarantee the safety and healthfulness of those waters, and that Canada's neighbour, the United States of America, has legislation entitled the "Safe Drinking Water Act of 1974"; wherefore we, the undersigned, humbly pray and call upon Parliament to enact a safe drinking water Act which will protect and enhance drinking water quality in all areas of Canada.

MR. ANGUISH—NATIONAL HOCKEY LEAGUE FRANCHISE FOR SASKATOON

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I have a great deal of pleasure today in being able to present to the House a petition signed by almost 300 residents of the town of Meadow Lake in my riding and the surrounding area, all of whom support a granting of a National Hockey League franchise for the City of Saskatoon. The petition sponsored by a local newspaper and more than 30 local businesses was signed just prior to Parliament's adjournment to the summer. This is my first opportunity to bring it to the attention of the House of Commons.

The petition shows that the people of Meadow Lake who reside some 200 miles north of Saskatoon are among the many who have shown their overwhelming support for an NHL franchise for the City of Saskatoon, this overwhelming support coming not only from the City of Saskatoon itself, but also from rural areas throughout the Province.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,909, 4,906 and 4,973.

[*Text*]

SCIENCE COUNCIL OF CANADA

Question No. 2,909—**Mr. Clarke:**

With reference to the Professional and Special Services recorded by the Ministry of State for Science and Technology for the Science Council of Canada at page 32.31, Volume II of the 1979-80 Public Accounts of Canada, with particular reference to Data Processing Services (a) how does the Council explain the 102% increase in expenditure for the item over that for 1978-79 (b) what is a list of each contract of a value more than $2,000?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): In so far as the Science Council of Canada is concerned:

(a) Council expenditures in certain Professional and Special Services items, such as in data processing, may fluctuate from year to year due to the changing nature of studies being carried out, which may or may not require such services. In 1979-80 a Feasibility Study on Bibliometrics accounted for almost the total expenditure reported under data processing.

(b) National Research Council, Ottawa—$24,253.

WEST COAST HAKE FISHERY

Question No. 4,906—**Mr. Miller:**

1. Has the budget allocated for Department of Fisheries and Oceans observers on foreign vessels fishing hake off the west coast been adequate over the past few seasons and, if not (a) has this resulted in any periods during the fishery in which there were no observers present on the foreign vessels (b) has the size of the catches and of incidental catches been monitored sufficiently to ensure that the stocks are not being placed in jeopardy?

2. Did the Department take any action on reports from the UFAWU that hake caught by foreign vessels in the national hake fishery is actually being sold back into the North American market in contravention of the international agreements?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. The Department of Fisheries and Oceans does not fund an observer program in the Pacific Region. (a) Yes. (b) With the best information the Department has at this time there is no fear of the stocks being in jeopardy.

2. The Department did investigate the UFAWU reports. From the information gathered there is no reasons to believe that there has been any contravention of international agreements.

BOARD OF DIRECTORS OF PETRO-CANADA

Question No. 4,973—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Petro-Canada and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Petro-Canada?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1.

Name	Address	Occupation
James T. Black	2 International Blvd., Rexdale, Ontario, M9W 1A2	President and Chief Executive Officer, The Molson Companies Ltd.
Richard J. Cashin	44 Torbay Road, St. John's, Newfoundland, A1C 5V5	President, Newfoundland Fisherman, Food and Allied Workers Union
Ione J. Christensen	26 Takhini Ave., Whitehorse, Yukon, Y1A 3N5	President, Hospitality North Ltd.
Marshall A. Cohen	Place Bell Canada, 160 Elgin Street, Ottawa, Ontario, K1A 0G5	Deputy Minister, Department of Finance
Jerahmiel S. Grafstein	Suite 600, 111 Richmond St. West, Toronto, Ontario, M5H 2H5	Partner, Minden, Gross, Grafstein and Greenstein, Barristers and Solicitors
Jean Claude Hébert	17th floor, 1 Place Ville Marie, Montréal, Québec, H3B 3L9	Deputy Chairman of the Board, Petro-Canada and Business Consultant
Wilbert H. Hopper	P.O. Box 2844, Calgary, Alberta, T2P 3E3	Chairman and Chief Executive Officer, Petro-Canada
Edward M. Lakusta	P.O. Box 2844, Calgary, Alberta, T2P 3E3	President and Chief Operating Officer, Petro-Canada
H. Harrison McCain	Florenceville, N.B., E0J 1K0	Chairman of the Board, McCain Foods Limited
David McD. Mann	Suite 800, Barrington Tower, Scotia Square, Halifax, Nova Scotia, B3J 3E5	Partner, Cox, Downie, Nunn and Goodfellow, Barristers and Solicitors
J. Robert Ouimet	8585 Jeanne Mance, Montréal, Québec, H2P 2S8	President and Chief Executive Officer, The Ouimet Cordon Bleu Group
Thomas K. Shoyama	Room 259, McPherson Library Bldg., University of Victoria, Victoria, British Columbia, V8W 2Y2	Visiting Professor, School of Public Administration, University of Victoria
Ian A. Stewart	Jackson Bldg., 122 Bank St., Ottawa, Ontario, K1A 1E7	Senior Adviser, Ministry of State for Economic and Regional Development
Paul M. Tellier	21st floor, Sir William Logan Bldg., 580 Booth St., Ottawa, Ontario, K1A 0E4	Deputy Minister, Department of Energy, Mines and Resources

2. Information is proprietary to Petro-Canada.

[*Translation*]

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

Relations with Taiwan

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I would ask, Madam Speaker, that all notices of motions for production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions for production of papers be allowed to stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Shall all items listed under Private Members' Notices of Motions preceeding No. 88 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

TRADE

ESTABLISHMENT OF RELATIONS WITH TAIWAN

Mr. Otto Jelinek (Halton) moved:

That, in the opinion of this House, the government should facilitate the growth of commercial, cultural and other forms of contact between the people of Canada and Taiwan through (*a*) the establishment of a bilateral, non-diplomatic presence between Canada and Taiwan, including the issuance of visas directly in Taiwan and Canada thereby adopting the practice of Japan, the United States and most other western industrialized nations (*b*) the enhancement of trade links between Canada and Taiwan, including (i) the encouragement of export trade by Canada to Taiwan through the granting of credits and other forms of support to Canadian businessmen (ii) the establishment of direct air links between Canada and Taiwan by non-flag carrier airlines (iii) the adoption of any other practical mechanism to encourage industrial and other non-diplomatic contact between Taiwan and Canada.

He said: Mr. Speaker, the reasons for recommending, debating and making suggestions related to the motion are quite obvious. I would like to take the opportunity today to expound upon them. Unemployment, as we all know today, is our number one problem, and international trade plays an important factor relating to that problem. In fact, according to statistics provided by both the Canadian and the U.S. Governments, for every $1 billion in trade, approximately 25,000 new

Canadian jobs are created. Unfortunately, unlike most other countries, Canada has not reached its full potential for a variety of reasons, one of them concerning Taiwan.

Taiwan has the fastest growing economy in the world today. Although not recognized diplomatically by many nations including Canada, virtually all non-communist industrialized countries have established some form of bilateral non-diplomatic presence with Taiwan for the sake of promoting trade, but Canada has not. Canada, along with Italy, stands virtually alone in not taking advantage of the tremendous trade potential that exists between the two countries. That is why, for example, in 1982 Canada had a trade deficit with Taiwan of $363 million and a total trade figure of only $900 million. I say "only $900 million", because if one compares the trade figures with, let us say, the United States, the difference is staggering. We are speaking of $900 million worth of trade in Canada, whereby in 1982 the United States' trading figures with Taiwan amounted to over $15 billion. Japan, Germany, Australia and other industrialized nations are also far ahead of us. The reasons are simple. These countries, although they do not recognize Taiwan diplomatically, realize the importance of not shutting out a country whose economic growth is so far ahead of Mainland China, for example, that the per capita income in the last ten years increased by some 500 per cent in Taiwan, while communist China remained constant at approximately $400 U.S. per year per capita. It is difficult to comprehend, therefore, why we in this country not only do not promote trade with Taiwan but, in fact, create obstacles that prevent improved trade relations.

● (1510)

Of course, a glaring example is the visa situation. It is very difficult and inconvenient for businessmen, and in fact anyone travelling between the two countries, to obtain visas. A Taiwanese businessman wishing to come to Canada must fly to Hong Kong and apply for a visa through the Canadian High Commission there, usually with lengthy waiting periods.

In fact, Mr. Ken McGillvery, a Canadian group organizer living in Taipai, writes:

> Canadians in Taiwan are irked by the present uncomfortable and sometimes offensive treatment we receive from the Canadian High Commission in Hong Kong. We have almost exhausted our patience and lost nearly all our confidence through experiences in recent years. The High Commission in Hong Kong has repeatedly made their attitude clear that Canadians living in Taiwan are a nuisance to them and they just wish that we did not exist. We get no service at all in the form of information or even a suggestion of concern for Canadian interests here. There is no channel to which we can turn should we need protection, legal advice or assistance. All these fundamental flaws of policy and administration are the making of the External Affairs Department as interpreted by the Canadian High Commission in Hong Kong.

Mr. McGillvery goes on to say:

> Chinese nationals from Taiwan are singled out for insulting and often degrading treatment by petty 'secretaries' in the Hong Kong High Commission.
>
> Businessmen have frequently been given a one-month visa after many delays when they have needed much longer to properly complete their essential business.

Those are comments from a Canadian living in Taiwan who sees firsthand some problems that Canadians and Taiwanese businessmen who want to do business with Canada face under these conditions.

On the other hand, Canadians wanting to travel to Taiwan, of whom there are many, must apply for visas in the United States. In fact, last year 6,000 visas were issued to Canadians travelling to Taiwan. They must apply for these visas in the United States because they cannot do so in Canada. This procedure is not only costly in terms of money but, more important to a businessman, in terms of time. Canadian businessmen deserve better. We as Parliamentarians owe it to our business community to improve this situation and we need not look further than the United States for an example.

Although the Americans do not recognize Taiwan diplomatically, as we do not, Americans can obtain their visas in many major U.S. cities such as Chicago, Boston, New York, Los Angeles, San Francisco, just to name a few. The Taiwanese can have their visas processed in Taiwan at the U.S. office called the American Institute in Taiwan.

That brings me to another crucial problem facing Canadian businessmen which is, as I said earlier, that Canada is virtually alone in not having an office in Taiwan for the benefit of promoting trade, facilitating the growth of commercial, cultural and other forms of non-diplomatic contact between the people of Canada and Taiwan and generally assisting Canadians visiting Taiwan both on business and pleasure.

Why is it that other countries have taken steps for their own benefit without, I emphasize, any major repercussions from communist China while Canada is again losing out in this regard? It is not only the United States which has established these non-diplomatic relations with Taiwan while holding diplomatic relations with the People's Republic of China at the same time. Other countries include New Zealand, Great Britain, West Germany, France, Greece, Japan, Australia, Austria, Argentina, Brazil, Spain, Sweden, Belgium, Switzerland, and the list goes on. All have some form of a bilateral, non-diplomatic contact between their two countries for the benefit of their respective businesses, economies and peoples.

Yet with these and other obstacles in the way, I am pleased to announce today that a delegation of businessmen from Taiwan led by Mr. Vincent Siew, Director General of the Board of Foreign Trade in Taiwan, will be signing contracts for the purchase of over $150 million worth of Canadian goods and products later this year. The delegation of 14 business representatives is scheduled to arrive in Toronto on November 9 for a 15-day visit, which will include stopovers in Sudbury, Ottawa, Saskatoon, Vancouver and, of course, Toronto. They will purchase such diversified products as wheat, potassium chloride, coal, sulphur, and nickel while at the same time looking at such potential requirements as our high-tech industry, communications, transportation and so on, all of which can be sold to Taiwan with just a little bit of co-operation and encouragement.

This gesture of goodwill by the Taiwanese business community obviously goes a long way toward reducing the trade deficit with that country. But it is just a drop in the bucket

compared to the potential that exists. It is up to us to take the necessary steps to be able to reach that potential.

An obvious example of that potential, other than the areas I have mentioned, is the Candu. As everyone knows, Atomic Energy of Canada Limited is experiencing serious difficulties due to the lack of orders. As a result, jobs are being lost and others are in jeopardy. In a recent report, Andrew Horvat, a Southam News reporter in Taipai, stated:

Taiwan's Power Corporation has been begging Atomic Energy of Canada Ltd. to sell it a pair of reactors, but AECLs answer has been a consistent "no Candu", even though it would inject more than a billion dollars into the comatose Canadian nuclear industry.

In fact, Taiwan requires an 8,000 megawatt production in the next 15 years. That is seven times more than the James Bay project alone. They want our Candus, and they are willing to comply by any or all international safety and other regulations, as they in fact do with the U.S., France and others from whom they are currently purchasing nuclear reactors. In fact, there is a trial Candu reactor in Taiwan which is under the control of the United States. Yet we refuse to sell them more Candus even though the sale of each Candu would inject $1 billion into our economy and create 25,000 new jobs in Canada.

Under these economic conditions and with the unemployment level which exists in this country, surely some of these options should be considered by Parliament. I understand the sensitivity of having our Government deal directly with that of Taiwan, but this does not have to be the case. Atomic Energy could negotiate with the Taiwan Power Corporation or, if need be, through a third intermediary such as the Canadian Chamber of Commerce. In fact, it is precisely such an organization that could establish itself in Taiwan as a non-diplomatic office serving Canadians in processing visas in conjunction with the High Commission in Hong Kong. But they need some encouragement from this Parliament.

In fact, whether it is the Chamber of Commerce or some other organization, it could be structured along the lines of the American Institute in Taiwan. The AIT is a non-profit organization licensed in the District of Columbia and established for the purpose of carrying out U.S. transactions in Taiwan. As a result of that office the Americans are benefiting from the tremendous growth that is taking place in that country.

The time is long overdue for Canada to do the same as the United States and the other countries I have mentioned instead of continuing to miss the boat and these great opportunities, as we are currently doing, while other industrialized nations are taking full advantage of the economic phenomenon that is taking place in Taiwan.

These are just some of the things that this motion which we are debating today recommends. At the outset you read the motion, Mr. Speaker, but let me repeat it very briefly. Its purpose is for the Government to consider facilitating:

—the growth of commercial, cultural and other forms of contact between the people of Canada and Taiwan through (a) the establishment of a bilateral, non-diplomatic presence between Canada and Taiwan, including the issuance of visas directly in Taiwan and Canada thereby adopting the practice of Japan, the United States and most other western industrialized nations (b) the enhancement of trade links between Canada and Taiwan, including (i) the encouragement of export trade by Canada to Taiwan through the granting of credits and other forms of support to Canadian businessmen (ii) the establishment of direct air links between Canada and Taiwan—

● (1520)

—(iii) the adoption of any other practical mechanism to encourage industrial and other non-diplomatic contact between Taiwan and Canada.

Having said that, I want to emphasize that in no way are we suggesting getting embroiled in a diplomatic situation. We do not have to get embroiled in a diplomatic situation. We recognize Taiwan diplomatically. We are suggesting that we take full advantage of the opportunities that exist in Taiwan.

I know the thrust of this motion is supported by many Members on both sides of the House. In fact, the motion was drafted earlier this year by members of the Canada-Taiwan Parliamentary Friendship Committee, of which there are 60 or 70 bipartisan Members of this House and of the other place.

Let me reiterate that what we are recommending is not new from an international standpoint. It is not a precedent-setting idea, far from it. I will repeat again, because I have to, that what is being suggested is for Canada to follow the lead of most other non-communist industrialized nations. These nations, which took positive steps before we did, continue to build and to enjoy diplomatic relations with the People's Republic of China without any loss of face or trade potential, whatever it is worth, yet their economies grow as a result of their increased trade with Taiwan.

We believe that, should measures of this nature be adopted for Canada, it would lead toward realizing and utilizing the full potential that exists, a potential able to create tens of thousands of jobs in Canada and that would inject billions of dollars of much needed capital into our economy. To this end we urge the Government to join virtually all other non-communist industrialized nations in establishing a non-diplomatic presence in Taiwan so as to take full advantage of the tremendous trade potential for the benefit of all Canadians.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy to say a few words on the Bill that has been proposed by the Hon. Member for Halton (Mr. Jelinek). I believe it is a Bill that brings a good debate to the House of Commons.

I have never had the opportunity to visit Taiwan. The special passports that Canadian Members of Parliament have are not valid for that country.

I want to say a few words about how I see some of the difficulties which this Bill could impose on Canada's long-term relations with China. I believe our relations with China in all areas, particularly trade, cultural exchange, aid or in whatever other way they may take place, are extremely important. I speak as a Member from the Province of Saskatchewan. The Province of Saskatchewan has long-term trade relations with China, particularly in the areas of wheat and potash. These relations, which grew under the leadership of the former NDP Government in Saskatchewan, are continuing and being pursued by the present PC Government in power. The Premier of Saskatchewan, the Hon. Grant Devine, is going to China soon

to continue discussions on the possibility of extending trade with China, in particular in the areas of wheat and potash.

Canada does have trade relations with China and these relations are developing. On the other hand, I think it is important for us to be aware that Canadians in general, myself in particular, do not completely understand or sense the tremendous political, cultural and historical problems that exist between China and Taiwan. I had an opportunity to visit China several years ago. I had discussions with the Chinese. They do not see Taiwan as an independent country. They simply see it as one of the provinces of China that, in a sense, is acting illicitly. The Government of China expects that province in due course to come to its senses and to return to being part of the mainland. This is, of course, an extremely complex and difficult situation. The sensitivities of the Chinese Government and the Chinese people are such that infringing in whatever way into an increased presence in Taiwan now could lead to a deterioration in the relationship which I feel is very important with Mainland China.

Ten years ago many people probably would never have heard about Taiwan. I think that is a possibility. I think ten years ago many people would never have used anything made in Taiwan. They would have looked upon it as something that was impossible. I think Canadian labour, Canadian management and industry in general has to be very conscious of countries like Taiwan that have made a jump into the industrial world, bypassed many of the traditional industrialized countries and, in a sense, have run ahead with much of their technology. It is essentially based, I believe, on the fact that Taiwan has had the management ability to see into the future, but at the same time it has had massive cheap labour.

Mr. Siddon: Cheap labour?

Mr. Ogle: I would say Canadian industry, labour and management have to be very careful to look at what would happen if an increased trade relationship took place with Taiwan. What would actually happen? Would it truly result in Canadians having more jobs, or would this just build up a trading possibility in Taiwan that, in the final event, would take away from what Canadians are already doing and what Canadians are already exporting?

I thank the Hon. Member for Halton (Mr. Jelinek) for bringing this discussion to the floor of the House of Commons. I would very much like to indicate some areas that have not—

Mr. Shields: Mr. Speaker, I rise on a point of order. Is the Hon. Member for Saskatoon East (Mr. Ogle) aware that the per capita income in Taiwan is ten times higher than it is in Mainland China?

The Acting Speaker (Mr. Blaker): I might explain to Hon. Members that the Chair usually accepts an intervention called a point of order in which an Hon. Member seeks the consent of the Member speaking to put a question. But to stand on a point of order and put a question does not constitute a point of order.

Mr. Ogle: Mr. Speaker, I would have no difficulty accepting a question. I would continue discussing what the Member has put forward, which I believe is a good intervention.

As to the relativity of the labour income, the Taiwanese have a higher rate than China. I was making comments about the relative income of Taiwanese labour and income in Canada and the industrialized West, and the income in Taiwan is much lower. We have to relate as Members of Parliament to people who are thinking about incomes based on historical precedent in this country, not to incomes in a country where they are much lower than we have experienced in our past.

Finally on the question of the exporting of Candus to Taiwan, I would have to express real concern myself. I do not personally believe that the Candu reactor or any kind of atomic energy put into the world community today is the way we can face future energy possibilities.

On the last point made by the previous speaker, I would just say I do not see the export of Candus, which have not proven economically to be a good thing for Canada as far as I can see, would be a means of bringing about this trade which the Hon. Member is advocating. I thank the Chair for enabling me to make these remarks.

● (1530)

The Acting Speaker (Mr. Blaker): Order, please. The Standing Orders do not provide for an opportunity to ask questions, but there is no difficulty in Hon. Members seeking the consent of the Hon. Member who had the floor and presumably, in an implied way, the consent of the House to ask questions. The rules are such that there is no provision for a ten-minute question and answer period.

Mr. Siddon: Mr. Speaker, I have a question for the Hon. Member for Saskatoon East (Mr. Ogle) which relates to the one of the Hon. Member for Athabasca (Mr. Shields). Is the Hon. Member aware that the standard of living in Taiwan is on an order of magnitude that is higher than that on the communist Mainland? Would he not agree that this has something to do with the free enterprise nature of the economy of Taiwan as opposed to the communist doctrine under which the Mainland Government operates its industries? Also, is he aware of the fact that productivity bonuses are paid to workers in industries such as the large new steel company at Kaosiung in southern Taiwan, to the extent that there are no work stoppages? There are recreational facilities on the plant site; in fact, workers are receiving considerable productivity bonuses each month as an initiative to ensure that they earn their $6,000 to $10,000 per year income.

Mr. Ogle: Mr. Speaker, I would be happy to discuss that point with the Hon. Member. I appreciate the statistics which he has given. He clearly outlined, as I indicated in my argument, the difficulty of the philosophical understanding of the culture of another place. I appreciate the fact that he talked about an imposed new form of economic structure in a country. I have seen the same kind of economic structure imposed on many other countries as well. I would take Latin America

as a good example of that. When transnational companies move into a cheap labour place, they naturally have to raise the expectations of those people who live there. Basically what they are doing is setting up situations in which their transnational products will be able to compete against those in the places where the headquarters of the transnationals are situated, which happens to be North America or Europe.

I repeat that it is important to realize we are talking about relationships from our point of view, from the point of view of Taiwan and from the point of view of China. They are all different points of view, but the possibility of transnational companies setting up a new form of economics in another country and going into a cheap labour market finally works against the people living in that country. I could back that up with many examples.

Mr. Taylor: Mr. Speaker, I wonder whether the Hon. Member would permit a question. Would he agree that the free enterprise in Taiwan is far closer to our way of life than the communist system of Mainland China?

Mr. Jelinek: And therefore more successful.

Mr. Ogle: I am pleased to continue to conduct this class, but the model introduced in Taiwan is naturally closer to that in parts of North America. If we look at the North American model, we have to be very careful to look at its final effects, one of which I have noticed particularly in North America, that is, the deterioration of the living conditions of people. I could point to the recent experiences in Detroit, Chicago and Gary, Indiana; in places where the industrial revolution took place it left jungles. We have examples of violence taking place in those cities now which I do not think takes place in China. I do not think the quality of life in China has reached that point. At least my limited experience has not shown that. When one gets into a situation basically built upon per capita income, one witnesses a breakdown of society. It is a value thing about which I talked in my first argument. I just have an opinion on it, but it is something which we must look at when we are discussing true development.

The Acting Speaker (Mr. Blaker): Unless instructed otherwise, the Chair is operating on the notion that there is implied consent of the House for Hon. Members to put questions to the Hon. Member who just spoke. I will know that the implied consent is terminated when some Hon. Member indicates that we should recognize the next Hon. Member for the purpose of debate. I might add that certainly debate is made more interesting by the ability and competence of the Hon. Member for Saskatoon East (Mr. Ogle) who is answering these questions. But it is on his consent and on the unanimous consent of the House that we proceed, in no other way.

Mr. Jelinek: Mr. Speaker, is the Hon. Member aware of the fact that the per capita income in Taiwan over the last ten years has increased by 500 per cent, whereas the per capita income on Mainland China has remained constant at approximately $400 U.S. per year? It seems to me that he is against the development of any new jobs in Canada.

Mr. Ogle: Previously I thought I made the argument that if jobs go to the lower paid transnational sites of companies—

Mr. Jelinek: I am talking about jobs in Canada.

Mr. Ogle: —they finally take away from jobs in Canada. One of the basic reasons there are high levels of unemployment in the industrial West right now is that jobs traditionally held in western developed countries are now going to places where cheap labour has been established and where transnational companies have set up new companies or new sites to manufacture exactly the same products that were formerly manufactured in the West. My hon. colleagues in the House of Commons today are probably all wearing watches that were made in a country which probably did not manufacture such things 25 years ago.

Mr. Siddon: What is wrong with that?

Mr. Ogle: There is nothing wrong with that at all, as long as we are able to build something equal we can trade and at the same time provide the quality of life for workers here to which they have become accustomed. I do not think we could possibly tell North American workers that they have to return to the level of a worker in Taiwan. I do not think that will happen. Perhaps the Hon. Member has different people in his riding than I have, but I do not think it will happen.

The basic question of the North-South relationship has been studied by a task force of the House. It pointed at the fact that a recession would take place in the North unless there was co-operation with the South or with the developing world. The relationship of income to life is a good point, except that there are certain areas in the world—and China is one of them—in which I do not see any possibility of the standard of life now accepted by us ever being reached. For instance, if everyone on Mainland China had a car, I have been told that the steel resources of the world would be all used up. We have to look at what standard of life is possible and how people, wherever they happen to live, relate to their standard of life.

Mr. Shields: Mr. Speaker, I would like to ask the Hon. Member a question. Does he realize, for example, that presently Canada imports more from Taiwan than we export to Taiwan? There is an imbalance of trade. Also, does he realize that we are exporting more to Mainland China than we are importing? Does he know about the present involvement of Petro-Canada off the coast of Mainland China? We as a country are being barred from supplying offshore rig technology because it is available in the shipyards in Korea. The other technical expertise is available in Singapore and Hong Kong, but the dollars of Canadian taxpayers are going through Petro-Canada to the offshore in a very risky venture from which we may not be able to obtain a return on our investment or indeed get our investment back. In other words, we are dealing with a closed society on Mainland China and a more open society in Taiwan. How does the Hon. Member square his remarks with those comments?

Mr. Ogle: I want to make clear to the Hon. Member that I never said we should cut off trade with Taiwan. I am unable to say that I know all the facts he presented. I just accept that the Hon. Member researched them. I never said anything about cutting off trade with Taiwan. I said that in trading with Taiwan, it is extremely important to consider the cultural, historical and political reality of what that means to China. I believe that our role with Mainland China in the long run will be much more important than our role with Taiwan. That is a historical fact. I do not say it is better, worse or whatever. It is a fact that our role with China is much more important. I repeat that I never said we should cut off trade with Taiwan. All I said is that in the discussion today many aspects have to be looked at that are not in dollars and cents.

● (1540)

Mr. Dupras: Mr. Speaker, I listened attentively to the speeches of a few Hon. Members. I would like to ask the Hon. Member who proposed the motion whether he has addressed himself to what role Canada can play to reunite Mainland China and Taiwan. I have yet to hear of any suggestions by Parliamentarians who have been in Taiwan as to whether this will be possible. I know it would be a very honourable objective for Canadians to aim for, since it would be better for both countries. I would like to hear the Hon. Member's views and whether he has addressed himself to this problem.

Mr. Jelinek: Mr. Speaker, I will be happy to answer that question. The Hon. Member probably has not read "The Three Principles of the People" by Dr. Sun Yat-sen. I will be happy to send him the book. It would take too much time in this debate to state all the facts in those three principles. However, I would support, as I believe the majority of the Members in this House would support, Taiwan's wish to reunite the two Chinas. We are certainly supportive of that and support the three principles of the people as written by Dr. Sun Yat-sen.

[*Translation*]

Mr. Yves Demers (Duvernay): Mr. Speaker, I wish to thank you for recognizing me after a lengthy question and answer session, and it is with great pleasure that I express my agreement with the motion put by my colleague on the opposite side of the House. It shows that in this House, all of us, even Opposition Members, have the same goal which is to improve the well-being of the Canadian people, and if the motion proposed today were to be implemented, I sincerely believe this would promote increased trade between Canada and Taiwan, and as a result, create several thousand jobs in Canada, for the most part in high technology areas where salaries are high. When we are talking about CANDU, we are also talking about high salaries and high technology, and many Canadians would stand to benefit.

The previous speaker mentioned earlier that one of the reasons for the recession being felt in northern countries is the inability of the poorer countries in the south to buy our products. The proposal in question would help countries in the south to raise their standards of living and to buy goods from the north. It would also promote the creation of jobs here in Canada. Fortunately, China, as the Hon. Member mentioned earlier, does not intend to buy cars for all its people, because in that case, there would not be enough steel to go around, and we probably would not have had a new Opposition Leader. The Iron Ore Company would still be in business, and perhaps the Leader of the Opposition would still be president.

To get back to Taiwan and the kind of country it is, I would say that it is a democracy. I visited that country and saw its industry and its people, I asked a lot of questions, and I had a lot to think about. When visiting that country, we realize that its people have an enormous will to succeed, to make their way in the world and to get their own place in the sun, and that they are very hard workers. They are good workers in industry but also in their schools and universities, because the level of education is rising very rapidly, a sign of considerable ambition. This eagerness to work and to study has, as my colleagues mentioned earlier, resulted in a very substantial increase in the standard of living of the people of Taiwan. At first, the country had trouble even feeding its people, and today, the people are not only being fed but offered the luxury of having better doctors, improved medical care, and a better education, and I think this is a trend we Canadians would agree is a fortunate one that we would like to see in all countries throughout the world.

It is sometimes difficult for us Canadians to promote trade with Taiwan, because the situation is somewhat tense between Communist China and that country. However, when we are doing business, do we have to go into all the differences that often exist between the people of a country who have gone their separate ways? Today, we are selling a host of goods to the USSR, and I have no objection to that, although I am sure that many Canadians do not agree with the political system in that country. However, whatever the Soviet political system may be to us, we are selling them wheat, raw materials and many kinds of finished products, while they are selling us cars and a number of other commodities. So in the case of China and Taiwan, I think we should let those countries settle their own differences. They are mature people who are capable of governing themselves. However, we, as the Canadian Government, must take advantage of the opportunities we are offered and sell as many products as we can to this country. In fact, today, and it has been the case for many years, Taiwan exports a large number of products to Canada, and all consumers in the House or in the visitors' gallery will certainly agree with me that we see a lot of items made in Taiwan in the stores. Other countries, very important countries such as the United States, Japan, France, Germany and most industrialized countries have solved this problem. They have not officially recognized Taiwan at the diplomatic level, but they have sent commercial attachés there in order to promote trade, and

when we promote trade, it very often works out to the advantage of both countries.

I feel that Canada should establish links with Taiwan by sending commercial attachés, by facilitating the issuance of visas and by encouraging contacts between business people in Canada and Taiwan with a view to establishing the requirements of our respective countries and to promoting trade. I am convinced that what we have here is a desire to open our minds to a more liberal view of the world as a whole.

As far as our workers are concerned, Mr. Speaker, it is a fact that Taiwan needs raw materials, as my colleague mentioned earlier, but more importantly, Taiwan also needs finished products, and especially nuclear reactors. It is not up to us to decide whether in the future, energy will be produced by nuclear means or otherwise, but that country needs electric power and is prepared to buy nuclear reactors. It has already done so in other countries. Whenever Canada sells a reactor for $1 billion, several thousands of jobs are created. The city of Taipei urgently needs to improve access to the city by subway and by train. We have Canadian companies that are among the most advanced in transportation technology, and I can think of one example, namely, Bombardier, a company that is located in Quebec, and which not long ago was awarded a contract to manufacture subway cars for New York City. I want to emphasize that as far as advanced technology is concerned, we could export our skills and our manpower. I am convinced that if we stand firm, Communist China will understand the situation and continue to buy commodities it needs in Canada.

Finally, I want to say that I agree with the motion, and that I intend to work to have it accepted. I think all Canadians stand to benefit.

• (1550)

[*English*]

The Acting Speaker (Mr. Blaker): I believe that the Hon. Member for Yorkton-Melville (Mr. Nystrom) was rising on a point of order, is that correct?

Mr. Nystrom: No, Mr. Speaker, I wanted to participate in the debate.

The Acting Speaker (Mr. Blaker): In that case, I think it is appropriate to recognize the Hon. Member for Cumberland-Colchester (Mr. Coates).

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I shall be very pleased to assist the Hon. Member for Yorkton-Melville (Mr. Nystrom) in order to allow him to participate in the debate before its conclusion. However, I would first very much like to offer my congratulations to the Hon. Member for Halton (Mr. Jelinek). He is a long time friend of Taiwan and a realist about international business.

One of his frustrations, and one of my frustrations during the period of time since we recognized the People's Republic of China and stopped recognizing the Republic of China on Taiwan, has been the inability of our business community to utilize fully the opportunities that could be available to them in Taiwan.

The statistics that were referred to by the Hon. Member for Halton are a shocking example of just how out of kilter things have become from a trade point of view. There is no realistic reason for that to have happened. The Hon. Member for Halton indicated, by referring to numerous countries around the world, that indeed there are very few that do not have a realistic commercial arrangement with Taiwan. If that were the case with Canada, businessmen who know no boundaries in their efforts to secure business opportunities could move between Canada and Taiwan with the least possible delay and with the greatest possibility of securing the business opportunities that exist there.

The Hon. Member for Halton pointed out that a trade delegation from Taiwan was coming to Canada very soon and would be bringing with it contracts worth something in the order of $150 million. That is just one of many examples of the possibilities that exist in Taiwan for our business community.

It pleased me very much to hear the Hon. Member for Halton pose a question to the Prime Minister (Mr. Trudeau) in the House earlier this year in order to secure from the Prime Minister a somewhat different approach than has been taken concerning the sale of Candu nuclear power stations since the time we withdrew recognition from the Republic of China. It is my hope that in the days ahead we will be able to work out a business arrangement so that we can assist the Chinese people to diversify their energy possibilities through the use of a Candu nuclear power station.

Regardless of whether one is in favour of or against nuclear power, it is a reality today and, in my opinion, the Candu reactor is the safest and cheapest nuclear power station in the world today. If we are interested in safe forms of nuclear energy, then the Candu reactor is certainly the best vehicle to produce that for the people.

In April of this year, it pleased me very much to join the Minister of Energy, Mines and Resources (Mr. Chrétien) at the opening of a nuclear power station in Korea. We are hearing about the possible constructin of two nuclear power stations in Romania. Well, we may not like what is happening with the Chinese people, but surely to goodness we do not endorse the kind of Government that exists in Romania. Yet we are willing to sit down and do business with Romanians by selling them a nuclear power station. If the Government of Taiwan is willing to provide us the same safeguards as is the Government of Romania, then why are we not selling nuclear power stations to the Government of Taiwan? There is no realistic reason for that.

At this time, we realize that there is a junta in control of Argentina. That is not the same form of government that we have in Canada, but we have just recently opened a new nuclear power station in Argentina. That does not mean that we endorse the form of government that exists in Argentina, but it does mean that we know that Argentinians will buy a

nuclear power station from somebody. If they do not buy it from us, then they will buy it from Germany or from France or from the United States. Well, why not buy it from Canada so that we can be of assistance in maintaining and improving the possibilities that exist for a nuclear industry in Canada? As far as I am concerned, those possibilities are vital to our country as we move toward the twenty-first century.

The suggestions contained in the motion of the Hon. Member for Halton are very realistic. It is very frustrating for a businessman from Canada or a businessman from Taiwan to try to move back and forth between Canada and Taiwan. That is stupid. There is no other word for it, it is just plain stupid.

A very significant celebration will take place in Taiwan next month. It is called "Double Ten" and occurs on October 10. It is a most sacred and very special holiday for the people of Taiwan. I will bet money, Mr. Speaker, that there will be Governors from at least 25 States of the United States present along with members of their various business communities with their order books who will be doing business. Where are we? We are trying to work out an arrangement whereby a businessman can get a visa to visit Taiwan. How are we to meet the competition if that sort of thing is allowed to happen?

It does not surprise me that members of the NDP are concerned about communist China and our relations with communist China. If we are concerned about that, what about almost every other nation in the world that has worked out a realistic commercial arrangement that allows businessmen to move back and forth without difficulty? Are their business arrangements and diplomatic relations in jeopardy because they allow this? That is just a lot of hogwash, and one can only expect that from the socialists who are trying to stick up for the communists. Well, I am not trying to stick up for the communists, neither here nor in China nor anywhere else. At least in Taiwan there is a democratic Government, and that is what I stand for. I want to help democratic Governments wherever they happen to be. I am not worried about communists.

Some Hon. Members: Hear, hear!

Mr. Coates: Our socialist friends are concerned about human rights. I have heard how they abhor capital punishment. I believe that only a week or so ago I read in the newspaper that the Chinese communists put on a big show. They invited all of the people and they lined their own people up against the wall and shot 30 or 40 of them at one time simply to make an impression on the rest of the people in that country. Well, if that is what they endorse, that is fine and dandy but that is not what I endorse. If I have to make a choice between supporting the people of Taiwan or supporting the People's Republic of China, then I am on the side of Taiwan today, tomorrow and the next day.

● (1600)

I think most Members of the House—at least Members of the two major Parties in the House—feel exactly the same way. We stand for democracy. I am not sure where Members at the end of the Chamber stand. Perhaps the Hon. Member for Yorkton-Melville, whom I remember meeting after a visit to communist China, would give us the benefit of some of his ideas as a result of visiting that country and tell us how well off the people were, as he saw during his travels.

I have not gone to communist China but I have gone to Taiwan a number of times. I do not want to go to communist China, thank you very much. I hope to go back to Taiwan sometime, however, and see the free enterprise system working effectively and well.

We heard about the North-South dialogue. Taiwan would rank high in a list of the best agricultural economies in the world. Besides producing three times the amount of food on the same amount of land, since 1949, it has established one of the finest agricultural colleges in the world. It has special programs to bring people from the developing nations to Taiwan to assist, through educational programs in that college, the development of their agricultural industry. That is the type of thing that is happening in Taiwan today and it is of real benefit to the people. I endorse that type of thing totally.

Again, I want to congratulate the Hon. Member for Halton. It is a long time since we have had a debate on this subject in the House. The Hon. Member is to be commended for making it possible, and I enjoyed taking part in the debate.

Mr. Ogle: Mr. Speaker, in the spirit of debate, I wonder if I could ask the Hon. Member one question?

Mr. Coates: Agreed.

Mr. Ogle: I was very interested in his remarks. I appreciate his position and in no way want to change it. As a Member of the Progressive Conservative Party, which has so many people in favour of capital punishment, I would have expected that he would have brought the argument around the other way in favour of China which is carrying it out publicly. If you were going to have it, you should have it as they do, for all the people to see. I make this point because—

Mr. Jelinek: The next thing you are going to want is public flogging.

Mr. Ogle: The point I am making, in the same spirit as the point was made to me, is that I believe the Hon. Member should have come down on the other side of the question. If I could, I would suggest to him that he should take the opportunity to visit China some time. He does not have to agree with what they are doing, but over one-quarter of the people of the world live there.

I would like to ask the Hon. Member what model of development he would use to develop China?

Mr. Coates: Mr. Speaker, that is very obvious—just use Taiwan as an example. The free enterprise system would produce for the billion or so people in China a much more realistic future than exists at the present time. The Hon. Member for Halton pointed out that in ten years Taiwan has increased the level of income by 500 per cent, while in

Mainland China it has remained the same. If that is the example you want to use, then communism does not work there or anywhere else. That is exactly the way I feel about it.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I was interested in the remarks of the previous speaker who implied that if one happened to visit China, then one was a communist or a communist sympathizer.

Mr. Coates: I did not say that.

Mr. Nystrom: I said you were implying that, I thought, in your remarks.

Mr. Coates: Never.

Mr. Nystrom: I am glad that he was not implying that, Mr. Speaker, because if he was, there would be another communist sympathizer, namely the Premier of Saskatchewan, Grant Devine. He will take off for China in the next few days. Peter Lougheed has been there, of course, and the Hon. Member for St. John's West (Mr. Crosbie) has been to China.

I never thought I would be defending the Premier of Saskatchewan against his own Party, but perhaps I have to. He is going to China because it is very important to the economy of Saskatchewan. I come from that Province and in the House I represent the people of that Province. Saskatchewan exports over half its commodities to China, including wheat and potash. That country happens to be very important to the economic well-being of my constituency. That is a major reason why the Premier of my Province is going to China.

What is important to the economy of Saskatchewan is very important to the economy of all of Canada, including that part represented by the Member who moved the motion, the Province of Ontario.

I want to make that point because if we are going to talk about more trade with Taiwan, we must realize the political sensitivity of the situation with the People's Republic of China and the importance of maintaining very good relations with that country.

I happened to be listening to an open-line radio show the other day and heard the Premier of Saskatchewan say that he wanted more cultural exchanges between China and Saskatchewan, a greater exchange of farmers with Chinese farmers coming to Saskatchewan and our farmers going to China and an exchange of young people from the universities. That is the "commy" Premier of Saskatchewan speaking, the Conservative Grant Devine.

Some of these dinosaurs off to my right are so out of touch with reality that they should crawl back into their cage. That is the better place for them.

Mr. Jelinek: Mr. Speaker, I rise on a point of order. The Hon. Member for Yorkton-Melville is not discussing the motion. It does not state that we are against communist China. It recommends that Canada join the rest of the industrialized world in increasing trade with Taiwan. The Hon. Member is not relating his remarks to the motion. He is talking political—I do not want to use the words that are in my mind.

An Hon. Member: Hogwash.

The Acting Speaker (Mr. Blaker): The Chair will recognize the Hon. Member for Yorkton-Melville. Perhaps I should indicate that the time allowed for debate of this particular motion expired at 4:07. Because there was a point of order, the Chair will extend a moment to the Hon. Member to complete his remarks and then seek consent for the next item.

Mr. Nystrom: Mr. Speaker, as the Hon. Member for Saskatoon East (Mr. Ogle) said, we are not talking about cutting off trade with Taiwan. What this Party and my Province say—Conservatives and others as well—is that when we talk of increasing trade with Taiwan, we must realize that there is a very sensitive political situation regarding China. It is very important that we do not alienate China and lose trade with that country. It happens to be exceedingly important to my Province and my people. I want to make that point very emphatically to other Members of the House.

It is not just this Party that is concerned. The Conservative Premier of my Province is going to China within a few days as the head of a delegation. I think that shows the importance of visiting China and the importance of trying to strengthen ties between Canadians and the Chinese.

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 24(2) and considering the time as 4.09 this afternoon, it is my duty to interrupt the proceedings.

Shall all items under Private Members' Notices of Motions (Papers) preceding item No. 23 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

STUDY ON ECONOMIC IMPACT OF DELAY IN ALSANDS AND IMPERIAL OIL PROJECTS

Mr. Jack Shields (Athabasca) moved:

That an Order of the House do issue for copies of all papers and studies done for any department or agency concerning the economic impact to Canada of a one-year delay in the development of the Alsands project in Fort McMurray, Alberta and the Imperial Oil project in Cold Lake, Alberta.

● (1610)

He said: Mr. Speaker, I think anyone familiar with my activities in this House, particularly as they relate to the national energy policy and the resulting destruction of the tar sands and oil industry situated in my riding, will understand, when reading the order I have put forward, that I ask for

copies of all papers and studies done by any department or agency concerning the economic impact on Canada of a one-year delay in the development of the Alsands project in Fort McMurray and the oil sands project of Imperial Oil in Cold Lake. This was done on December 22, 1982. At that time, if you will remember, the announcements coming out of northeastern Alberta were pretty much gloom and doom as they relate to the oil sands industry. Alsands had announced its consortium had collapsed and it was not going to proceed with the $12 billion project. At approximately the same time it was announced that the Imperial Oil project in my riding was not going to be proceeded with.

At that time, Mr. Speaker, statements were made by the Alsands consortium and Imperial Oil which indicated these projects were not economically viable, but always with the proviso that this was so because of the present fiscal regime existing in the national energy policy, particularly the petroleum gas revenue tax. That tax represented a massive grab from these very sensitive and very marginal operations, taking money from the investors and the production at a time when it was risky business to develop these projects. Indeed, in some ways it is still a risky business to develop them.

The Alsands project presents a massive infusion of capital to buy the equipment and machinery, to build the complex necessary to mine the sands because in the open-pit mining process there are vast amounts of overburden which have to be removed in order to get at the oilsands. Syncrude and Suncor are doing this now. It is remarkable to note that 20 years ago Suncor went into that very speculative venture, the mining of the oil sands, to develop a process for extraction and upgrading of this very heavy bitumen into a very high quality synthetic crude. In fact, it is of such high quality that it is in demand virtually everywhere.

Learning from the experience of the Great Canadian Oil Sands plant, which later became Suncor, Syncrude went into developing a project which cost $9 billion. Again learning from their predecessor across the road, they developed and are now producing probably twice the capacity of the Suncor plant. The reason I am giving you the background on this, Mr. Speaker, is that I want everyone to understand that the Economic Council of Canada indicated two years ago in a study that $260 billion must be spent between now and 1990 if Canada is to reach oil self-sufficiency. Remember that at that time there was also the fight over the energy agreement between the Province of Alberta and the federal Government. When it was struck, the petroleum gas revenue tax included in the new national energy policy was so devastating that both Alsands and Imperial Oil at Cold Lake said no, we cannot risk $12 billion to invest in these massive projects because of the massive tax grab by the federal Government. That is in effect what they say.

Now, the Minister of Energy at that time and the Minister of Energy (Mr. Chrétien) today will deny this. The various Parliamentary Secretaries and Liberal backbenchers will all deny this. They say it costs too much, it is inflation, interest rates. They go through all of that, but when you come to the bottom line the companies themselves state that the PGRT was too big a bite and it now becomes too risky.

What was being risked, Mr. Speaker? Let us look at Imperial Oil. We were asking Imperial Oil, with a total capitalization in Canada of less than $12 billion, to gamble all of its assets in Canada on one plant in Cold Lake. That is what it amounted to. The mining of the oil sands in the Cold Lake area is different from that in Fort McMurray because it is not strip mining. There are various methods they are trying to develop such as drilling holes and pumping gas or hot water to heat the sands and then pump up the crude. The overburden is much too heavy or thick to remove.

I suggest to you, Mr. Speaker, that this is a giant research and development project. Not only does it create jobs and contribute to our energy security and our balance of payments because we replace offshore oil with that from the oil sands, but it is developing technology which is needed in places like Venezuela which also has oil sands. I had a discussion with the Ambassador from Venezuela the other night. When he heard that I was from the riding of Athabasca he immediately recognized that as the area where research and development was taking place which he and his countrymen are very interested in. But we must consider the costs and the recovery of those costs is enhanced when a plant like this goes ahead.

I am sure, Mr. Speaker, that some Member from the Liberal side is going to stand today and say that the plants, these megaprojects, are dead, they are too expensive, or that the Hon. Member for Athabasca knows full well that the cost of oil was dropping and therefore they could not recover their investment and they became too risky. Before those statements are made, Mr. Speaker, I would only say that that is balderdash because the companies clearly indicate in press releases that it was the fiscal regime put in place by the federal Government which made the venture too risky.

● (1620)

Surprisingly enough, yesterday in Calgary the Minister of Energy, Mines and Resources, with the Minister of Energy for Alberta, announced that new life is being breathed into the Imperial Oil Project at Cold Lake. In the official press release from the Department of Energy, Mines and Resources Canada, the Minister noted, "At the peak of the construction, 700 direct jobs will be created and will be filled primarily by residents of the Cold Lake region. Another 90 permanent jobs will result from the operational phase of the project. Three hundred million dollars is being invested for 700 construction jobs and 90 permanent jobs." What was originally proposed at Cold Lake was a project which, at peak construction, would provide 7,500 jobs, which would translate into 3,000 permanent jobs, from one plant alone. Double the figure, because the same type of investment was to be made north of Fort McMurray with the Alsands project. Can one imagine the effect there would be on the economy of the country today, the effect on the unemployment figures of 1.5 million people, had those two plants been allowed to continue? The unemployment figure would have been reduced by at least 500,000 to 700,-

000. That would be the impact of those two plants across Canada. It would have created an economic stimulus in Ontario alone of close to $7 billion in continual spending over the life of the projects.

However, when one turns the press release over, there is one statement that really points to where the Government is at: "The federal Government will provide earned depletion allowance". That is one thing that the Government denied both plants. The Government said that one cannot have earned depletion allowance. It further states that there will be "a waiver of payment of the petroleum gas revenue tax until the company has recovered its capital cost in accordance with the federal budget provisions announced in April 1983". In other words, when both the Alsands consortium and the Imperial Oil project at Cold Lake were prepared to invest $12 billion in each plant, a total of $24 billion, the Government said, "No, you will not receive depletion allowance. Yes, you will pay petroleum gas revenue tax from the moment you start pumping oil into the pipeline". But now Imperial has come back, and to encourage Imperial to invest $300 million, which may develop into $1.5 billion over the next three years, the Government has done exactly what the oil companies and the heavy oil industry said needed to be done in the first place. I would suggest that it is exactly two years too late.

If the Government had not been so concerned with grabbing from the goose that was laying the golden egg, if it had not been so concerned that someone might make a dollar, there would be two plants in northeastern Alberta ready to come onstream, probably in 18 months, producing 280,000 barrels of oil per day, which would amount to approximately 14 per cent of our total national supply of oil. Employment would be created across Canada in virtually every Province amounting to over 500,000 jobs, and probably closer to 700,000 jobs. We would not be buying oil offshore. We are presently importing under 200,000 barrels a day and even paying spot prices in some cases which are higher than world prices, adding to our deficit in foreign trade, which affects the dollar and employment in a vicious cycle. We would have already saved at least $5 billion in unemployment insurance benefits that have been paid out because the jobs were not there. We would have saved untold misery across the country to those men and women who are unemployed and who have now exhausted their unemployment insurance benefits, those who have sold their homes, cars, personal belongings and have gone onto welfare. God only knows how much damage we would have saved the children who are witnessing traumatic kinds of confrontations that they have never before seen happening in their families. We do not have to be all that intelligent to understand what happens when a man walks into his home—or a woman—and sees children for which he cannot provide because he cannot find a job in a stagnant economy. It does not take much to imagine the kinds of things that go on in that home. It would have saved small companies and even larger companies. Tar Sands Machine and Welding was a company in Fort McMurray owned by an individual who had invested his time, his life savings, and who was doing a superb job in the heavy oil industry. However, with the collapse of Alsands, of course, he collapsed. He had about 65 employees who all lost their jobs. I could recount numbers of different companies all over northeastern Alberta to which this happened primarily because the Government would not clear the smoke from its eyes. The Government was so concerned because it thought Alberta was being greedy and pitted the rest of the country against certain people in the oil industry in Alberta. This cash-starved Government was so concerned with grabbing as many dollars as possible, spending like a drunken sailor with no accountability to the House of Commons, that it killed two projects that are needed today as they were needed then and will be needed tomorrow for our own security. The security of our country is at stake because we do not have a secure supply of oil. Yet we have Petro-Canada, which receives a stipend from the Canadian taxpayer, investing $.5 billion in offshore China to develop oil reserves there.

When questioned as to why this is being allowed to happen, the answer comes back, "It will be a supply of oil for Canada". My God, we have reserves in the tar sands which surpass the known conventional reserves in the Middle East. We have an abundance of oil and we have the ability and technology to extract it from the tar sands. It could create jobs in Canada and thereby decimate the unemployment lines. It would keep dollars in Canada instead of their being spent offshore for oil. It would create a healthy economy. It would bind the country together because when there are jobs in northeastern Alberta, people would come from every Province to that area. God bless them for it because it creates a mix of Canadians in the region. When Hibernia finally develops people will migrate to the region from one end of the country to the other and there will be a mix. That is how we build a country.

● (1630)

My motion is very simple. I only want to see the papers and the studies that were done. To my knowledge, these studies were done and indicated to the Government and the then Minister of Energy, Mines and Resources, before he brought down his National Energy Policy in Bill C-48, the drastic consequences if those plants did not come onstream. Yet he ignored it.

My final comment is that we were looking at an outside investment, not Government investment, of $24 billion. The Economic Council of Canada stated very clearly in their studies that $260 billion must be invested in the energy sector if we are to have energy self-sufficiency by the year 2000, not 1990.

I hope Hon. Members will join with me and force the Government to table these papers so that everyone in the House of Commons and all Canadians can see why and how the Government came to its decision with the petroleum gas revenue tax.

Mr. Herb Breau (Gloucester): Mr. Speaker, I am happy to have an opportunity to speak in this debate because it deals

with what I believe is a very important question, oil sands development and particularly the Alsands project.

Before I commence with what I intend to say, let me suggest that the demagoguery of the Hon. Member who just spoke is just incredible. To suggest as he does that the federal Government alone is responsible for the fact that the Alsands project did not proceed is to continue in the same kind of demagoguery, and what I would characterize as garbage, that we hear from Members on that side of the House when it comes to energy issues. Whenever the federal Government becomes involved in policies on national issues, some Members, particularly in the Conservative Party, think that it is sacrilege.

The Hon. Member should know and have the honesty to tell the public that the timing error for the Alsands project occurred when Premier Lougheed and his Government decided to use the Alsands project as a hostage in the negotiations for an oil pricing agreement. This was in the winter of 1980 and 1981, well before the Alsands project was finally cancelled by the companies involved after the very attractive offer both Governments made in the spring of 1982. That is when the mistake was made. It is unfortunate.

Premier Lougheed decided that this was one of the projects he would hold up. He could have found a fiscal regime in the fall of 1980 and winter of 1981 for the Alsands project. The federal Government and the Minister of Energy, Mines and Resources at that time kept answering questions in the House and saying publicly that he was ready at any time to sit down to get an agreement on a fiscal regime with the Province of Alberta for the Alsands project. However, the Premier of Alberta decided that he would not have it so. That was well before the oil pricing agreement was arrived at in the beginning of September or end of August.

Premier Lougheed had used the Alsands project as a pawn in very tough negotiations. I am not saying he was wrong in using it that way because he is very effective at protecting the interests of his electorate. He made the political judgment that he would not let that project go ahead and would not negotiate the fiscal regime with the Government of Canada or with the companies before he had an oil pricing agreement. That is all right, but he made that decision, not the federal Government.

I distinctly recall the discussions we had in our caucus and the discussions that were held elsewhere when we were pleading with the Minister of Energy, Mines and Resources to do more to ensure that the project would go ahead, because, as the Member said, it was not only very important in terms of energy supply, the security of supply for the future of Canada, but it was very important because of the industrial benefits it would have provided across the country. But the Alberta Government refused to negotiate a fiscal regime before there was an oil pricing agreement.

That error was made and it is unfortunate. We all know what occurred subsequently. As we got into 1982 the pricing situation became uncertain. Despite the very attractive offer on the part of both levels of Government, the companies decided not to proceed. At that time both Governments did all they could but unfortunately it was too late. The offer that was presented jointly by both Governments first assured private sector participation would be at least 50 per cent, but in view of normal tax write-offs the two Governments would provide guarantees for 68 per cent of the private sector expenditures in the pre-production period. Second, no repayment of interest or principal would be scheduled until after start-up. Interest on the guaranteed loan could be capitalized and added to the oustanding loan balance and the guarantee increased accordingly. After production start-up, 58 per cent of the net revenue accruing to the private sector would be paid on the loan guarantees. Net revenue was equal to gross revenues minus 110 per cent of the operating costs, minus capital additions, minus the Alberta 5 per cent gross royalty.

I could go on, but I think it has all been said publicly already. The result was that private oil firms withdrew from the project despite the Government offer which would have removed a large part of the financial risk from the private investors. They would still have maintained 50 per cent private ownership. All told, the direct and indirect support by Canada and Alberta would have covered 84 per cent of the project costs then estimated at $13.9 billion. That was in 1982 and I suppose that investment would now be well over $14 billion.

The Hon. Member has talked about the petroleum gas revenue tax. Again, they consider it a sacrilege to have the federal Government raise a tax from the top. They say that is terrible because it goes directly at the cash flow. However, provincial royalties are taken directly from the top and that seems to be all right. Simply because the federal Government would decide to have a tax mechanism which takes money from the top, it is supposed to be bad. Apparently it is all right to be used as a policy instrument for provincial governments. I do not know how Hon. Members can reconcile that unless they only want to continue to oppose anything the federal Government does.

The PGRT would have become effective only after the guaranteed loans would have been repaid. The rate of tax would have been 16 per cent, but now, with changes that have been announced recently, would be less than that. Unless somebody opposes the PGRT for everything, which I know is the honest position of some of the Members, then one cannot say that the PGRT alone was the only reason this project did not go ahead. The PGRT would have become effective only after the guaranteed loans had been repaid.

● (1640)

I wanted to intervene briefly in this debate. As the Hon. Member for Athabasca (Mr. Shields) said, it is a very important debate. I am happy now that some projects are going ahead. I am happy the Minister of Energy, Mines and Resources (Mr. Chrétien) has made sure that some changes to the fiscal regime have been made and that Petro-Canada as an instrument of public policy is involved in the Alsands development and in heavy oil. I believe this is important for the security of supply of energy in Canada. I believe it is important because of the industrial benefits which these massive projects will bring to the rest of the country.

As I have said, to suggest that the federal Government alone is responsible that the Alsands project did not go ahead, to use such language as to say the federal Government killed the Alsands project, is to hide from the truth. The time to go ahead with the Alsands project was the spring of 1981 or even in the fall of 1980. The construction of the projects would have been so far ahead that by the time the pricing situation became uncertain in the world it would have been too late for companies to cancel.

The fiscal benefits were always available from the federal Government. The federal Government was always ready, during 1981 and before that, to sit down with officials from the Province of Alberta and negotiate a regime. The Alberta Government refused to do that.

Mr. Shields: Mr. Speaker, I rise on a point of order. Would the Hon. Member answer a question?

Mr. Breau: Yes, Mr. Speaker.

Mr. Shields: Mr. Speaker, I have two questions. First, I know the Hon. Member from the other side of the House would not want to mislead this House in any way. He just stated that the fiscal regime was always in place for the oil companies, meaning that the deal was in place so the companies could go ahead with the investment and the development of the oil sands. He must realize that this is not so. The fiscal regime was agreed to probably the day before yesterday, and announced yesterday, in which the petroleum gas revenue tax would not be collected until all of the capital costs were recovered by the investor.

Second, the prior offer to the Alsands project was that it would still have to pay 16 per cent. What we are talking about is 16 per cent to nothing. That is the first question.

While the Hon. Member is on his feet, could he answer a very simple question? Did he know the Alsands project collapsed after an energy agreement was signed between the federal Government and the Government of Alberta, not before? It was two to three months after because the fiscal regime could not go into place. Did the Hon. Member know that?

Mr. Breau: Mr. Speaker, in answer to the first question, I never said the fiscal regime was in place all the time. I said the federal Government was ready in the fall of 1980 and through the winter of 1980-1981—in the spring of 1981—to negotiate a fiscal pricing regime with the Government of Alberta. It was the Government of Alberta that would have no negotiations at all before an oil pricing agreement was arrived at. Those are the facts, Mr. Speaker.

I could go back and research for the Hon. Member answers to his own questions in this House. He kept asking questions, as was legitimate, because the economic development of his region was crucial. I remember very clearly that many many times the questions he put, questions the former Leader of the Opposition put, questions the energy critic put, and the Minister kept saying: "I am ready at any time to meet with Alberta and negotiate a fiscal regime." I never said that the fiscal regime was in place. I said that the Minister of Energy, Mines and Resources at the time was ready to negotiate one.

I am sorry, I forgot the Hon. Member's second question.

Mr. Shields: Mr. Speaker, I want to know if the Hon. Member knew that the Alsands project collapsed after an energy agreement was reached with Alberta.

While I am on my feet, I just want to caution the Hon. Member. He is talking about a fiscal regime in place. The fiscal regime, as I am referring to it, was a deal with the oil companies or a developer. That is what we refer to as the fiscal regime. We are not talking about an energy agreement between the Province of Alberta and the federal Government. The fiscal regime, as it related to the Syncrude, the Suncor production, the Alsands consortium and the Imperial Oil project, was not in place. No negotiations were taking place to remove the petroleum gas revenue tax.

Mr. Breau: Mr. Speaker, to deal with the original second question posed by the Hon. Member, I said earlier that the deal had collapsed in April, 1982. I know that. It collapsed six months approximately after the oil pricing agreement. At the time the pricing situation in the world had changed, it was too late. What I said was that before the oil pricing agreement there was no need, intellectually speaking, to link the negotiations for the fiscal regime for the Alsands project with an oil pricing agreement with the Provinces. There was no need for that. The Alberta Government linked the two. By linking the two, the Province of Alberta made a timing error. By the winter of 1982—April of 1982—despite the very attractive offer of guaranteeing about 84 per cent which both Governments offered the private sector, it was too late. They lost the project. We all lost the project, not them. The country lost the project. That is the problem.

I realize that the Alsands project collapsed in 1982. The Hon. Member is trying to confuse what I mean by the negotiation of a fiscal regime and the oil pricing agreement because he wants to get out of the confusion that he created earlier. I realize that the negotiation of a fiscal regime for any particular project or a series of projects between the two Governments and the private sector, the entrepreneurs, is one thing and the oil pricing agreement is another. It was the Alberta Government that would not realize that. It was the Alberta Government that linked the two. By linking the two, it really used the Alsands project as a pawn to pressure the federal Government and the rest of the country because of the industrial benefits to the country, because of the security of supply to the country. It was Alberta that took the calculated risk of delaying the Alsands project, hoping it would pressure the federal Government into a better oil pricing agreement or an oil pricing agreement more favourable to Alberta. The Province of Alberta calculated that risk. They took it. It is too bad they made a mistake.

Mr. Shields: Mr. Speaker, I have only one question. Does the time we have allocated to this question terminate at 5.09 p.m.? Is that correct, Mr. Speaker?

The Acting Speaker (Mr. Corbin): It will be 4.52 p.m.

Mr. Shields: We will not be able to resolve this question. I think there is an easy way to resolve this question, Mr. Speaker.

The Acting Speaker (Mr. Corbin): I am sorry, I thought the Hon. Member for Athabasca (Mr. Shields) was asking how much time the Hon. Member for Gloucester (Mr. Breau) had left. His time terminates at 4.52 p.m., but the debate will terminate at 5.10 p.m.

Mr. Shields: I think we could spend a great deal of time on this, Mr. Speaker. I would request the Hon. Member who just spoke to consult with his colleagues. Or if I could get unanimous consent to terminate debate at 5.05 p.m., and we could get the documents tabled in the House, all of us then will be able to see what is the truth. I am sure the New Democratic Party would like to know what the truth is. We on this side of the House would like to know the truth. Could I seek unanimous consent of all Members of the House to have the documents tabled so everyone can see the truth?

• (1650)

The Acting Speaker (Mr. Corbin): I presume the Hon. Member for Athabasca (Mr. Shields) is making that request through the Chair. The Chair advises Hon. Members that a total of one hour and 40 minutes is provided for the debate. Today is the commencement of the debate and it cannot go beyond one hour, but following today an additional 40 minutes will be available. In any case, the Hon. Member has formulated a request for which I will seek unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Breau: Mr. Speaker, I am astounded the Hon. Member would want to restrict Hon. Members from speaking on such an important issue. I cannot agree to that.

The Acting Speaker (Mr. Corbin): I gather there is not unanimous consent.

Mr. Shields: Mr. Speaker, I am in no way restricting the debate. I am asking that we terminate the debate today so that it will not be talked out, and I am asking that the papers be tabled in the House of Commons. Perhaps Mr. Speaker could seek unanimous consent once again.

The Acting Speaker (Mr. Corbin): Is there unanimous consent to have the debate terminated five minutes before the hour today?

Some Hon. Members: Agreed.

Mr. Breau: No, I do not want to restrict Hon. Members.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to participate in the debate this afternoon on the motion for the production of papers concerning the economic impact of the delay of the Alsands project in Fort McMurray, Alberta and the Imperial Oil project in Cold Lake.

I listened to the Hon. Member for Athabasca (Mr. Shields) blame the federal Liberals for the collapse of these megaprojects. The Hon. Member for Gloucester (Mr. Breau) condemned the provincial Conservatives in the Province of Alberta for the collapse of these oil projects. I must say that I agree with them both. Not only should the blame be placed upon them for the collapse of these projects, it should also be placed upon the resource giants.

I agree with the Hon. Member for Athabasca that the federal Liberals did not and do not understand the oil industry. As a result they tried to compromise and change their position on many occasions, but they were unsuccessful because of what I believe was a true lack of understanding about the industry.

I do not know why the Conservative Government under the leadership of Premier Lougheed in Alberta was so stubborn in the negotiations to push the projects ahead. They would have been meaningful to all Canadians and provided self-sufficiency in energy by the end of 1990, possibly even sooner. Could it have been that he was tied so closely to the resource companies that he could not allow the projects to go ahead? I do not know. That is a question which remains paramount in my mind.

Returning to the issue of laying blame, the resource giants involved in these megaprojects have always been guaranteed an annual income or income on every project in which they have become involved. The oil industry is a high-risk business. That risk is not only minimized to resource companies; it is almost eliminated. Unless the risk is eliminated they do not want to participate in the marketplace. They want to be guaranteed an annual return on each project in which they participate.

An as alternative to the squabbling which took place, there could have been some public intervention because of the large amount of taxpayer dollars which would have gone into these projects. Sometimes taxpayers receive a nil return in terms of compensation paid to resource companies for projects which did not go ahead. Millions of dollars would have been spent on these projects.

I am keenly interested in this notice of motion for the productions of papers concerning the economic impact of the delay in these projects because my constituency of The Battlefords-Meadow Lake is adjacent to the Alberta border. Many people across Canada, and particularly those in my riding, are affected by the economic benefits of these projects with large capital input into local areas. I know many people who work as labourers in the construction phases. Some small companies have been hurt badly by the collapse of the megaprojects on

which the Government relied heavily for creating employment and helping the economy of the country, projects which have now gone astray. Small companies working in the oilpatch were hit harder than others by the collapse of the megaprojects. These companies made plans to expand, to improve and to develop new services which could have been offered in support of the building of the projects. Their plans were ruined and some of them went bankrupt. Many individuals had problems with their families and their companies particularly as a result of the collapse of the Esso Resources project at Cold Lake. Small companies had made plans, worked on their budgets and knew what they would have to charge to make a living and to provide jobs and some security for their employees. Those which survived and remained in the marketplace after the collapse of the projects did so by working for whatever company offered them work.

I see Esso Resources will go ahead with the development at Cold Lake, albeit a much smaller project requiring much less capital and providing fewer jobs than was the case with the initial megaprojects. As was pointed out by an earlier speaker, the original proposal at Cold Lake included the spending of some $12 billion to $14 billion. Now that it is hopefully planned as a phased-in project, in the two initial phases there will be a capital cost of some $300 million or about 40 times less than originally intended.

It is interesting to note that megaprojects seem very efficient and seem to provide a large number of jobs. However, I would like to refer to the statistics of Esso Resources included in a book which I received on July 6, 1983. They indicate that although Esso is spending 40 times less money in the project at Cold Lake now, the number of jobs has not reduced correspondingly. For example, in the construction stage of the heavy oil plant the initial projection provided for some 8,000 to 10,000 new jobs. Now it will be between 400 and 700 jobs, somewhat under the 40 per cent less of the spending they are projecting. In terms of permanent jobs that will be created by this project, the original plans projected some 2,000 to 3,000 permanent jobs. With the reduced model and the phasing-in proposal, some 90 permanent jobs will be created in the Cold Lake project, again somewhat more corresponding to the 40 times less money they are spending.

● (1700)

The point I am making is that for the dollars spent, more jobs are being created for the people of Canada by Esso Resources phasing-in proposal than would have been created by the number of dollars spent in the large megaproject. I thought that was interesting to point out in the debate this afternoon.

It is significant to note that in the original proposal, it would have taken 10 to 12 years to complete the entire project. With the smaller version coming onstream, it will be four years. That is important because we need these jobs sooner, not later. The sooner we have those jobs, the better it will be for the people of that area as well as for people right across Canada.

There is something else that has not been mentioned this afternoon on which I would like to spend some time, namely the environmental concerns of people living in the project area. Although controls have been put in place and Esso Resources has gone through the proper hearings to have their project approved, I ask them publicly to be good corporate citizens as they go ahead with this project and to assure us that the environment that could be affected by such projects will be protected.

The first concern about the environment is the emission of sulphur dioxide, the main component in acid rain. My constituency of Meadow Lake is downwind. Prevailing winds blow from the Cold Lake project across the riding that I represent, carrying the sulphur dioxide. This may cause future acid rain problems. The northern part of my riding is vulnerable to the effects of acid rain or acid precipitation because it is on the edge on the Pre-Cambrian Shield. The area does not have the ability to withstand the effects as do some agricultural areas to the south. Environment Canada operates an acid precipitation testing station at Cree Lake which monitors the situation very closely. If Esso Resources or any other resource giant is not a good corporate citizen and is not taking care of the environment, we will know that. We would then have to re-evaluate what they do in terms of polluting the environment. I again stress that I very much want them to be good corporate citizens.

There is a second area of environmental concern on which I have received numerous letters from the Village of Pierceland and the rural municipal council of Beaver River. Their concern is the water drained off Cold Lake and the placing of that waste, although will be treated, back into the river systems of the area. The Beaver River system, which runs through a good portion of my riding, affects such places as Goodsoil, Pierceland, Meadow Lake and places down the line. These people are justly concerned about the effects on their water supply and the ecosystems that could be affected by the waste material from the heavy oil plants. There could be an increase of the sewage effluent into the Beaver River system. They are also concerned about the possibility of ground water contamination due to a deep well disposal of waste from the steam injection process which may be used as well.

I lodge with the House of Commons and my constituents my concern about what could happen to the environment. I am sure that all of us, including Esso Resources, do not want anything to happen to the environment. At the same time, I appreciate the economic activity created by the projects, creating jobs for many unemployed people, as pointed out by the Hon. Member for Athabasca (Mr. Shields), not only in the immediate area but all across Canada. These people will go there to seek jobs and a new future with some stability of employment. There is a great deal of spin-off with small companies which service the resource giants, megaprojects and heavy oil projects. Providing jobs has the benefit of giving dignity to the people and makes their communities better places in which to live.

The only area of disagreement that I have with the motion is that I would like to see the tabling of the documents affecting the economy because of the delay in the project. If there are documents that are not public, and I hope the Hon. Member for Athabasca will agree with this, documents which affect environmental safety and the environmental consequences of the project going ahead, I would like to see them tabled in the House of Commons this afternoon. I appreciate the opportunity of being allowed to intervene in this debate.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am happy to have the opportunity to say a few words in the time remaining on this subject matter. I have had the opportunity of hearing the Hon. Member who initiated this motion on previous occasions at both the committee level and when a number of us on an energy-related committee travelled through his Province. At that time he noted a number of concerns and has since reiterated time and time again how important these developments are, not only for the constituency of Athabasca and the Province of Alberta, but also for the people of Canada.

I would be less than candid if I said I agreed with him on that particular score. I believe all Members in this House would agree that those projects to which he refers are indeed important. However, all through the debate I have noted an omission; I do not suggest it was intentional, but nevertheless an omission. On each and every occasion that that Member has stood in his place to make reference to those projects, he has always blamed or pointed the finger at the Government of Canada. Never in this House or in committee or in my discussions with him have I heard him raise any doubt or questions about the involvement of the Government of Alberta.

On numerous projects that have come to the forefront, particularly in that Province, there has been discussion, consultation and negotiation between the two levels of government. In terms of Alberta's tar sands and heavy oil deposits, whether it be in the field of pricing, taxation or direct funding, the Government of Canada has done numerous things.

• (1710)

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

Mr. Anguish: Mr. Speaker, I rise on a point of order. I think it is important that these papers are tabled and I was wondering if you would ask the House for unanimous consent to see if the papers could be tabled—

The Acting Speaker (Mr. Corbin): Order. That question has already been put to the House and parliamentary practice prevents us from putting the same question twice in the same sitting. In any case, we are off the topic now.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Corbin): Shall all orders listed under Private Members' Public Bills preceding Order No. 374 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING DISHONOURED CHEQUES

Mr. Charles Turner (London East) moved that Bill C-574, an Act to amend the Criminal Code (n.s.f. cheques), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I feel personally compelled to thank my good friend, Mr. J. Larry Condon, the former Member for the Riding of Middlesex-London-Lambton, who spoke twice in support of my Bill since I was then holding the same position you are now holding, Mr. Speaker, and was prohibited from presenting and speaking on Bills.

I know that my former colleague, like all Members of the House, is very concerned about cheque frauds as it affects the consumer, who after all is the one who usually pays the shot because of increased prices of goods. As well, it affects the businessman who cannot afford to lose income because of n.s.f. cheques.

Many variety stores are now owned and operated by couples who have worked very hard at other jobs in order to save enough money to purchase a variety store. They do this so they can become independent and, by choice, work 14 to 16 hours a day in order to make less than a $12,000, $15,000 or $20,000 profit per year. In many cases these variety store owners have steady customers who pay in cash. However, the day comes when a customer is short of cash and the store operator in good faith accepts a cheque for goods purchased. If the cheque is returned marked "n.s.f.", the store operator does not have the time or money to hire a lawyer and lay a fraud charge which, I am told, is very hard to prove. The store operator absorbs the loss which is removed from his yearly profit.

No businessman, big or small, should be forced to take a customer to court to prove that that customer has attempted to defraud him. Surely the responsibility to make the cheque good within a reasonable period of time rests solely with the person who initially wrote the cheque.

This is why included in my Bill is the provision of a period of 15 days after notification by the bank in which to allow the person who wrote the cheque to avoid criminal liability by paying the debt off in full or by making the necessary arrangements to make restitution of the debt. In the event the debt is not paid off within that period, the defrauder would become liable to prosecution in the ordinary way.

This provision clearly places the responsibility on the shoulders of the person who has incurred the debt. In my opinion, the person who issued the cheque in the first place should be the one to prove that he was not trying to purchase goods by false pretence. If a person purchases goods by passing counterfeit bills or currency, is it not true that the police can be called and charges laid, Mr. Speaker? What is the difference between bad bills and bad cheques?

As an elected Member of Parliament for the riding of London East, I have for many years visited businessmen in their establishments who inform me that cheque fraud through the use of personal cheques has risen drastically during the past few years. Virtually every gas station, variety store, drugstore, etc., has displayed signs which point out that all services and merchandise must be paid for in cash, no cheques accepted. If the customer asks the proprietor why this is so, he or she will be shown a stack of n.s.f. cheques which have been passed to the merchant months or weeks before. This clearly indicates to me that something is wrong with our system.

For example, a furniture dealer recently advised me that he sold $3,000 worth of furniture to a customer and that furniture was paid for by cheque. The furniture was delivered the next day. The customer stopped payment on the cheque. To further make my point, another case involved gas stations that serviced trucks which hauled scrap metal from Windsor to Hamilton. At that time, some gasoline station owners allowed customers to pay their accounts by cheque. However, one of the drivers presented a $4,000 cheque to pay for the gas he had purchased with a credit card. The owner of the station got in touch with is customer's bank manager in Toronto who assured him that the account was good. A few days later, the cheque was returned n.s.f. The owner went to the police, to lawyers and to the courts and still received no justice because the incident was not considered to be one of obtaining goods by false pretence. I do not care what the lawyers say, Mr. Speaker. In my opinion, this method of business practice is totally dishonest and should not be tolerated.

It seems to me that the part of the Code under consideration, in its application and operation if not in its wording, puts Canadian businessmen and merchants through a great deal of unnecessary legal expense in an attempt to recover payment for bad cheques which were issued for nothing more than payment for goods owned by the merchants in the first place. The primary purpose of this Bill is to try to improve the present law so as better to protect the small businessmen, landlords and citizens who suffer most from receiving n.s.f. cheques. In the past, recipients of n.s.f. cheques have had no other recourse but to go to small claims court or the criminal law courts in an attempt to recover the money lost.

There are many good reasons for which people write bad cheques. In some cases, it is an honest error on the part of the drawer of the cheque, and in most instances he will redeem the worthless cheque promptly after notification that his cheque was dishonoured. In such cases, full payment or even an arrangement to pay on terms is sufficient evidence to indicate that the drawer of the cheque did not commit fraud as would otherwise appear to be the case.

During the past many years, those who have suffered most from n.s.f. cheques have been the small businessmen who on knowing the person and seeing that person—

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) rises on a point of order.

Mr. Kilgour: Mr. Speaker, with all respect to the Hon. Member for London East (Mr. Turner), I believe he is reading his speech. I believe it is against the rules of the House for a Member to read his speech.

Mr. Turner: —with the intention of paying the bill, took the word of that person as indicated by a piece of paper which indicates to the businessman receiving it that money is available when the cheque goes through the normal banking process.

Some people who make out such cheques have absolutely no intention of honouring them. Certainly the present law is not strong enough to protect the recipients of such cheques, and this has caused many problems.

The Acting Speaker (Mr. Corbin): Order, please. The Chair thought that perhaps the Hon. Member for London East (Mr. Turner) would have wanted to reply to the comment made by the Hon. Member for Edmonton-Strathcona. The Chair, of course, cannot participate in a debate, but from my point of view I was under the impression that the Hon. Member was referring extensively to the notes for his speech. Whether he was in fact reading directly from his notes or not is not for the Chair to judge, and certainly not from this distance. In any case, the Hon. Member for London East has the floor.

Mr. Turner: Thank you, Sir. I was just reading from a note.

As an example, a person who intends to rent an apartment often pays the rent in advance by writing three or four post-dated cheques. If the landlord advises the tenant that the first cheque has bounced, the tenant should have the idea that he will be put out on the street. However, due to the provisions of the Ontario Landlords and Tenants Act, he cannot be put out on the street during the months of October, November and December. This puts the landlord in the position of having to house the tenant for free. The landlord cannot collect the rent to which he is entitled without engaging in costly court proceedings. Usually he has to go to court.

• (1720)

Another vital problem we all find is when a person purchases goods. In the past, all governments have made an attempt to assist small businessmen and help them take the opportunity to expand and develop their businesses. But the latter has been restricted by the law under which it is possible for people to pay for their purchases by cheque. The small businessman depends on the local person to walk in, examine his goods and pay cash for the goods. This allows the business-

man to buy more goods, thus creating more jobs in making his products. When he makes more sales this increases his assets, thus expanding his business.

I think we have a moral as well as a legal obligation to protect businessmen and workers, such as the Maislin workers who were issued cheques which the banks would not honour when the cheques were first presented to the banks. Many hard-working people have lost pay money when their pay cheques were marked "NSF" and the company had gone into receivership. Our criminal law provides no satisfaction for the merchant, the landlord or the worker because the law does not provide automatic repayment of n.s.f. cheques.

Let us be honest about this n.s.f. cheque law because the present law does not deter others from committing the same kind of crime. The law is viewed at the present time as a licence to steal from our businessmen. These same offenders walk down the street using the argument that "if I can beat the system and get away with it, why not?"

French law certainly treats this as an offence and the severity of the punishment depends solely on the amount of money involved. The fraud is considered very serious. If the n.s.f. cheque is between $200 and $700, the penalty is from one to five years and a fine between $720 and $7,200. Some residents of Canada may think that this is harsh but every Member of this House has heard of cases where five years would be too lenient in an n.s.f. cheque case. Surely, Mr. Speaker, our business people, merchants, landlords and workers should have the best protection of the law which would prevent financial suffering through the loss of hundreds of dollars each year. We have been told that all credit card companies suffer millions of dollars loss annually from people who work the system. I ask you, is it not true that if n.s.f. cheques and credit card frauds were eliminated by a tough law, our Canadian cost of products and living would drop drastically?

The only altenative to cash for consumers is the use of the credit card. The risk of this form of credit is assumed by the bank, oil company or department store which issues the card and the cost of that risk is paid by all customers whether they use such a card or pay cash.

Nor has the merchant been slow to see the use of credit cards. He has learned that credit customers purchase 33 per cent more than cash customers because credit customers, unlike those who write personal cheques, are not compelled to determine whether or not they can cover the cost of the purchase from their available funds. Is it not correct to assume that credit card customers are merely putting a mortgage on their future income? Therefore, for the sake of counterfeit cheque writers, we are forcing the ordinary consumer to purchase on credit, to become a debtor, and too often a bad debtor who gets in debt over his head and loses everything. Is this what we want or are we prepared to put some larger and stronger teeth into the present law against cheque frauds before cheques disappear altogether?

Banks are endeavouring to get all their customers to use their new electronic machines, but recently we have been advised by the news media that fraud artists have been taking money out of these machines from customers' accounts. In Vancouver recently $800 was taken in this way.

No matter how we look at the offence, or whatever the amount of the cheque, the elements of the offence are the same. First, issuance of the cheque; second, lack of funds at the moment of issue; and third, bad faith of the author of the cheque.

Just what is bad faith, you might ask. Bad faith does not suppose even the intention to cheat or defraud. It does not necessarily mean that the person who wrote the cheque knew there were insufficient funds. French courts assume that a person writing a cheque has a duty—and, Mr. Speaker, I agree—to know the state of his account, and therefore bad faith may be proven in the case of a person who, in doubt of his situation, writes a cheque without taking the precaution of verifying the state of his account. I do not think that is too hard to accept.

In France if the amount involved is less than $200, the offence is considered a breach of regulations. Not only is the punishment less severe, but the bad cheque speaks for the bad faith of the author of the cheque and off he goes to jail for writing a cheque without checking his bank balance. Mr. Speaker, this places the responsibility where it belongs—right on the cheque writer.

I understand that penal legislation concerning cheques is often temporarily altered because the courts are clogged with writers of n.s.f. cheques waiting for their turn in jail. If there is a surplus of n.s.f. cases, a period of ten days is allowed the author of the bad cheque from the time of the issuance of the cheque, during which he could make repayment. Thus a person who pays up is able to escape jail but is still liable to the payment of the fine. By contrast, Bill C-574 allows the cheque counterfeiter and any bad bookkeeper alike 15 days to pay what is owed, as evidence that they did not obtain something of value under false pretences. Anyone who believes that this treatment is too harsh should state why a Canadian crook deserves better treatment than a French fraud artist.

For the sake of the consumer in the marketplace and every merchant with whom he deals and who could, if he was not defrauded by these sharp cheque operators, lower the price of his saleable goods, I strongly suggest that there is a great need for a plain and simple Canadian law. It should identify and eliminate cheque counterfeiters and allow the police to bring about the evidence and allow prosecution by the Crown without requiring the businessman, the merchant, the landlord, or the little fellow in business, to weigh the cost and the benefit of trying to collect payments on account of bad cheques.

Let us as Canadians give the Canadian businessman the protection he justly deserves—the elimination of taking the n.s.f. cheque artist to court to collect his money if he can place the responsibility solely on the cheque artist and make him pay his bills or serve the consequences in jail or pay a heavy fine.

In my view the proposed Bill would provide and update such a law. I heartily support it and suggest that the Bill be passed

and that Hon. Members agree the subject matter be referred to the Justice and Legal Affairs Committee.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, having listened to my friend, the Hon. Member for London East (Mr. Turner), I am not too sure what side of the question he is on. His whole speech—which he read—inveighed against the bad cheque writer and all the harm he does. Yet the amendment that was proposed would open the gates to far more cheque fraud.

I do not know what the Hon. Member is driving at. When an offence is committed by the issuance of a cheque for which there are no funds or not sufficient funds, the police recognize the difficulty of successful prosecution, particularly where small amounts are involved. There must be an intent to commit fraud. Then if the payee temporizes with the fraudulent payor by an extension of time to pay the cheque, that converts it into a commercial debt and there is no more criminal element to it. That is the difficulty.

● (1730)

Subsection 320(1) of the Criminal Code provides:

Every one commits an offence who (a) by a false pretence, whether directly or through the medium of a contract obtained by a false pretence, obtains anything in respect of which the offence of theft may be committed or causes it to be delivered to another person;—

You can commit a theft with regard to money or goods; you cannot commit a theft of services. It goes on:

(b) obtains credit by a false pretence or by fraud;—

That is the person who fails to pay his hotel account or his motel account, and I look here at my good friend, the Hon. Member for Malpeque (Mr. Gass). It continues:

(c) knowingly makes or causes to be made, directly or indirectly, a false statement in writing with intent that it should be relied upon—

Well, one can almost get into a cheque there, but let us go down to the reference to obtaining delivery of personal property. Well, that is a suit. The payment of money, yes. Go into a bank, credit union or what have you and obtain some money by issuing a bad cheque. I can commit an offence by writing a cheque for which there are insufficient funds and giving it to a person who has sought a loan from me. Instead of giving that person cash I give them a cheque for which there are not sufficient funds. That is to establish the debt. There may be some money in the account, but if I issue a cheque for $1,000 because a friend asks me for a loan of $1,000, I enter into a contract with him that he owes me $1,000 on a particular date. Then he cannot obtain any money for it so there is a false pretence.

Then, Mr. Speaker, there is the discount of an account receivable. Oh, that is a good one! My friend, the Hon. Member for London East, must know that in dealing particularly with small service businesses quite often individuals will run up accounts. They may owe $75 and they come along and say to the chap: "If you will take $60 I will give you a cheque for it; give me a discount." That is a false pretence.

Then there is the making, accepting, discounting or endorsing of a bill of exchange, cheque, draft or promissory note. That is the narrow application the Hon. Member wishes to consider in this Bill. This would be an indictable offence and that is serious. The person would be liable to imprisonment for ten years.

It has been my experience, Mr. Speaker, that this business of writing bad cheques means a loss either to the bank, the credit union or the cheque cashing agency if they are unable to charge it back to the payee of the cheque or the person who deposits the cheque in an account. Such cases run into the millions of dollars. If you are going to be so solicitous of the so-called little guy, giving him an extra 15 days to make good his cheque, what about the professional swindler who is a real bouncer of cheques? He is long gone at the end of 15 days. In this day and age an individual could go around bouncing cheques here in Ottawa to the tune of several thousands of dollars, and if my friend's amendment were to go through, which I hope it will not, nor even be considered any further with all due respect, the victim could find out the cheque was bad the same day or the next morning and yet according to this amendment there would be 15 days' grace after which a charge could be laid if the cheque were still unpaid. Well, in this day and age I think I could be lost in the Himalayas within 15 days. I could be in the centre of Africa or up the Amazon River in the jungle. In other words, absolutely long gone and no one could reach me because of this amendment. So I do not see it at all.

Where there is a bad cheque from an individual who rents a room, an apartment or a house, there is a small debt court available. No one is going to tell me that is a very difficult procedure. There are no lawyers, the fees are very low and that is recoverable as a civil debt. There is no criminal charge involved.

● (1740)

I think my colleague, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), who has had years of experience as a Crown prosecutor, knows that the police are very chary of persons who, in laying complaints about bad cheques, are trying to use the criminal court as a collection agency. Therefore, they say: "Go to the small debt court," because it is so very difficult to prove that at a certain instant there was not sufficient money. If there was sufficient money in the account at the time the cheque was written, that is a defence. If the individual who wrote the bad chque expected to receive money which he or she could deposit in the account to cover the particular cheque that was being written, that is a defence.

However, in this day and age of less than the Pony Express for a Post Office, there is a very serious situation concerning cheques on which people rely. How many people receive their monthly pension cheque, dividend cheque or retirement cheque by post with varying degrees of deliverability? They have issued cheques to their landlords for utilities and what have you.

Therefore, this question involving cheque fraud is a very serious one. Both are defences and the Act already provides for those and for small debt action. Therefore, I do not see what the benefit of the amendment would be, with all due respect to the Hon. Member for London East, but it is an open sesame for the professional cheque bouncer, the fraud artist. Lord only knows the untold millions of dollars that are fleeced each year here in Canada and in the United States.

I know that the judges in the United States take a much tougher view concerning bad cheques than they do here in Canada. I know of many cases of Alberta citizens who were caught somewhere down in the States bouncing cheques, and not necessarily big ones, perhaps a few hundred dollars, and they finished up doing five years at McNeil Island. They were as regular as clockwork. Five years seemed to be about the minimum sentence for a cheque involving $300 or $400. That may be a little strong but, on the other hand, it is still a penalty.

I do not agree with the purport of the amendment. I would therefore ask the House to talk it out or reject it.

[*Translation*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Bill C-574 is a step in the right direction. Its purpose is to give people who have written a bad cheque an opportunity to make it good after the fact. Such a provision would encourage people to pay their debts, make it easier to find a genuine and effective solution to the problem, and acknowledge the fact that the person who has been given a bad cheque needs the payment and is entitled to it. Looking further still, I consider that a reform such as the Bill before us today paves the way for a more balanced criminal law. Generally speaking, Canada's criminal law is too harsh when it comes to nonviolent crimes and offences. We need legislative and executive reforms. Police forces must spend more time investigating—

[*English*]

Mr. Kilgour: Mr. Speaker, I rise on a point of order. Would Your Honour clarify the matter? I believe the Hon. Member is reading her speech. I do not believe we are entitled to read speeches in the House of Commons.

Mr. Dupras: I rise on a point of order. Mr. Speaker, this is the second time this afternoon that the Hon. Member has risen on this question. I wish to inform my colleagues that in deference to the Hon. Member, who is reading a speech in French, I think the same deference would be shown to any Hon. Members who have the sense to read a speech in the other language of this country. I think she should be allowed to read her speech, her notes, in French.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Does the Hon. Member for Bow River rise on the same point of order?

Mr. Taylor: Yes, Mr. Speaker, I think if that is what we want, we should change the rules. If we are to have a rule for one, that we do not read a speech, let us have the same rule for everyone. If the Hon. Member wants us to read our speeches, then let us change the rules.

Mr. Dupras: On the same point of privilege, Mr. Speaker, I think—

The Acting Speaker (Mr. Corbin): Order. I do not think we should engage in a protracted debate on this point or order. The Chair would invite the Hon. Member for Broadview-Greenwood to respond to the point of order if she so pleases.

Ms. McDonald: Mr. Speaker, my understanding is that greater latitude is allowed when one is not using one's mother tongue. I would hope, in due course, to be able to give extensive speeches in French without grammatical errors. I am not in the position to do so now and I would hope that I would be permitted to continue.

The Acting Speaker (Mr. Corbin): Order. Certainly it is the Chair's intention to allow the Hon. Member to continue her speech. However, the Chair should remind all Hon. Members that there are frequent, if not numerous, occasions in the House when Hon. Members from both sides, if they do not inspire themselves from texts, certainly quote extensively from texts. Certainly, it is not for the Chair to decide to what extent an Hon. Member is quoting, looking at notes or reading directly, but that practice has been tolerated more and more in this institution. Perhaps it is an ancient rule, an ancient tradition to which the Hon. Member who raised the point of order referred, but over the years the practice has fallen by the wayside to quite some extent. The Chair has tolerated extensive references to written or prepared texts. We see it happening every day. In any case, perhaps we could allow the debate to proceed.

[*Translation*]

Ms. McDonald: Police forces must spend more time investigating serious criminal activities such as assaults, child abuse, outright business frauds, and driving under the influence of alcohol or other drugs. The sentences should reflect the seriousness of such crimes. At the same time, people should no longer be sent to jail for petty crimes and minor offences. In those cases, the sentences are costlier than the crimes and the taxpayers have to pick up the tab.

[*English*]

This is a very good Bill. It is a short Bill. It is a modest Bill. It is such an excellent idea that I wonder why it has not been thought of before. It does two things at the same time. First, it actually encourages people to honour their debts, their bad cheques.

I think the remarks of the previous Conservative speaker were quite fanciful. The possibilities he mentioned were extremely remote concerning professional criminals taking advantage of an amendment of this sort. As a professional sociologist and criminologist, I can tell the House that a far more likely occurrence would be that a large number of lesser criminals or people who, through some error, have given out

cheques without adequate funds in the bank would in fact pay up. It would mean that people would be paid. The real victims, small family companies, variety stores, the sort of people who very much miss the money denied to them as a result of bad cheques, would be helped by the amendment before us today.

● (1750)

The second reason I support this amendment is that it attempts to scale down the criminal law in the non-violent area. We have a criminal law in Canada which has very repressive means of enforcement. This means that many people go to jail for trivial and non-violent offences for which the taxpayers must pay enormous costs. There are people who go to jail in some cases for theft of a dollar or very trivial amounts of money. It costs up to $75 a day, depending upon the institution. It costs enormous amounts of money to keep them in prison. It is a stupid way to run a system.

There are people who are real victims, such as battered wives, abused children and the many people who are hit by impaired drivers on the road. They are the real victims of violence and do not receive the attention they need in the criminal justice system because it is going after many smaller offenders. There needs to be a fine-tuning of the system with greater severity where there are real dangers and less severity where the dangers are not so great.

I suggest that we ought to pass this Bill today. While we will be seeing far more comprehensive amendments, like comprehensive amendments everywhere they take longer to pass and who knows when we will be actually seeing them. While I want more comprehensive amendments to the Criminal Code, I am quite prepared to support any good measure that is introduced in the meantime. Let us take a step in the right direction and pass this Bill this afternoon.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I share the difficulty that the Hon. Member for Edmonton West (Mr. Lambert) has in seeing how this Bill would produce the effect hoped for by the Member for London East (Mr. Turner). I agree with him when he says that this amendment would in all likelihood open the gates to far more cheque fraud and therefore have the opposite effect from that intended by the Hon. Member for London East.

In his comments he drew to the attention of the House that the use of cheque fraud has increased in recent years. He referred to the plight of many variety store owners and the fact that many gas stations today do not accept cheques because of difficulties that have occurred in the past. He said that this proposal would place responsibility where it belongs, on the cheque writer. Again, I have difficulty in seeing how this would happen.

It seems to me that his proposal would have a contrary effect. At the present time, an offence under Section 320 is committed when a person purchases goods or offers in payment a cheque which he knows to be worthless. Some of us have had the opportunity to study law. We know what the concept of *mens rea*, or a guilty mind, is about. To be guilty of an offence under many sections of the Criminal Code, one has to know that one is committing a crime at the time it is being committed. It used to be very difficult to obtain a conviction under these circumstances with this particular section of the Criminal Code because it was necessary for the prosecution to prove that the accused knew that there were not sufficient funds in his account at the time he gave the cheque. That is obviously a very difficult thing to do.

An ordinary citizen who normally has a couple of hundred dollars in an account may issue a cheque, as we all do, and make a miscalculation or expect a certain cheque to arrive in the mail to cover the amount of the cheque he wrote. He certainly can use arguments of this nature very easily to say that he felt that he had sufficient funds in his account at the time he issued the cheque. It is very difficult for the prosecution or anyone else to contradict an ordinary citizen under these circumstances.

Therefore, an amendment was introduced to what is now subsection 320(4) to cast the burden of proof on the accused that, when issuing the cheque, he had reasonable grounds for believing it would be honoured if presented for payment within a reasonable time.

In simple language, the ordinary citizen has the burden to prove to a court that when he issued the cheque he thought he had the funds in his account. Again, this was to avoid the necessity of providing that at the time the cheque was issued the accused knew that there were insufficient funds on deposit or no funds that would be placed in the account shortly. It was a means for the Crown to establish the guilty knowledge in the mind of the accused which is required for conviction.

The accused may simply rebut this presumption by establishing that at the time he wrote the cheque he had every reason to believe that it would be honoured by his bank. The proposal that is presented by the Member for London East is that a retail establishment, such as a variety store or gas station, would be required under this proposal to give credit, in essence, for a period of at least 15 days from the date upon which the person who wrote the cheque was notified by mail that the cheque was dishonoured. By the time the cheque was deposited in the retailer's account, refused by the bank upon which it is drawn and notification sent to the cheque writer, the total period of grace might be 30 days or more. In practice we know that retailers often provide such a grace period to a person to make good on a bad or n.s.f. cheque before taking action, such as reporting the matter to the police. Most retailers would be happy to extend such a privilege to an ordinary citizen and therefore accomplish the kind of result that the Hon. Member is seeking.

However, there are cases in which prompt action is required to apprehend the truly criminal offender. I agree with the Hon. Member for Edmonton West that an amendment of this nature would open the gates to far more cheque fraud. It would place an impediment in the way of prompt police action to protect other merchants or individuals from being victimized by persons issuing n.s.f. cheques on purpose.

On a point of principle, the effect of this amendment would be inconsistent with the purpose of Section 320. Can we really justify saying to the public that it does not matter whether they knowingly have any funds on account to cover their cheque as long as they made it good within 15 days of being notified by the bank that it was dishonoured?

[*Translation*]

The Acting Speaker (Mr. Corbin): It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, September 22, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, September 20, consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 6 and 8 (Mr. Blenkarn).

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I am pleased to be able once again to speak on Bill C-110. A study of the Export Development Corporation was done by the Economic Council of Canada recently and I wish to add to the record the recommendations which were made. First, they recommended that the Export Development Corporation gradually move toward providing export credit reinsurance leaving the field of insurance proper to the private sector. They further recommended that the Export Development Corporation serve as the insurer of last resort to close any gaps left by the private sector in the supply of export credit insurance.

They also recommend that the Export Development Corporation continue to provide direct financing for Canadian sales abroad when there is reason to believe that the private sector is unable to provide the required credits.

Public financing should be made available only under terms and conditions commensurate with the risks involved and the costs of such assistance, including the opportunity cost of the funds used, except in those cases where it is deemed necessary to take into consideration the export support programs of other countries.

They further recommend that the Export Development Corporation's gradual withdrawal from most direct lending activities be accompanied by an increased concentration of its efforts in the field of credit insurance and bank guarantees.

The corporation should also stand ready to provide refinancing facilities for private lending institutions engaged in export finance.

They recommend that the federal Government continue its efforts at meetings of the Organization for Economic Co-operation and Development and the General Agreement on Tariffs and Trade to obtain an international agreement to limit further subsidized export credit. In the absence of such an agreement, they recommend that Canada use subsidized credit only in cases where there is a sufficiently strong presumption that it will facilitate the opening of new markets or that it will increase the market share for Canadian products.

Further, they recommend that in the absence of an international agreement to limit further subsidized export credit, the federal Government consider the advisability of matching foreign export support programs that currently have no equivalent in Canada and of providing assistance to domestic firms which must compete with imports that have benefited from foreign subsidized credits. They recommend that the private sector be encouraged to supply direct export credits to its Canadian producers even when a public subsidy is deemed necessary. The federal Government, through the Export Development Corporation, should assume the cost difference between the preferential conditions offered and the conditions that would have prevailed had private financing been offered in the absence of public support.

• (1110)

Also they recommend that the EDC manage separately those of its activities intended to expand markets for Canadian products. They further recommend that provision be made for greater co-ordination between the Export Development Corporation and the Canadian International Development Agency whenever their activities overlap.

I support Motions Nos. 6 and 8 presented by the Hon. Member for Mississauga South (Mr. Blenkarn) which will nullify the Government's proposed increase from $2.5 billion to $10 billion.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I rise again to participate in this debate on amendments to the Bill and to point out firmly to the Canadian taxpayer that the principle of this Bill is not trade, that we on this side do not oppose the Export Development Corporation and that the Progressive Conservative Party, in principle, stands four square behind trade. Canada is, and must be, a trading nation. Some 40 per cent of our Gross National Product comes from trade. Our own Member, the Hon. Member for Northumberland (Mr. Hees), was one of the ablest Trade Ministers in Canadian history.

No, Mr. Speaker, this Bill is not an EDC Bill, it is an ANT Bill. EDC stands for Export Development Corporation. ANT stands for accountability, need and trust.

Let us look first at accountability, or rather the lack of accountability that we have seen over the years on the other

side of this House. Bill C-110 as proposed by the Grits will increase to $62 billion what the EDC can borrow, lend and insure without the consent of this House, without even the audit of the one watchdog we have who we can trust, the Auditor General. So much for accountability. In reality, none, Mr. Speaker, and that is why we urge Members opposite to support these needed amendments to protect the taxpayers of Canada, on whose behalf we were sent to this august place.

Let us look at need. Motion No. 6 would not allow the Government to increase the limit of promissory notes to $10 billion from the present $3.5 billion, as provided in the Bill. Does the Government need that increase? No. Why not? Because it has expended only 80 per cent of its present limit. In other words, there is no need.

Motion No. 8 would not allow loans through the Consolidated Revenue Fund to be increased from the present limit of $2.5 billion to $10 billion. Again, we find that the Government has not reached the present limit in this regard. It is at some $700 million as against the $2.5 billion limit. Again, there is no need, no demonstrated need.

These amendments now before you from my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) are a genuine attempt to regain some measure of control over the activities of a Crown corporation that last year showed an actual profit on capital of $691 million. At first blush that would seem fine, but when you delve into the matter a little bit, you find that is a rate of return of one-tenth of 1 per cent. Ask somebody in the free enterprise world what that means in the running of a corporation. Does this corporation need even more funding and an even freer rein? I believe not. There is no demonstrated need.

Should that need arise, then the Government should come before this House and show the need is there. It should account for the need and, of course, in that manner the decision would be made right here and the Canadian taxpayer would be protected. Again, the Government should be accountable and show need. Our concern on this side of the House is first accountability, second need, and third trust.

Should we trust this Government with $62 billion in the EDC? This is a Government which has given us a $31.5 billion deficit and a total deficit which costs every man, woman and child in Canada $4,768. That is a 508 per cent increase since the Prime Minister (Mr. Trudeau) took office in 1968. This is a Government which wants to rule by Crown corporations. It has given us the invisible record of the post office. We have the CBC with a $700 million price tag. It is ours, Mr. Speaker. Then we have a measly $2 billion loss in Canadair. It is ours. What about the loss in de Havilland at $500 million? It is ours. This is a Government which has destroyed the petroleum industry with Petro-Canada to the tune now of probably some $8 billion. It is surely ours.

• (1115)

Is this the trust Canadians should accept? Should we trust the Government, or should we be pointing out to Canadian taxpayers, as I am hopefully doing right now, the need for our amendments? Hon. Members opposite should realize the need for these amendments, the need for accountability and the need for a new government that Canadians can trust.

In my nomination and many following speeches, I attempted to alert Canadians to the fact that the goal of the present Prime Minister was two fold—a bilingual nation and the redistribution of wealth. This redistribution of wealth is taking place right now through the burden of tax on the productive end of society and through Government control by Orders in Council and Crown corporations. But, even worse, these Crown corporations now have the say and control of the creation of wealth as well as its redistribution through FIRA, CIDC, CIDA, IRDC, EDC, et cetera. Bureaucrats are making the decision as to where wealth shall be directed, not free enterprise. This is still a free enterprise country but the bureaucrats are making these decisions without accountability.

We see this intervention almost daily with Canadair, de Havilland, Eldorado, Canada Post, Massey-Ferguson, Chrysler, Maislin, the fisheries industry—state control of the fisheries industry—and Air Canada. The bureaucratic, socialist eggheads surrounding the Prime Minister are slowly but surely strangling this Canada of ours. They have never met a payroll, let alone an accounts payable, so what is a $31.5 billion deficit to them? It is a method of applying the screws with more and more state control. To the question "Do you trust this Government?" Canadians by the polls have answered no. It is small wonder with the Government's philosophy and record of strangling us by Crown corporation control. What do Canadians ask for? They ask for ANT—accountability, need and trust. They do not ask for EDC. We on this side of the House, unlike ants, will not be crushed underfoot. We demand through our amendments accountability.

What about the board of the EDC? Is there a preponderance of hard-nosed business people on it? Of course not, not with this Government. Bill C-110 will simply be another step on the road to Liberal Government Crown corporation control by overtaxation, with outside representation; a corollary to the cause of the United States War of Independence.

In 1982 the Auditor General expressed the following concern:

> Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds . . . Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

The amendments we are discussing today are an attempt to do just that. It is disappointing that the initiative was not taken by the Government, but it is not surprising, given its lack of concern for parliamentary control over the public purse.

On June 10, 1982 I rose in my place to decry runaway Government spending, in particular the IRDC and the CIDA. In his 1979 report, the Auditor General indicated:

> A significant factor affecting CIDA's Estimates is that it has been obliged to obtain legal authority for its operations through appropriations acts, because there is no act of Parliament establishing the Agency and delineating its authority.

CIDA costs us $2 billion per year. It is very interesting to see the types of loans which CIDA makes, and a person from CIDA will be sitting on the board of EDC and making decisions. I would like to give a rundown of some of the things CIDA has done.

• (1120)

It has given special assistance loans to developing countries during the year, and additional loans to Turkey were authorized by votes. It then lists a litany of horrors: a "twenty-year maturity, five-year grace period at 5 per cent interest per annum, maturing September in the year 2000, $18,958,697". In order to prop up the Bank of Canada we borrow at 16 per cent and then give away money with these loans. Under (g) of the same report, it lists a "50-year maturity, ten-year grace, interest-free, maturing at various dates between March 2003 and March 2031 for $1,953,618,922". This is the type of thing that CIDA is doing for us, and there is someone from there being appointed to the Board of EDC.

I see you nodding at me, Mr. Speaker. It is obvious that this Government with its phalanx of Crown corporations has been unable to reverse the downward slide of our economy. Indeed, it has been the major part of the cause. It is time to call on the private sector to get Canada back on its feet again. My hon. friend's amendments are a step in that direction, and I support them wholeheartedly.

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the last few years we in Canada have been witnessing the disappearance of parliamentary democracy. This Bill is another step toward destroying what it has taken generations to build. There was a time when taxation and the expending of money was the responsibility of the monarch or the Government, whatever that Government happened to be. That was not satisfactory to the British people. Therefore, in 1215 representatives of the British people met with King John. They told him they wanted no more taxation without representation and no more expenditures without the approval of the people. That was embodied in the Magna Carta, which is the basis of British liberty.

Since that time we have seen the evolution of a system of parliamentary representation that has been the finest in the world. The late Winston Churchill said there may be some things wrong with our type of parliamentary representation, but when we compare it with the alternatives, it stands head and shoulders above all the others.

Under the Prime Ministership of Pierre Trudeau, we have not seen this evolve as we did under the late Mr. Diefenbaker, Mr. St. Laurent or Mr. Pearson. The leaders of the Progressive Conservative Party from Mr. Stanfield to the Right Hon. Joe Clark, to our present leader, Mr. Mulroney—

The Acting Speaker (Mr. Corbin): Order. I am sure the Hon. Member means well by citing by name Members of the House, but it is standard practice to refer to them by their official position or the name of their riding.

Mr. Taylor: I recognize that, but when I was referring to several in the past, I could not just say their position.

The Acting Speaker (Mr. Corbin): That is perfectly acceptable because they are no longer sitting Members.

Mr. Taylor: —and the present Leader of the Opposition (Mr. Mulroney), are concerned because parliamentary representation and parliamentary procedure are not evolving or unfolding as they should. As a matter of fact, we see that the reverse is happening. Instead of seeing the evolution of the parliamentary representation of the people, we are seeing the devolution of it. We are seeing the devolution of parliamentary practice.

• (1125)

This Bill is a typical example of how we are losing control of the public purse. If Parliament loses the control of the public purse, what else has it got? Parliament must control the public purse. If not, we might as well dissolve Parliament. The whole issue rests on whether or not we are to control the amount of taxes that the people will pay and the amount of money that the Government will spend.

Under the British parliamentary system, the Government has no right to spend any money that has not been approved by the Parliament of that country. But we in Canada are seeing the devolution rather than the evolution of Parliament. By the word "devolution", I mean the descent through a series of changes. We are sinking lower and lower, which is what my friend, the Hon. Member for Simcoe South (Mr. Stewart) meant when he said that they are gradually strangling Parliament.

We see the results of this strangling of Parliament when we look at the people of Canada. There are a million people unemployed. People are afraid to invest any more money because we no longer control the public purse. The Government spends as it wishes and taxes as it wishes.

Let us look at this Bill which is only one of many typical examples of this loss of control. Let us look at Clause 7 of the Bill that is now before us. This Clause deals with Section 14 of the Act and does not provide for the ascent of parliamentary control but for the descent of parliamentary control. We are now increasing the amount that can be spent by Order in Council, money over which we have no control, from $3.5 billion to $10 billion. The situation was bad enough under the previous Act when Cabinet could spend up to $3.5 billion by Order in Council to use to go around the world to ensure poor deals and endorse promissory notes. But it is not $3.5 billion any more; now under this Bill it goes up to $10 billion. This is the devolution of parliamentary practice.

The amendment to this Bill will take us back to the point where we can begin to practise parliamentary procedure once again. At least we will be back to the point we were at under the present Act. I do not believe we have the authority to go beyond that. However, I would like to see it reach the point where only in the case of very specified items, Cabinet or the executive council may spend money without parliamentary

approval. Even that spending should be approved in principle before the people's money may be spent by Order in Council.

That is what Clause 7 of the Bill does when it repeals Section 14 of the Act. This Clause gives Cabinet the authority to spend far beyond the amount it was authorized to spend before. Now by Order in Council, the Cabinet can spend up to $10 billion without referring to the representatives of the people. If King John had used that practice, there would have been a revolution in England rather than simply a body of men meeting him at Runnymede. Those men would have hit him so hard that he would never have recovered. That is what should happen now.

The Government does not have the approval of the people to destroy Parliament, but that is what it is doing. Under this Government, we are witnessing the devolution of Parliament. We are witnessing, step by step, its gradual descent through a series of changes. That is why this particular Bill should be amended so that Cabinet must go back to Parliament to seek approval in principle before it spends any money. That is the difference between Moscow and Ottawa. But the difference is becoming less and less; we are becoming more like Moscow and less like London, England.

• (1130)

In London, England, the Labour Party, the Conservative Party and every other Party that I was able to see, are anxious to preserve the control of the public purse in the hands of the people. That is democracy. We see the reverse in this country and I am getting sick and tired of the Government becoming more and more like Moscow. I did not don the uniform so that we could have a dictatorial, totalitarian Government in this country, and neither did the thousands of young men and women who died in the last two World Wars; they died so that we could preserve democracy and have control of the public purse. The Government is betraying the people with this Bill and with several other Bills.

Let us consider the other clause that we propose to amend. The Leader of the Opposition is determined to correct this state of affairs. When he is Prime Minister of Canada—which will be just as soon as the Government has the nerve to call an election—we will start to evolve parliamentary procedure and stop this devolution. Most Canadians say that the sooner that happens, the better. Let us turn to Clause 8 of the Bill—

The Acting Speaker (Mr. Corbin): I regret to interrupt the Hon. Member but he has used up his allocated time. Is there unanimous consent to allow the Hon. Member to continue?

Some Hon. Members: Yes.

An Hon. Member: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Taylor: They do not like the truth over there.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my friend, the Hon. Member for Bow River (Mr. Taylor), said they do not like the truth over there. I should like to continue in the same vein but I do not think I can do it quite as forcefully as my colleague and I do not think I can be quite as entertaining.

I feel equally strongly on the important issue under debate, however, perhaps not about the technicalities of Motions Nos. 6 and 8, but, rather, about the underlying principle. That principle is that by granting the Government the authority it requests, Parliament and the people of Canada will lose control over what is going to happen over the next ten years or so with the Export Development Corporation.

The amendment we propose to Clause 14 would reduce or limit the amount of insurance and guarantee that can be issued by the Export Development Corporation to $3.5 billion. That is still a rather large sum of money but it is nothing like the $10 billion authority that the Government requests. It is nowhere near the present ceiling either, and it is evident that a number of years would pass before the ceiling of $3.5 billion, the one we propose to retain, was reached.

Similarly, Motion No. 8, which deals with Clause 18, would limit the maximum liability of foreign Governments. The amount of money that the Export Development Corporation could loan overseas would be $2.5 billion instead of the $10 billion that the Government proposes. Here again, our reasoning is very similar.

As an illustration of what we on this side of the House have been saying for the last ten days or so that the matter has been debated, I should like to quote from yesterday's issue of *The Globe and Mail*. An article in the business section begins as follows:

> In a follow-up to its decision to reopen a $680-million (U.S.) loan agreement with Romania, the federal Government has authorized the Export Development Corp. to offer up to $535-million (Cdn.) in export insurance to Canadian banks and suppliers.

Later in the same article this appears:

> The Order-in-Council from the federal Cabinet authorizing the insurance said EDC's board of directors believes contracts will "impose upon the corporation a liability in an amount in excess of that which the corporation would normally undertake in relation to the country".

Evidently Hon. Members opposite have not listened to what we have been saying for ten days. In the middle of a debate on accountability and the way that decisions respecting the Export Development Corporation should be made, out it comes with an Order in Council reversing the position taken by the board of directors of that Corporation.

In this case the board, which is predominantly people in the employ of the Government, acting prudently, suggests that there is no way we should authorize $535 million insurance in connection with the Romanian deal. The Government does not want to take that advice, however. It has its own ideas and it probably has some friends in the business. It insists, by Order in Council made in secret, that the EDC incur this further half billion dollar indebtedness—or what could become an indebtedness—at a time when the insurance claims upon the EDC in

the last 12 months are almost twice as much as they were in the previous 12-month period.

I strongly suggest that when decisions of this kind are taken, they should be taken in the open. There are good reasons why Parliament and the people's representatives should be able to debate the provision of a half billion dollar insurance in connection with the Romanian deal. The board of directors of the EDC has said that it is not a good business deal. From the strictly business point of view the deal does not make sense and we should not enter into it. The ability of Romania to make good on its financial promises is not certain and in the opinion of the board of directors it does not justify this amount of insurance.

There are other reasons why this matter should be debated publicly instead of the decision being made in secret in the Cabinet room and, I suppose it is hoped, without the public knowing anything about it. I am sure that is what was in the minds of Members of the Cabinet when the decision was made. Not only is the question of business prudence applicable but the Romanian deal also involves nuclear power plants and nuclear material. Should we be making deals to supply fissionable nuclear materials to Romania? It is not the most friendly country toward Canada. It has a great deal of association with Warsaw Pact countries. Is it a sensible thing for the taxpayers of Canada to subsidize the export of nuclear materials to an eastern bloc country like Romania?

There is another point that some of my friends in the NDP may want to bring up if they have an opportunity to debate this matter—and they have not had an opportunity—and that is the history of human rights in Romania. People in Canada have often said that perhaps taxpayers' money should not be used to subsidize commercial relations with countries that have a rather poor human rights record. I think there is some validity in that point of view. This issue should have been debated in Parliament by the people's representatives before the decision was made.

• (1140)

In my submission, Mr. Speaker, frontbench Members on the opposite side have not listened to one single word we have been saying about public accountability of Crown corporations. The obsequious Members on the backbenches opposite have just sat quietly. They have not entered into the debate at all.

I could go on at great length with some notes I have left over from a few days before when we were debating Motions Nos. 5 and 7, but I see I have again run out of time. Hopefully I will have the opportunity to follow on with the rest of my submissions when this matter comes back for third reading.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I do want to participate in this debate because Bill C-110 strikes at the very heart of why Parliament is in existence. For ten days now we have been discussing the matter of the Export Development Corporation and the amendments which the Government has presented to Parliament by way of Bill C-110. Unfortunately, it is not something which has been discussed in the media of the nation. I suppose we can understand why when we consider that out of the 186 members of the press gallery, there is not one who is here. I hope they will all line up and collect their pay cheques at the end of the year.

Mr. Whelan: They are watching it on TV.

Mr. Dick: Oh, I am sure they are not up yet. In any event, this is a very important Bill to our Party because it shows the philosophical difference, perhaps, between what the Progressive Conservative Party would like to do and what the present Government has been doing for the last 15 years and wants to continue to do.

I would like to point out that our Party is not against the Export Development Corporation. In fact, we have probably been the Party in this House which has been its closest friend over the years since the corporation was first formed some 20 or 30 years ago. The fact is that with the present limits which it is allowed under the existing legislation, we do not even have to be here discussing this Bill. The Export Development Corporation could probably go on for another five years before it runs out of the funds which it presently has allotted to it.

The Export Development Corporation presently has the right to guarantee or co-sign loans and insurance for $3.5 billion. That is under the present legislation. In the last ten or 12 years since this legislation came into force, it has used up only $400 million of those funds. Therefore, it still has eight times the amount it has already used before it will have used up its entire amount. Why are we sitting here debating a Bill to increase that ceiling from $3.5 billion to $10 billion if the corporation has only used $400 million of the line of credit it is allowed? And it has taken it ten years to use that.

Clause 18 would allow the federal Cabinet to make direct loans, similar to clause 14. Once the Export Development Corporation and its board of directors have said: "No way we want to insure this loan", that is when the Cabinet, by Order in Council, can move in and say: "Oh, well, we do not care about the board of directors—which we hand-picked. We thought they were very bright. But we, as the Cabinet, have decided to overrule those independent-minded Canadians who are the board of directors and we, as the Cabinet, feel that we will do it anyway." By Order in Council, the Cabinet can overrule the board of directors and the Export Development Corporation and give direct loans rather than guaranteed and insured loans, and it wants again to increase the ceiling from $2.5 billion to $10 billion. The $2.5 billion ceiling has been in existence for ten or 12 years now, and the Export Development Corporation has used up only $700 million. It has used up only one-third in ten years. Why the big rush to increase this ceiling? The fact remains that the Government wants to give control to the Cabinet in order to spend money beyond parliamentary scrutiny.

What has it done to help the people of our country? There is a provision within the Farm Credit Corporation Act wherein the Minister of Agriculture (Mr. Whelan) can go to the Minister of Finance (Mr. Lalonde) and ask if the Farm Credit Corporation can borrow some money. This summer the Minis-

ter asked Cabinet if he could borrow just $650 million to lend to Canadian farmers in order to help them over a period during which they have had difficulty. The Minister of Agriculture was turned down by his own colleague, the Minister of Finance, when he asked for that $650 million. He was given $250 million, which has already been used up, and there is another few months to go in this year. The Government will not even allow another institution to borrow money in order to help Canadians; it wants to have control in the hands of Cabinet, outside of the board of directors of the Export Development Corporation, so it can sign the deals or make the loans, on political porkbarrels, from one end of the country to the other, so we can export the goods represented by this money abroad. Too bad for the Canadian farmers, but, "Hello, Algeria, we are going to give you $100 million. Canadian farmers, too bad. Go bankrupt. We are not going to give you any loans". That is unfortunate.

The whole reason we are debating this Bill, as a Party, is that we believe Parliament should have control, and retain control, of the purse strings. The Canadian taxpayers have sent us here. They have said to us: "We are sending you as our representatives to demand accountability for how our money is being spent. We do not want to give this Government a blank cheque. It has been using one for 14 years. Now take hold of the purse strings." Any poll which has been done shows that the Canadian people right now do not trust the present Government. They think that the present Government is throwing money around in a crazy way. They believe it is improper for us to be running deficits of $30 billion. Last year it was $28 billion. The year before it was $18 billion. Government has increased the national debt over six times since it has become the Government.

The Canadian people want to trust their politicians and their Government, but I can tell you right now, Mr. Speaker, that the Canadian people do not trust their politicians. They are put on the same level as used car salesmen or worse, because the Government does not spend their money wisely. The Canadian people know that even if they do not have to come up with the dollars to pay off the debt today, their children and their children's children are going to have to pay off the debt. There is not going to be a bright future in this country. The people want to have faith in their elected representatives, but they do not have it right now. They want to have trust in their governments, but they do not have it right now. The Canadian public have sent their representatives here to exercise parliamentary control over how their tax dollars are being spent. We do not have that right now. The Government want the right, in the totality of this Bill, to spend $62 billion without ever having to come back to Parliament again. It does not even want to tell us what it is spending the money on; it just wants a blank cheque for $62 billion. That is what this Bill says.

If the Government is not going to be held accountable to the taxpayers as to how it spends their money, then the Government should have the courage to fold up this place, disband and become a dictatorship or a one-party system. The whole reason Parliament is here is accountability.

• (1150)

Mr. Whelan: Like Alberta?

Mr. Dick: Alberta has accountability every four years. The people love it so much they re-elect the Government there with fantastic majorities, and you know they are going to do the same thing with the Conservative Party in the next federal election.

Some Hon. Members: Hear, hear!

Mr. Dick: Mr. Speaker, the people are sick and tired of the Government running away with their money. The principle of democracy has been fought for for over 700 years. Democracy is something which people in this country sometimes take for granted, but the polls show that day by day the people are getting fed up with the arrogance of this Government and its desire to spend money without accountability.

I just want to say in closing, Mr. Speaker, that I hope this Party will carry on the debate for 50 days or 100 days if necessary to stop the arrogance of this Government in demanding a blank cheque.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I think my comments on this Bill will be slightly different from many of the speeches which have been heard. You have heard our Members deal with the specific provisions of the Bill and the $62 billion, an amount which is simply mind boggling to me. But there is something far more important involved in this debate. I only wish those on the other side could understand our point of view and realize what they are doing to this country and how they are going about it.

Accountability is part of the issue but it is much more than that. It is a philosophy of government that we are dealing with in this Bill. I have always believed that we were to govern for the people, by the people and with the people. This Government does not believe in "with the people". It is not prepared to let the people know what it is doing. The Government is not prepared to let those of us in the Official Opposition see where the money is going and how it is being spent. I can understand why when the facts and figures leak out on occasion, such as the Canadair fiasco, the Maislin fiasco and the long list of absolutely ridiculous expenditures of taxpayers' money.

Mr. Speaker, this country would be better governed if there were much more accountability to this House of Commons. I say this with no malice to anyone, but I believe on the Government side there are many backbenchers with great talent. I certainly feel the same way about my own Party. I believe that in the ranks of the NDP there are a few who are quite bright.

An Hon. Member: Not very many.

Mr. Cook: Perhaps not very many, but some. In any event, the people who have been elected by the voters of Canada to

come to this House are not dummies, and I resent being regarded by an arrogant Government as if I did not know anything. I can look at a balance sheet, gentlemen. I can look at an operating statement. If you will give me the figures, Mr. Speaker, I can tell you what you have done and I might be able to make a contribution to better government in this country. But we have a Government which refuses to let us look at the figures, a Government with Crown corporations who get quite excited if a Parliamentarian wants to take a look at the books. But the Government will tell us about the losses eventually when it comes back for more money.

Mr. Nielsen: They will not even let the Auditor General have a look.

Mr. Cook: When they will not even let the Auditor General have a look at what is going on, then that is secret government. That is dictatorship, to use a nasty word. When there is no accountability, when the House of Commons cannot find out what the Government is doing, then it is time the Government was thrown out. There is no question at all about that in my mind.

I am here representing over 100,000 people who live in North Vancouver-Burnaby and they pay taxes. Oh, do they pay taxes!

Mr. Whelan: Bill Bennett makes them.

Mr. Cook: Do they have the faintest idea where that money goes? It is terrible for me to report to them that I cannot find out in the House of Commons or its committees. And why not? Because this Government over the years had a deliberate policy and philosophy—and I say deliberate—of ensuring that no one can find out where the money went, where the tax dollar was spent and why it was being spent.

We get the odd horror story, yes, but would it not be much more sensible if first of all Government departments had to put their figures out in an annual report in a meaningful way so that any Member of the Opposition, or of their own Party, could look at those figures and see what was going on? I defy anyone to take an annual report of any Government department, despite whatever accounting training they may have had, and make sense of it. There is deliberate, absolutely deliberate obfuscation of figures, deliberately misleading figures, deliberately attempting to evade responsibility and make the situation incomprehensible not only to the Opposition but to the Government's own Members on the backbenches.

Gentlemen, we were sent here to do a job, but with an arrogant Government and Cabinet, with Deputy Ministers who really think they run the country, and do under the regime in power then the key factor is that until you have a Government in this country which is prepared not only to trust the people but also to trust the Parliamentarians to do their job properly, we will continue to slide down the drain. And we are sliding down the drain. All you have to do, Mr. Speaker, is look at the deficits of this Government. But do you really get an opportunity to see, as an example, what the Department of Communications is spending on this, that and the other thing?

There is such a thing in business as value for money. Everyone understands value for money, but how do we find out what value we get for our money from a Government which will not tell you anything? That is what this Bill is all about. That is why we are fighting it so hard, because we are being asked to take a figure like $62 billion and not be responsible for it at all. I do not know where this Government thinks the money comes from, but I can tell the Government that it comes from the individual taxpayer and he has a right to know, and I have a duty to complain bitterly when I cannot get for him those figures.

There is no way I am going to know from this Bill, what happens to the money, Mr. Speaker. I might find out five or ten years from now that the corporation has wasted $10 billion on something, but I am not going to find out in time to do anything about it. I am not going to find out in time to make it responsible to the Canadian people. What I am talking about is the philosophy of a group of power-mad Cabinet Ministers, a group of power-mad Deputy Ministers and senior civil servants whose main job seems to be to make sure that nobody in Parliament knows what goes on. There just is no accountability and that is what this whole thing is all about.

I think the idea of the Export Development Corporation makes sense, but how it has been run, whether it has been effective or whether it has been a political toy with bad loans and bad insurance risks, I as a Member of this Parliament will never be able to find out. That is a tragedy for the Canadian people. It is a tragedy that I have to tell those people who voted for me and sent me here that I am sorry but, because of the present regime's philosophy of government which says "we will not tell you, you are never going to find out, forget it, just rubber stamp the legislation," I cannot tell them. That means to me that I am not doing my job; not because I do not want to but because I cannot.

• (1200)

The numbers on the other side tell me that I cannot because they simply will not make that information available to permit not only the Opposition but their own Members to know what is going on. This is government by clique. This is government by secrecy. This is government by arrogance and disregard for the true meaning of the House of Commons the true meaning of democracy. It shows a colossal contempt for the Canadian public. May the public wake up one day and take a good look at what this gang has done and how it has done it and realize that it is to their detriment to leave it in place.

I close by asking Members opposite to understand how they are destroying democracy, accountability and good sense in this country, because that is what they are doing.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think the issue has been dealt with very well in the House today. Several Members have expressed themselves differently but all have said the same thing. What we are witnessing is not only true in this House but true in almost every form of legislative arena in the world.

I believe what the last Member in particular, who is a new Member, was saying is that he does not really get mad at these fellows across the way; he just really feels sorry for them because they have to take orders from people who are not accountable. If those people want all the money in the world and do not want to report it, those Members have to say that that is what is good for the country. We should not be angry with them when they surrender their freedom to their own employees; we should feel sorry for them that they want to hang on to their positions because it gives them prestige some place. The fact is that all governments in the world have surrendered the power which they have under the constitution, which was achieved by the struggles of our forefathers to control our own destiny, to a self-styled elite.

I speak with some experience and feeling about this issue. This control which is held by small groups that exert control in our bureaucracies must be challenged. It must not only be challenged by the Conservative Party here but by all parties in every country of the world. The situation is just as bad in China, Russia, Belgium, France and Italy. Governments can change every week in France without making any difference; the same people run the country.

Why is this challenge important to Canada? Our future lies in free trade world-wide. If we want to keep peace in the world, the only proven technique to keep and maintain peace is to trade with people. It is necessary to do this so that we do not fall under the umbrella of paranoia where confused pilots fly on dark nights over strange areas. Even the government in Moscow does not know what is going on. The blundering goes on. Everyone is quick to jump on this paranoia issue and become excited and frightened, when the real issue facing Russia, Canada and the United States is how to control this monster that has been created in an effort to have people govern themselves.

I happen to deal with this type of problem quite often. I spent the last three days in New York and Pittsburgh talking about these very issues with several nations. The problem we face is how to get around the set-in-tablet mentality of governments all over the world. For instance, Europe has very restrictive legislation, regulations and techniques for stopping the flow of food into that area. With food they also include things related to health, such as medical equipment and so on. To the cynical person, this is simply a way of putting a high tariff around European nations. Europeans have a reason to be frightened since they have gone through two serious wars in the last 80 years. The people in Russia and other countries are frightened and want to protect their own supply of locally-produced food. Therefore these arbitrary restrictions are applied.

Let us look at the Middle East where new governments come into being. If we look at the legislation of the 21 nations in the Middle East, which covers North Africa and the golden area of the Euphrates, Tigris and so on, every one of these nations has copied the restrictive legislation of European countries. They are terrified that some kind of food will come into their area which will hurt their farmers and their health. They will not let food or anything healthy go into their countries until they are sure that it has met these restrictive regulations. While these restrictive regulations in Europe are mainly a protective device at the current time since they have highly qualified people and productive agriculture, the Middle East countries, which desperately need food and health care items, follow the same regulations. They are controlled by the dead hands of the government or the bureaucracy that must follow the rules.

These problems are resolved not by dealing with government organizations on one side or the other but by dealing with private groups in each of these countries in determining how to meet all of these regulations without the governments feeling cheated. In this way the goods can get moving.

This is particularly noticeable in the health medical services. For example, the Saudi Arabian government has spent billions of dollars commencing the building of a hospital and medical system. It wishes to expand it by another 7,000 beds. It wants to spend approximately $2.3 billion putting in 7,000 more beds as well as all the services, supplies and maintenance. It has not gone to other governments for help but has asked private enterprise groups in Canada to get together and determine what its needs are, to build a consortium and bid on these contracts.

The Saudi Arabian government is faced with the closed shop organizations of two big enterprises in the United States, France and England which are very good at this type of thing. Since that government feels Canada is not as far down the slope as these other countries, it would like a country such as ours to put in a bid which will force those other nations to be competitive. In other words, it has decided that running its hospital through the government makes it a complete sucker for those people who sell it things. They want to put this project up for tender in order to reduce costs and in hope that it will be operated privately from outside so it can get greater efficiency at less cost and still provide the quality of service.

This is an opportunity for Canadians to participate but we are up against the fact that most Canadians wait for the Government to do it. They want it to go before the Export Development Corporation in order to provide money. That is not how to do it because private enterprise has to keep free from the Government to get a chance to win those contracts in Saudi Arabia.

What I have said in detail illustrates the type of problem that exists in trading. It goes back to putting everything under control of a government organization that does not tell the people what it is doing and allows for all sorts of things to happen.

• (1210)

What I have said about Saudi Arabia I could repeat for trading between Taiwan and Canada or trading between Taiwan and the People's Republic of China and so on. I think I have emphasized the point enough. The answer to the opportunities that exist is not just giving more money to a government agency but to put into the thinking of those around this agency the ideas that will achieve the purpose at

less cost to both sides. You cannot operate behind a curtain; it does not work. Operations of that sort are not trusted by the other fellows and you will not get much forward progress.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is an honour to speak to this Bill, particularly following the very statesmanlike speech given by the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

Bill C-110 is an Act to amend the Export Development Act. There is a series of amendments to this Bill which attempt to restrict the amount of money which will be available to the Export Development Corporation without reference to Parliament.

Much as I can support the aims of the corporation, I must indicate a great deal of sympathy for the concern which has brought these amendments before this House. Right now about 26 per cent of our Gross National Product is directly dependent upon the export market. A fairly hefty portion of that 26 per cent is related directly or indirectly to agriculture. At no time in my understanding has the Export Development Corporation been used to develop the direct growth of agricultural production. In fact, where opportunities have arisen in the last few years, such action has not been taken by the corporation, partly because of the terms of the Act and partly because the Act was not interpreted to assist the sale of agricultural products.

For instance, just in the last year the Government has withheld credits for grain sales to several countries, countries such as Poland. The Government has given very spurious reasons for not giving these credits for the purchase of grain, such as the fact that Poland cannot pay its bills. We can agree that Poland is having difficulty payings its bills, but so are Mexico, Brazil and Chile. In each latter case we have extended credits to those countries. The loss of these kinds of sales to countries like Poland affects the cash flow of the farmers, which consequently affects the welfare of the western agricultural industry.

I have two suggestions regarding this particular situation which I would like the Government to look into. First, I think it is time the Government looked at this Bill, and the corporation, as a source of credit for the export of agricultural products.

Second, why is the Government not taking the lead in attempting to have Poland's debt negotiated by the Paris Club in the same way as that organization or group of countries has dealt with the debts of Brazil, Chile and others? It seems only fair that negotiations should be put in place and spearheaded by Canada, if necessary, to allow that to happen. Farmers would be pleased with anything that would increase the demand for their products. They recognize that part of their responsibility is to feed the world regardless of what President Reagan thinks of the country to which they sell their products and regardless of the ideology which the government of that country has put forward.

Crown corporations in Canada are intended to be instruments of public policy. Their reason for their being is the good of the country. If you look at the history of most Crown corporations, particularly when they were set up—and many were set up by previous Conservative Governments—they were set up with a good reason. Many times that reason has disappeared or been cast aside, quite often very shortly after the Crown corporations have gone into business. Instead of operating for the good of the Canadian people, quite often these Crown corporations operate for their own survival. They become so controlled by the bureaucrats put in charge of them that they lose their objective of operating for the good of Canada and start becoming corporations that operate for their own good.

This particular Government has given Crown corporations a very bad reputation, a reputation which is changing public opinion to the extent that many of the ones highly thought of are now in disrepute. Therefore, maybe it is necessary for this Parliament to put some strings on the purses of Crown corporations. A good example of what can happen without referral to Parliament is the late scandal, I suppose we can call it, of Canadair. If it can happen to Canadair—the fact that $1.6 billion in losses were incurred before the corporation was referred back to Parliament—then it can happen to any corporation. Therefore, perhaps it is important that all corporations operate within some restrictions concerning the amount of money they can spend.

Successive Auditors General have indicated quite forcefully and lustily that any money spent anywhere by any corporation, if it is taxpayers' money, must be accounted for in some way to Parliament. We have moved away from this position almost continuously in the last number of years.

Lately, for example, Canadian National Railways, whose reason for being is servicing the transportation industry for all Canadians and whose losses are paid for—made up—by the taxpayers of Canada, has said there is no way the Auditor General, a servant of this Parliament, should be able to look into its books and find out how it lost or made money. The books of the CNR will become very important to the people of Canada, particularly to the farmers of western Canada. If Parliament allows the changes suggested to the Crow rate, the amount of money which will be paid for freight will be directly dependent upon the expenditures of Canadian National Railways. Why should Canadian farmers trust the costing of a company which hides its books from its own people? Why should farmers trust a Government which depends upon a New York economist to tell it how much it costs to operate a company which the Government itself owns? This is what is happening in the refusal by CN to have the Auditor General look into its books. Since the possible successors of the present Government do not have a better record than the present Government, it is necessary to put the restrictions suggested in these amendments on any corporation which spends taxpayers' money.

● (1220)

Hon. Erik Nielsen (Yukon): Mr. Speaker, we are not speaking today of anything other than establishing a minimum of

parliamentary control over the expenditure of public money. Once again we have the Government coming before Parliament seeking virtually unlimited borrowing power. That is the true meaning of the legislation we are discussing. Once again we are in the position of attempting to curb the Government's ongoing and persistent attempt to remove itself from the fiscal control of Parliament.

The Government has a record of uncontrolled expenditures second to none. Nero in his wildest moments never squandered the public money as this Grit Government has done and is still doing. Now, with the largest deficit in history, the largest public debt in history and the worst financial record since the teapot Dome scandal, it is back again asking for another blank cheque. That is what $20 billion amounts to; that and another $20 billion and yet another $20 billion. If a wage earner made a salary of $20,000 a year, in 100 years that person would earn $2 million. In 1,000 years that wage earner could earn $20 million. In one million years that person could earn $20 billion, a fraction of the authorization for which the Government wants a blank cheque.

I know it is a hypothetical consideration, particularly under this Government which takes nearly half of what one earns in income and other taxes. Nevertheless, it gives one an idea of the magnitude of the amount with which we are dealing here. But then, this Government always thinks big. If it were in private industry, it would have been in bankruptcy long ago. It has a habit of wheeling and dealing in vast amounts of money, great sprawling schemes and projects and paper programs that never get off the ground. It is a Government that is totally infatuated by its own propaganda.

Day after day the jovial Minister of Finance (Mr. Lalonde) rises and explains that things were never better. He says that we are on the way up. He does not worry about hard facts, such as 1.5 million unemployed Canadians. But then that 1.5 million unemployed Canadians do not vote Grit anyway. Government Members wheel and deal and crank up their propaganda machine to tell Canadians how good they have it. It is fun to be out of work under this Grit Government in its wonderful land of Oz!

For months now the former Minister of Manpower, who is now the Minister of Transport (Mr. Axworthy), has been telling Canadians about the hundreds of millions he has been making available in his so-called job-creation programs. Day after day he rose in the House weaving his webs of fantasy. But let me say that if all the jobs in all the paper programs had materialized, not only would there be no one out of work in Canada, but we would be scouring the world for workers. Sadly that is not the case. Unemployment exists, hardship exists, bankruptcies exist. The desperation and uncertainty of young people wondering where they are to turn next is a salient feature of this sagging society, which is the legacy of 15 years of centralization and Government misdirection.

As they go on erecting their castles in the air, spinning their fairy fantasies, one theme is recurrent. They want money, they want more money, they want unlimited money. They are like drunken con artists who, in order to keep their "sting" going, must constantly attract new sources of supply. New task forces, new consultants, new Government agencies, are spewing forth from the bottomless well of the Government's aimless frittering, demanding always more and more expenditure on the part of the taxpayer who is neither consulted nor asked to approve through his or her elected representative in this place, which is why we are sent here.

The Government must go to the market to borrow something like $25 billion this year in order to finance its day to day operations and to pay interest on its colossal debt. This means overburdening an already tightly stretched money market. It means that interest rates will move up, that ordinary Canadians will be at pains to secure the financing they need, and that once again we will be looking into the yawning maw of recession.

The Minister of Finance has said that this was okay with him, that this was fine with him. He does not want the recovery to be too sudden. He wants Canadians to suffer a little more. He would like to see a few more turns of the screw. Perhaps if Canadians get hungry enough and desperate enough, they will sit back while the Government brings in its Bills to control the press and all the other measures which have the effect of centralizing authority in the Grit Cabinet. This has been its course since resuming office in 1980. It is the course of desperation. It has been a determined and persistent effort by those who want to usher in socialism by the back door, erode the freedoms of Canadians and create a faceless and docile proletariat in the country.

They will find that Canadians are not a mean-spirited people. They will find that Canadians stand up for their rights. They will find that Canadians will not give up their heritage of freedom and independence for a mess of Liberal pottage. Canadians are not prepared to surrender any further authority to this Government of all governments. We are not prepared to give up financial control to a Government and a Prime Minister (Mr. Trudeau) who have created in the country a sprawling Frankenstein which was described by the Auditor General as a "parallel government". In the process they have driven this country to the brink of financial insolvency.

The Government is now peddling off our natural resources as quickly as it can to the highest bidders. It is keeping on the special petroleum tax although Petrofina and British Petroleum have been paid for long since. It is holding back on support to the aged and withholding financial support to medicare in order to finance the incredibly costly losses of Canadair and de Havilland and the other tottering fiscal empire under the control of the Prime Minister's friends, Senator Austin and Mr. Bell.

• (1230)

That is where the money is going. That is why we have these incredible deficits. That is why Canada went deeper into recession than any other OECD country and was slower climbing out. That is why Canadians have been forced to accept a reduced standard of living with reduced income. That is why we have placed these amendments before the House.

We as Members of Parliament are taking the only recourse open to us to return the control of the public purse to Parliament.

I can tell the Government now how it can get on with this measure so that it can be used as a vehicle to increase our trade with other countries, which after all is the main thrust of the Bill, but with established, traditional parliamentary control. We will give unanimous consent to the restoration of the amendment moved by the Minister, amendment No. 2, if the Government will give unanimous consent to the restoration of our amendment No. 4, which establishes the basic minimum of parliamentary control, and agree to our amendment No. 5. If they are sincere about their respect for the parliamentary tradition, they will accept that offer.

I repeat, we will consent to the re-establishment of the Government's amendment No. 2 if it will consent to the re-establishment of our amendment No. 4 and agree to amendment No. 5. Amendment No. 4 provides for the basic minimum of parliamentary control. That is all we ask, that control remain in the hands of the people through their elected representatives sitting in this House. If that position were to be adopted by the Government, it would have this measure with no further adieu.

Mr. Evans: Mr. Speaker, I rise on a point of order on the point just made by the Hon. Member with regard to a possible deal. I would have expected he would have had this discussed other than on the floor of the House. Certainly his offer has been received, and I will be more than happy to talk to him about it.

Mr. Jack Shields (Athabasca): Mr. Speaker, I wish to share with the House some thoughts on Bill C-110. As my colleague from Yukon (Mr. Nielsen) stated, all we in the Opposition are requesting is control.

In Alberta at the present time we are having municipal, county, school board and hospital board elections. In some cases five, six or seven Members are being elected to various boards. There is heightened activity in my community and in other communities in my riding. Interest in the municipal elections is at an all-time high. Four years ago people vested certain responsibilities in those they elected to represent them on various boards. They now see that in some cases these representatives did not take their job seriously and have not been accountable to the people on how the taxes collected were spent.

I can cite an example without naming the community. There is a hot and heavy campaign going on because the school tax has increased dramatically in the past two years. People see that there has been waste and are calling the school board to account. They believe their tax dollars were collected on a false pretext and have been spent in a frivolous way.

The point I am making is that there is accountability at the municipal level. The reason is that their expenditures do not involve megadollars, such as $20 billion, an amount which we continually discuss in this House. The people have a very fair understanding of that. I, and I am sure no one else in this House, can fathom what $20 billion really means. The Hon. Member for Yukon tried to describe it. He said it would take one person earning a normal salary a million years of work to accumulate that amount.

The people who sent me here did so to represent them in the House of Commons. That is the beauty of our system. Each and every Member of this House was sent here with the same mandate. I cannot in good conscience condone what this Government is doing. Through this Bill the Government is asking for a blank cheque, assuming no accountability.

This is not the only place where there is no accountability. All Crown corporations are not accountable to the House of Commons. We do not know how and where money is being spent and whether it is being wasted. I have a theory about why the Government is resisting even the basic minimum accountability for which we are asking.

Yesterday in this House we discussed my motion for the tabling of some documents which would once and for all clear up the issue that arose during the national energy fiasco and the fight with Alberta. I asked that those documents be tabled in the House so that Members of my Party, the NDP, the Liberal Party and Canadians from Newfoundland to Vancouver Island could see them. We would know exactly what happened with the Alsands project that was to have taken place in my riding. Because it went down the tube, it is costing this country thousands and thousands of jobs. It is estimated that had those two projects gone ahead, they would have created 500,000 jobs, putting back to work one-third of the unemployed people in this country. The arguments went back and forth and the blame went back and forth. When I asked for unanimous consent for these documents to be placed on the Table, this consent was denied by the Liberal Members.

The same thing is happening here. If the accountability factor that we are suggesting in our amendment is accepted, then the loans, insurance and all the spending that will occur as a result of this Bill would be available for all to see. If all the background material were placed on the Table, everyone would have access to it.

• (1240)

My theory is that the Government does not want the voters across the country to know what is happening with Crown corporations, to know where the money is being spent, how it is being spent and whether it is being spent wisely. I believe it would open up the eyes of all of the voters across the country if they were to see the waste and inefficiency that goes on when the Government is spending dollars that do not belong to it or to its Crown corporations but to the people of Canada. The people of Canada support this institution through their taxes. The Government does not have any money whatsoever; the money belongs to the people of Canada.

I represent 100,000 of those people in Canada. Each Member in the House of Commons represents basically the same number. That is why we are here, Mr. Speaker. We are here to be accountable and to keep the Government accountable to those people for their money. We are only trustees and

we are placed here by the electorate to keep the Government accountable. The electorate wants to know where its money is being spent and how it is being spent. The people of Canada will never know how that money is being spent if we keep a veil of secrecy around every program to spend money that is developed by the Government.

I urge all Hon. Members to think for a moment about why they were originally elected and why they originally wanted to come to this place to represent the people in their ridings. I am sure that if each Hon. Member were to examine his conscience, he would know that what I am saying is true. We must be accountable. We must spend wisely the dollars that are entrusted to us to run the Government.

With that, Mr. Speaker, I would like to close by saying that I do hope that the Hon. Member for Yukon, through his negotiations, will bring sense to this legislation so that we do have that accountability.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, in rising to speak in favour of the two motions moved by the Hon. Member for Mississauga South (Mr. Blenkarn), let me echo his sentiments. The issue here is accountability to Parliament. Nobody, I think, knows better than those of us on this side of the House that trade is essential to Canada. Fifty per cent of all the goods produced in our country are exported. An unmeasured quantity of services, such as insurance and banking, are exported. Trade in the form of imports and exports constitutes about 30 per cent of our GNP.

As the Hon. Member for Mississauga South pointed out, though, if this Bill is not amended as we propose, we will be giving the Government $62 billion either by subscription or capital or through loans made by the corporation. As has been said before, we will be allowing the Government to give the Export Development Corporation a blank cheque to do with as it will or as the Government would have it do. That is the reason for our amendments. That is why we have been reduced to putting up speaker after speaker in this debate. It shows how strongly we feel about accountability to Parliament and I suppose it is a sign of the impotence of Parliament that all we as the Opposition can do is put forth speaker after speaker to make ten-minute speeches to show our concern about this fundamental issue of accountability to Parliament.

I believe the details of the motions have been dealt with sufficiently by previous speakers so I do not have to go into them. I have only a short amount of time, Sir, and because I think it bears upon this motion, I would like to deal with an as yet unpublished report written by Dr. André Raynauld entitled "*Réflexions sur les politiques d'exportation*". That report is to be published in the autumn of this year by the Economic Council of Canada.

Dr. Raynauld essentially talks about the Export Development Corporation and he makes a number of comments, some of which I will refer to because I think they are relevant to this motion. For example, close to the beginning of his report, he said this.

[*Translation*]

And I quote:

—in recent years, Canada has started to rank first in Government assistance to exports in relation to GNP, with, perhaps, the exception of France, and even that is not quite certain.

A little further, the report says, and I quote:

In Sweden, Spain, Germany, Norway and Japan, financing agencies are of the shared-enterprise kind or strictly private.

An Hon. Member: Don't read your speech.

Mr. Kilgour: I am quoting, so I cannot do otherwise.

[*English*]

Mr. Evans: Don't read your speech.

Mr. Turner: You are reading your speech.

The Acting Speaker (Mr. Corbin): Order. It is quite acceptable for an Hon. Member to quote in the way that the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is quoting.

Mr. Chrétien: He attacked Charlie for that yesterday.

[*Translation*]

Mr. Kilgour: I shall go on.

To our knowledge, only Canada has set up a Government corporation that is 100 per cent public and, in most cases, negotiates directly with foreign borrowers and Canadian exporters.

The next point concerns the effectiveness of support programs, and I quote:

The first objective is to increase exports and in so doing, create jobs.

A little further, it reads, and I quote:

Since the support programs are permanent, we would have to assume that the Canadian economy is in a permanent state of under-employment, if we are to attain that objective—

[*English*]

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Broadview-Greenwood (Ms. McDonald) rises on a point of order.

Ms. McDonald: Mr. Speaker, on a point of order, the Hon. Member is reading his speech. On two occasions yesterday he criticized another Hon. Member for reading his speech. I suggest that he apply the same rules to himself.

The Acting Speaker (Mr. Corbin): Order, please. At this time the Chair would like to draw the attention of Hon. Members to Beauchesne's Fifth Edition, Citation 310. Perhaps Hon. Members would care to look at it, or with the indulgence of the House I could quote briefly from Citation 310, which reads:

Tradition has established exceptions to this principle—

That is, the principle of not reading speeches in the House.

—and these have been recognized by the Speaker from time to time. Ministers of the Crown, Leaders of Opposition Parties (and those speaking on their behalf), a Member speaking in a language that is not his own, and a Member making his maiden speech or using technical data or statistics are allowed a

written text. In addition, those participating in the general debates of a session, such as the debate on the Address in Reply to the Speech from the Throne, are exempt.

On an ongoing basis, the Chair is not in a position to determine if a Member is in fact reading verbatim from a prepared text. Referring specifically to the point of order raised by the Hon. Member for Broadview-Greenwood, it is obvious and quite patent in the Chair's opinion that the Hon. Member for Edmonton-Strathcona was quoting. I do not see how he can quote properly if he does not read the text from which he is quoting. Therefore, I think that matters are quite in order and I invite the Hon. Member for Edmonton-Strathcona to continue his remarks.

The Hon. Member for Winnipeg-St. James (Mr. Keeper) rises. Does he rise on the same point of order or on a different point of order?

Mr. Keeper: Mr. Speaker, on the same point of order, I would like some guidance.

Some Hon. Members: You need it.

Mr. Keeper: I would like some guidance from the Chair. I wonder, Mr. Speaker, as a Member of Parliament stands in the House and quotes from another document, how much of the Hon. Member's speech consists of the quote and how much consists of the words that are between the quote. I hear very few words between the quotes.

● (1250)

The Acting Speaker (Mr. Corbin): That is pretty hard to determine. Of course, the Chair will not indulge or participate in the debate. It is obvious that the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is making a point and he is probably arriving at the end of the illustration to his point. The Chair waits patiently for him to come to the heart of the matter.

[*Translation*]

Mr. Kilgour: Mr. Speaker, the article is about 10 pages long. I have just given a few examples, and I have two or three more, and if the Member for Winnipeg-St. James (Mr. Keeper) wants me to comment between quotes, I am willing to do so if it suits him. I quote, as I quoted before:

Since the support programs are permanent, we would have to assume that the Canadian economy is in a permanent state of underemployment if we are to attain that objective, which is clearly contradictory.

Mr. Speaker, I think that is obvious and Dr. Raynauld is very sorry that that is the case and so am I, but it is a rather important point, and that is why I quoted him.

Another point is, and this is later on in the article under the heading: The cost of Government intervention, and I shall quote part of the text:

—subsidies were low until around 1977. In 1980, however, $46 million was spent on loans and $20 million on operations in general.

He is referring to the EDC, and again he indicates the amount of the subsidy for this sector. Mr. Speaker, I think that as far as export subsidies are concerned, there must be a ceiling, and as one of the great economists of our country says, and I would remind the House that he has just been elected Committee Chairman of the Canadian Economics Association . . . I have a fourth quote—

The Acting Speaker (Mr. Corbin): Order, please! I have no objection to the Hon. Member making the occasional quote to support the points he wishes to make, but he should establish some relation between his quotes and the motions the House is considering at this time.

Mr. Kilgour: Thank you, Mr. Speaker. I think the point I am trying to make is that by increasing the Corporation's funds to $62 billion, we may be aggravating the problem to which Dr. Raynauld is referring, and if the Government is capable of acting as he said in his articles, I wonder whether they will now be able to take measures that are 10 or 15 times as stringent. I think the point Dr. Raynauld makes so well is that we must have some kind of bookkeeping.

As far as we are concerned, we feel we must have some parliamentary control over the operations of these corporations, and not give them a blank cheque, considering the situation in this country today. That is our principle, and it is reflected in our amendments. The EDC's funding must be reduced, our parliamentarians must have . . . As was said by all previous speakers, we, as elected representatives, must fight for the interests of the people of Canada, and in this particlar matter, a limit must be set, as we proposed. We must not allow unlimited funding for the EDC. I think my time has almost expired.

[*English*]

Mr. John Gamble (York North): Mr. Speaker, earlier in this debate dealing with Bill C-110, an Act to amend the Export Development Act, I had an opportunity to deal with some of the basic principles of the Bill. It is not my intention to review those comments. We have heard some rather eloquent statements in the House by those Members who have addressed us on this issue. I would particularly direct the attention of Hon. Members to the remarks made by my colleague, the Hon. Member for Capilano (Mr. Huntington), and those made today by the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton). Both Members dealt explicitly with some of the basic problems with the Bill and the reason this Party has exhibited determination to prevent the principles of the Bill being rushed through the House.

The comments to which I just referred relate to the underlying establishment of a sub-government, a superior bureaucracy that has reversed the master-servant relationship. We have seen the consequences of that with the emergence of this kind of legislation. Ministers of the Crown have become the handmaidens of senior bureaucrats.

Last evening I had an opportunity to speak to a Member of the Liberal Party; he was in the House a moment ago but I shall not name him for fear of embarrassing him. He freely acknowledged the danger of the type of thing we are concerned with today. Like so many Members of the House and so many on the Government benches who feel obliged to do so because of their precarious position in case an election is called, he supports Ministers of the Crown who bring this kind of legislation forward. In turn, Ministers of the Crown are obliged to follow the advice of the senior public servants they have hired to prepare legislation of this kind. Quite frankly, those people can see that with the growth of empire, their salaries and senior positions will be justified. That empire grows and the amount of money they have control over continues to increase, to the extent that we are now finding some exorbitant demands for funds contained in the legislation.

Motions Nos. 6 and 8 which are now before the House were proposed by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), and supported by the Hon. Member for Yukon (Mr. Nielsen). Both would have the effect of reverting to previous maximum quantums, save and except for the addition of $1 thereto, the amounts that might be guaranteed, contingently or otherwise, and provided for under existing or future agreements between the Export Development Corporation and foreign borrowers. These restrictions reduce to $3.5 billion and $1 and $2.5 billion and $1 respectively the amounts that currently stand at $10 billion each under the Bill, and with great justification.

I am disturbed about the end product as a result of the removal from the consideration of this House of the detailed expenditures of the Export Development Corporation. We have heard the comments of the Hon. Member for Western Arctic (Mr. Nickerson) who dealt specifically with an impending loan to Romania and the consequences of that loan. Such loans, quite frankly, are beyond the control of the House once the funds are placed clearly in the hands of the directors of the corporation.

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

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

IMPORTANCE OF GOVERNMENT'S PRESENCE AT NEXT QUEBEC CITY REGIONAL CONFERENCE

Mr. Gaston Gourde (Lévis): Madam Speaker, I want to express my disapproval of the Quebec Government's decision to refuse to allow representatives of the Government of Canada to take part in the forthcoming summit planned for the Quebec City area. The legendary uptightness of our separatist pequists is once again apparent. Many mayors of our municipalities, commissioners, businessmen and other intervenors are now being blackmailed into taking part in this summit, under the subtle threat of reprisals by our friends in the Quebec Cabinet, the same people who just woke out of their summer stupor to the realization that unemployment is very high in Quebec. Madam Speaker, how can we take this summit seriously if we are not to see the Canadian Government at the consultations that will be held? The presence of the Government of Canada is felt everywhere in the Quebec City area. For instance, the Government's assistance to small, medium-sized and large businesses, the latter including Davie shipyards as the largest industry in the Quebec City area; the federal Public Service, the Port of Quebec, the Société du Vieux-Port, the Société Inter Port, Parks Canada with its many facilities, the Quebec City Airport, Transport Canada, the Canadian gas pipeline, and so on.

* * *

[*English*]

TOURISM

IMPACT OF TAXES

Mr. Ron Stewart (Simcoe South): Madam Speaker, once again the Grit government has fumbled the ball. In its continuing quest for the holy grail of a perfect socialist state it has forgotten about the largest single employer in Canada, an industry providing jobs for more than a million people, representing over 10 per cent of the work force. I am speaking of the tourism industry, and the 100,000 tourist establishments and small businesses which accounted for 5 per cent of our GNP in 1982.

This $16 billion a year industry, which generates $4 billion in foreign exchange, is now doing poorly as a direct result of punitive Grit taxation policies. Liquor prices in Canada are 250 per cent higher than those in the U.S., food costs are 50 per cent higher, and tobacco and gas prices are double those south of the border. Federal and provincial Governments spend $80 million a year promoting tourism in Canada, then collect $8 billion in taxes from the industry. That may look like a healthy return on investment, but it is crippling a vital sector of our economy.

To add insult to injury, the federal Government promotes Canadian travel abroad. Canadians do not need this encouragement, Madam Speaker. The Liberal approach to tourism is incentive enough for Canadians to travel elsewhere.

The tourism industry is capable of creating more jobs than Liberal make-work programs, but only in a climate which decreases punitive taxation, encourages investment, and allows a profit, not one in which excessive taxation strangles all potential, and increases unemployment.

Madam Speaker: Order.

* * *

INDIAN AFFAIRS

SENATOR'S RESIGNATION DEMANDED

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, we deplore the remarks of Conservative Senator Richard Donahoe that we would not have the problem of aboriginal rights in Canada "if they did just what they did in Newfoundland and shot them all." The genocide of the Beathuk Indians in Newfoundland in the nineteenth century is one of the most shameful atrocities of the European era in Canada. It cannot be the subject of a joke. Genocide is not a subject for humour, not in a world where genocide is a reality and not in a country where injustices to native peoples continue, as seen in appallingly high rates of poverty, unemployment, illness, suicide, and imprisonment of native peoples.

As parliamentarians we must dissociate ourselves from these misguided remarks. Our colleagues working on aboriginal rights must redouble their efforts for a just settlement. The Leader of the Conservative Party has a particular responsibility to throw Senator Donahoe out of caucus and demand his resignation from the Senate. The Hon. Robert Stanfield, when he was Leader of the Conservative Party, refused to allow Leonard Jones to be a member of his caucus. We expect no less of the new Conservative Leader.

Remarks such as Senator Donahoe's, if not the product of racism, reflect a stupidity unacceptable even in a member of an appointed Senate. The first step in Senate reform should be Senator Donahoe's departure. All of Parliament is degraded by his continued membership.

* * *

UNITED NATIONS

SUGGESTED REMOVAL OF HEADQUARTERS FROM NEW YORK TO MONTREAL

Mr. Bill Yurko (Edmonton East): Madam Speaker, some of my most memorable events during the years 1961-1965, when I worked in New York, were visits to the United Nations. Somehow the entire world is contracted into a few acres where the cries and pleas of effectively all world nations are heard. I was therefore surprised to read U.S. Deputy Ambassador Charles Lichenstein's remarks that the United Nations would not be missed if it were moved out of New York. In fact he appeared to encourage the prospect of such a move.

Montreal is an excellent site for the United Nations, and Place Ville-Marie would be a suitable temporary accommodation. The Government of Canada should apply itself with diligence to determine the reality of such a relocation, and should let it be known loudly that Canadians would welcome such a relocation.

* * *

HISTORIC SITES

PRESERVATION OF BUILDINGS—CALL FOR COMMITTEE STUDY

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, the issue of heritage and the protection of Canada's historic buildings has become an increasingly important one throughout this year and last. The wanton destruction of the Canadian Pacific West Toronto Station, and more recently the threat of the removal of the historic Essex Railway Station in Mississauga, clearly indicate to many that if we do not find a quick solution to this problem we may well find ourselves without any heritage property and without any recollection of Canada's past.

Many Departments are responsible for our heritage, Departments such as that of the Secretary of State, Environment Canada, Public Works, and Transport Canada. It is time to bring this issue to the forefront. All Departments which have an interest in the heritage question should come together to form an inter-departmental committee to study this issue and draft recommendations and proposed legislation on how to protect the destruction of heritage buildings and to provide for the conservation of buildings of historical or cultural value.

* * *

EMPLOYMENT

NEED FOR RETRAINING POLICY

Mr. Scott Fennell (Ontario): Madam Speaker, it is time for the Government to start concentrating on formulating a definite policy on retraining both the unemployed and working Canadians. Study after study has recommended that the Government should be considering this proposal, yet the Government makes no decisions on this at a time when there are 1.5 million Canadians unemployed. Why is the Government waiting? Technology is here to stay, and Canada is falling behind other countries which have identified this problem, are attacking it and creating new policies in conjunction with their business sectors which will encourage retraining, both in the private and public sectors.

In Norway, for example, officials have recognized that technological change involves both problems of unemployment and the retraining of present manpower. In this manner they are able to ensure that private businesses have a sufficient

amount of skilled workers on hand. The costs of this plan would be shared equally by the Government and private enterprise. This, I am sure in the long run, would be less costly to all, rather than the alternative of spending billions of dollars on unemployment insurance benefits.

The workers and the knowledge are out there. We have been waiting far too long. It is time to take advantage of what is presently available, build on it, and establish a definite policy on retraining in Canada.

* * *

WESTERN GRAIN TRANSPORTATION ACT

INCREASED COSTS FOR FARMERS

Mr. Len Gustafson (Assiniboia): Madam Speaker, Bill C-155 will be reintroduced into this House in a matter of hours. If passed in its present form it will break an historical statute agreement with the farmers of western Canada. Contrary to what the Minister of Transport (Mr. Axworthy) stated yesterday, the extra cost of freight to farmers in the first year will increase by $163, and by the year 1992 the increase in transportation costs will be $9,485 for a farmer shipping 11,000 bushels.

• (1410)

The increase in transportation costs comes at a time when farmers can least afford it. We have increased energy costs, increased costs of production, a decline of 25 per cent in farmers' income, and the highest level of bankruptcies since the 1930s. As I pointed out to the Prime Minister (Mr. Trudeau) in this House, destroy the farmer and grass will grow in the streets of every city in the nation.

* * *

FISHERIES

DEPARTMENT'S EMERGENCY PLAN TO MEET NUCLEAR WAR CONDITIONS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, it should please the House to know that the Department of Fisheries and Oceans is well prepared in the eventuality of a nuclear war. The Department's emergency planning officer has drawn up plans to manage the fishery should such an event take place. This is quite remarkable in light of the Government's poor track record in managing the fishery in peacetime.

The Fisherman's Safety Manual instructs fishermen who are tied up in Victoria, Vancouver, and New Westminster to leave as fast as they can, but does not say where they should go. The Department of Defence, if it was still in existence, would direct that evacuation. Those tied up elsewhere should stay put, the manual says, where they will be safe.

The Department would attempt to ensure that war would not resume on the fishing grounds while fishermen were there. Apparently the Department has more influence than we ever realized. It is comforting to think of our intrepid fishermen out there fishing to feed the survivors of nuclear war. I assume, of course, that they will be catching pre-cooked fish, already irradiated for long-shelf life.

The fishing industry in Canada is in crisis, Madam Speaker. With plants closing, companies going bankrupt, and fishermen unable to make a living, the emergency is here right now. It boggles the mind to think that our Government is directing its Department to spend its time and energy on such matters when there is a real emergency to deal with. However, what is most disturbing is that this is yet another indication—

Madam Speaker: Order, please. The Hon. Member's time is up.

* * *

POLITICAL PARTIES

DEBTS INCURRED BY PROGRESSIVE CONSERVATIVE LEADERSHIP CANDIDATES

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I was sitting in this House this morning listening to the speeches of various members of the Opposition criticizing the Government for its spending plans for the Export Development Corporation. At the same time I was reading that the Tory financial critic, the Hon. Member for St. John's West (Mr. Crosbie), is facing unexpected debts because his campaign costs soared as a result of uncontrolled spending and inadequate estimates of costs.

Some Hon. Members: Shame.

Mr. Herbert: He then lamented the excessive spending and the surprise debt. What is more, the Hon. Member for Etobicoke Centre (Mr. Wilson) also faces a huge sum in unpaid bills. Apparently the debts of these two financial critics reveal how their budgets were blown.

The campaign chief for the Hon. Member for St. John's West admits that controls on spending collapsed, pushing costs over expectations. Madam Speaker, these are the kind of people who suggest they are going to be able to control the Government's spending?

* * *

INCOME TAX

COMPLEXITY OF LEGISLATION

Mr. Albert Cooper (Peace River): Madam Speaker, I would like today to comment on the complexity of the Income Tax Act in Canada. This Act, which affects virtually every Canadian over 16 years of age, has become an instrument of confusion, a document of deception, and a tool of fear and intimidation. The Income Tax Act exists by the will of the Canadian people and yet, in the hands of this Government, it has become a vehicle of control.

In the Government's budget of 1980-81 the Government introduced 350 changes. When the author of that budget flopped and a new one flipped in, he introduced a further 133 amendments which have contributed further to this complexity which can best be described by example.

Section 39, the definition of capital gains, begins with one sentence consisting of two semicolons, 28 commas, and, believe it or not, 774 words. Compare that to the Gettysburg Address with only 276 words. Add to this complexity the fact that if Revenue Canada accuses you of guilt, guilty you are until you prove your innocence.

And now, Madam Speaker, in the Peace River country, in fact across western Canada, Revenue Canada is accusing many of our farmers of being hobby farmers and reassessing those farmers for years, and for thousands of dollars. This is a crime, Madam Speaker, a crime perpetrated against Canadians by the very Government which claims to represent them.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

MINISTER'S STATEMENT ON FULL-TIME JOBS

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Minister of State for Economic and Regional Development said in a submission to the Macdonald Royal Commission, and I quote: "Perhaps full employment as originally intended, i.e. in the sense of full-time, steady jobs is no longer a sensible and realistic goal." My question to the Deputy Prime Minister is this: does that statement reflect the policy of the Government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Minister of State for Economic Development was dealing with a very difficult problem—

Some Hon. Members: Oh, oh!

Mr. MacEachen: —in attempting to define what full employment is in a dynamic economy. It is not an exercise in which I would like to become involved because I know it is impossible to establish a target which, within any particular time, people would regard either as realistic or realizeable. So I am not intending to respond in the simplistic way suggested by the Leader of the Opposition.

Mr. Mulroney: Madam Speaker, it has absolutely nothing to do with the definition of full employment; it is a signal to two million Canadians that, under this Government, they better give up because there are no job possibilities coming. That is what it is all about.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, the Deputy Prime Minister can do one of two things. He can repudiate the Minister who spoke yesterday on behalf of the Government of Canada in an official submission, or he can tell us whether this is official Government policy which would consign two million Canadians to the unemployment rolls *ad vitam æternam*. That is the problem.

Some Hon. Members: Hear, hear!

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not sure whether that is supposed to be a question or just sort of empty rhetoric on a subject which, it seems to me, the Leader of the Opposition does not show much familiarity with. The brief to the Macdonald Commission was like all briefs we are invited to make, briefs which are challenging, raising questions the Commission should address, such as what is the nature of work? What should part-time employment be? What kind of future are we all looking toward? These are the challenging issues which parliamentarians have to deal with in this day and age. To get up and make fatuous declarations of the kind we just heard by the Leader of the Opposition is ridiculous.

We see today, for example, that even Canadians are thinking about this. There is a Gallup poll on the issue of short work weeks. The Leader of the Opposition has already shown—

Some Hon. Members: Speech!

Mr. Johnston: —that he believes in a three-day work week. I think if the Leader of the Opposition wants to ask questions, let him ask them of me and first of all read the brief, and do not read one line out of *The Gazette*.

ANNOUNCEMENT OF POLICY

Mr. Brian Mulroney (Leader of the Opposition): We have read the brief very carefully. It is not a question of a definition; it is a signal being sent out to Canadians that, under this Government, they have no hope to get jobs. That is what they are saying.

Some Hon. Members: Hear, hear!

● (1420)

Madam Speaker: Order.

Mr. Mulroney: Madam Speaker, the backbenchers laugh, but there are two million Canadians who do not find this funny at all, not a bit.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: Madam Speaker, since he did not understand the question, I will try again. I would therefore ask the Minister whether that is the Government's manpower policy: a signal to two million Canadians who do not stand a chance of obtaining employment in the days, months and years to come? Is that the full employment policy announced in his brief?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, first of all, I would invite the Leader of the Opposition to read the entire brief I submitted to the Commission. I think that is very important. And second, the Leader of the Opposition knows perfectly well that the federal Government has the best job creation record of all industrialized countries. He knows that very well. So that is the answer to his question.

[*English*]

ACCEPTABLE RATE OF UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, we have read the document. We read it last spring. At that time it was a leaked document called "The Rocky Road to 1990", which the Minister dismissed as a working paper. Now it emerges as policy, a shameful cop-out.

I want to ask the Minister now that we know that full employment is not an achievable goal of this Government in terms of full-time jobs, what it defines as an acceptable rate of unemployment.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): First, Madam Speaker, the document never even states that full-time employment is not a legitimate goal. It raises the question: is it a legitimate goal?

Second, it makes the very point in this submission that the way to deal with unemployment is not to redefine it in order to eliminate it. The problem is there and it has to be identified. It is not to be identified by raising the accepted rates of unemployment for statistical purposes. It has to be dealt with in the socio-economic context of Canada.

That is what this document which I submitted does, within a much broader context. It deals with the whole issue of job creation, economic growth, the future of the country, the challenges of technology, and all of the issues with which members of the Opposition, I hope, will be familiar.

Mr. McGrath: We did not need this Minister to identify the problem. There are two million out there who are readily identifiable.

CANADA WORKS PROGRAM ALLOCATIONS

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question is directed to a Minister who has some responsibility here, the Minister of Employment and Immigration. Perhaps he can tell us why, in the midst of continuing high rates of unemployment and in the midst of a policy that does not accept full employment, he cut back on Canada Works this year by a third, and why he cut back the basic allocation to constituencies by 50 per cent? Why is he holding hundreds of millions of dollars for a slush fund for the Liberal campaign next year?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, there are a whole variety of questions contained within the over-all comment of the Hon. Member. Perhaps Madam Speaker would give me sufficient time to try to respond to a variety of them.

I think we are seeing exactly the problem which the Members on this side have indicated, that there are as many definitions of what full employment is so as to confuse rather than enlighten the issue.

Mr. McGrath: Why are you killing Canada Works?

Mr. Roberts: The fact of the matter is that what we need is not a lot of sound and fury over semantic quibbles about the definition of full employment, but to create more jobs in this country. That is what the intention of this Government is, and what this Government is doing.

Contrary to the assertions of the Leader of the Opposition, we have been creating jobs in Canada at an extraordinary rate, something like 328,000 over the past few months even taking into account seasonable adjustment. Therefore there really is hope for Canadians that jobs will be there as the economy recovers.

The approach that we have taken in creating jobs is to do so through changes which encourage businessmen to create jobs in the mode of the private sector and, in contrast to the proposals of the Opposition, through direct action. We are not people who believe simply in the trickle-down Reaganomic theories espoused by the Leader of the Opposition. We are taking direct action to create jobs.

Canada Works has not been cut back. What the Hon. Member has been referring to is not the Canada Works Program but to a very small part of the Canada Works Program which is the equivalent of the CCDB Program last year. He intimated—

Madam Speaker: Order.

Mr. Roberts: —in the last part of his question—

Madam Speaker: Order. The Hon. Member for Burnaby.

Mr. Robinson (Burnaby): I suspect that the miners of Schefferville would be most interested in the Tories' definition of full employment.

Some Hon. Members: Hear, hear!

ROYAL CANADIAN MOUNTED POLICE

BUDGET OF SECURITY SERVICE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General. The Minister has now had an opportunity to review with departmental and RCMP officials the document which I released yesterday revealing, for the first time, the annual budget of the RCMP Security Service. Will the Minister clarify the origin and authenticity of this document, and specifically indicate what the figure of $67,700,000 contained in that document refers to?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it is a mistake and a violation of government policy for anyone in the RCMP or the Government to put forward to the public a figure representing the budget of the Security Service of the RCMP whether the figure that is put forward is correct or not. In view of that, I do not intend to confirm or deny any figures.

COST OF PROPOSED NEW SECURITY SERVICE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, the Minister is proposing the establishment of a civilian security service and an ongoing special branch of the RCMP which would also deal with security. Will the Minister inform the House how much this new security operation will cost the taxpayers of Canada, given the $68 million or more for the existing Security Service in its first year of operation, or will the people of Canada have to learn this information once again through a job bulletin put out by the RCMP?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member has shown a great deal of respect in the past for the recommendations of the McDonald Commission. I would remind him that the McDonald Commission itself reviewed that policy of whether budgets of the new security agency should be made public, and it recommended that they should not. I would ask him to consider that, in pressing questions to require the Government to confirm or deny any particular figures put forward.

* * *

THE ECONOMY

MINISTER'S BRIEF TO MACDONALD COMMISSION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of State for Economic Development. In his brief to the Macdonald Commission yesterday, the Minister stated this:

> Real interest rates are high, and this seems in part a reflection of worries about a possible resurgence of inflation and the large fiscal deficits in North America.

He said:

> —economic forecasts project a relatively weak economic performance, and a persistent unemployment problem.

How does this square with the statement of the Minister of Finance of his Government that "We have a recovery here second to none in the world so far"?

Who is deceiving the Canadian public, or who is correct? Is the Minister correct when he says, as he did in his brief, that we are having a weak economic performance? What will he do specifically to overcome that economic performance because, in all of this flatulent flapdoodle, there is no one suggestion of what should be done to overcome persistent unemployment?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the document to which the Hon. Member makes reference describes the world environment as expressed by observers. It brings together the conventional wisdom of which he perhaps is unaware. Essentially, it deals with the challenges that lie ahead.

I should add that this submission, which comes from me as Minister of State for Economic Development, is a paper of challenge. It is not supposed to be a paper of policy. The Macdonald Commission invited us to put these issues before them for consideration. I found their reaction to be quite positive, and their questions to be quite intelligent.

• (1430)

MINISTERS' STATEMENTS ON ECONOMIC GROWTH

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is for the Minister who presented this submission on behalf of the Government to the Liberal leadership commission meeting in St. John's, Newfoundland, yesterday. I refer the Minister to page 3. The Minister refers to a time of only moderate economic growth momentum. He said that we have a lingering inflation problem, large fiscal deficits, and all of this militates against a major surge in demand. Who is correct about our situation—the Minister of Finance who says we have a recovery second to none in the world, that demand could be moderated; or the Minister in his brief where he says that everything militates against a major surge in demand? How can we have more jobs and economic recovery if there is a major bias against a surge in demand? Who is correct? Who is deceiving the Canadian people, and how can this be overcome?

An Hon. Member: A change in government.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): I can see no conflict in anything that has been said, Madam Speaker.

Some Hon. Members: Oh, oh!

Mr. Johnston: We all know, those of us who have studied economic conditions in the world, that major structural

changes have taken place. There have been changes in demand patterns. There have been changes in world supply patterns.

Mr. Crosbie: Who is telling the truth?

Mr. Johnston: And these have had an impact on our economies. We know that the demands for consumer durable goods will not be as they were in the 1960s and into the early 1970s. These are things that are known. This in no way suggests that we do not have a strong economic recovery under way. In fact, the recovery is surprisingly high. But there are still concerns, as the Hon. Member knows, surely as finance critic for the Opposition, about the level of real interest rates in the United States and also here, although somewhat less, and this has been interpreted as perhaps a fear among the population that inflation may recur because of the very large U.S. deficit. Everybody knows these facts. There is nothing new here.

Mr. Nielsen: Who is telling the truth?

Mr. Johnston: The Minister of Finance has dealt with these issues on many, many occasions, both in speeches and in the House. I see nothing in this paper that I submitted that is in any way in conflict with any of the statements he has made.

Mr. Crosbie: Which one of you is the deceiver?

GOAL OF FULL EMPLOYMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Deputy Prime Minister—

Mr. Crosbie: Don't wake him up.

Mr. Stevens: —who copped out when he was asked the simple question if the Minister of State had in fact been stating government policy. Mr. Minister, in view of the fact that your Minister has stated that full employment, as originally intended in the sense of full-time steady jobs, is no longer a sensible and realistic goal, would you indicate to the House whether the Minister of State who said that was speaking for the Government? Was his submission to the Macdonald Commission cleared through cabinet, or was he simply stating his own reckless rhetoric in St. John's, Newfoundland?

Mr. Crosbie: Deceitfulness.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): I hate to pick up on that issue of reckless rhetoric coming from the Hon. Member for York-Peel, Madam Speaker, and I shall not. I would like to say that he, first of all, misquoted the brief. The submission is not made in those terms. It starts "Perhaps", because this is a question that the Commission should address. Perhaps full employment based upon all the other considerations which are set forth in this brief, as it has originally and historically been defined, should be re-examined. It says perhaps that. I think that is a perhaps we are all well advised to think about, particularly with all the challenges to our economic system and the new technologies that we see. These will be aired in full, I hope, at our Canada Tomorrow Conference which takes place in November.

Miss MacDonald: Invite the unemployed.

Mr. Johnston: As I have said in the past, I hope that it will have good representation from members of the Opposition. But I also said, in responding in the first instance, that this is a paper, as are all the other papers that will be brought to the Commission, which are papers of challenge, not papers of policy. This document is not a cabinet document of the Government of Canada. It is a submission which I made in my capacity as Minister of Economic Development to the Commission, to stimulate debate on these very important subjects.

Some Hon. Members: Oh, oh!

MINISTER'S POSITION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Deputy Prime Minister again, who must know that on the head of this submission is the Government of Canada's name. Would the Deputy Prime Minister at least indicate to the House whether he agrees with his Minister who has just stated that, in the sense of full-time steady jobs, that is no longer sensible? Think of the magnitude of what your Minister has said. Do you agree with that type of statement?

Madam Speaker: Order, please. I wonder what is happening to Hon. Members. They are not addressing the Chair today. This is the second experienced Member of Parliament in a row who did not address the Chair.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I would like to tell the Hon. Member that in this Government a statement of government policy never ends with an interrogation mark as it used to when that crowd was in office.

SPONSORSHIP OF BRIEF PRESENTED TO COMMISSION

Hon. Erik Nielsen (Yukon): Madam Speaker, may I direct a question to the Deputy Prime Minister? We have a document here entitled "Submission to The Royal Commission on the Economic Union and Development Prospects for Canada by The Honourable Donald Johnston, Minister of State for Economic and Regional Development and for Science and Technology, Government of Canada." Is that document presented to that Royal Commission on behalf of the Government of Canada, or not? Yes or no?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is doing what he did yesterday, namely, repeating a question asked originally by his Leader—

Mr. Nielsen: Yes or no?

Mr. MacEachen: —which I answered at the very beginning of the Question Period.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. TOM HOYEM, DANISH MINISTER REPRESENTING GREENLAND

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Mr. Tom Hoyem, the Danish Minister representing Greenland.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

DANGEROUS PRODUCTS

AGENT ORANGE—REQUEST THAT GOVERNMENT REASSURE POPULATION

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, my question is directed to the Minister of National Health and Welfare.

My question concerns the use of agent Orange, which was allegedly sprayed along the Canadian-American border, especially in my riding which borders on the states of Maine, New Hampshire and Vermont. This took place in the early 70s.

Up to now, questions have been put to the International Boundaries Commission and to ad hoc committees of experts on chemical analysis. My colleague from Sherbrooke would say it is like asking Dracula whether the blood he drinks is type A, B or C. My question is as follows:

Could the Minister of National Health and Welfare reassure the people living near the border and tell them there is no connection between the increasing number of cancer cases and the herbicidal spray used along the border and identified as agent Orange?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I wish to thank the Hon. Member for having sent me a copy of his question a few minutes ago. The subject is well-known and it has been discussed in the House. First of all, I can give the Hon. Member's constituents the assurance that agent Orange has never been used on this border. The chemical used was another product containing much lower levels of dioxin than that contained in agent Orange. In any case, use of the product was discontinued in 1977, when it was replaced by mechanical methods. I have no record stating that the number of cancer cases is higher in the riding of Megantic-Campton-Stanstead, and I would like to give the people of that riding the assurance that, on the basis of what we know, I do not see any relation between the two.

If the Hon. Member knows anyone in his riding who has figures or whatever on the subject, they will be given very serious consideration, but I do not think his constituents should worry.

* * *

[*English*]

NATIONAL SECURITY

EXPULSION OF SOVIET OFFICIALS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Secretary of State for External Affairs in his capacity as a member of the Cabinet Committee on Security and Intelligence, which Committee should have made the decision in the full knowledge of the KAL murders that the note preventing two Soviet spies from continuing their work in Canada was to be handed to the Soviet embassy on the very day this Parliament reopened. Why was the decision to inform the Canadian people changed? Why was the political decision made to suppress the publication of this action? Why the secrecy? When would the Government have deemed it appropriate in its wisdom to let us know? The Government certainly was not keeping its secret from the Russians. Why was the Government keeping it secret from Canadians?

● (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, as the Hon. Member may realize, the practice has varied when an expulsion is requested, whether public announcement is made. If the Hon. Member looks at the precedents since World War II he will find that on certain occasions an announcement has been made on the day or about the time the expulsion was requested. In other cases it was not.

In this particular case the sole reason for not making a public announcement was to concentrate public attention on the major issue of the downing of the airliner and the loss of ten Canadian lives, not to have that all important issue confused by an important event which took place but which is a part of an ongoing relationship with the Soviet Union. It was my decision that, in these circumstances, it would be much more prudent to concentrate our attention on that very important issue with immense implications, rather than to divert public attention to the expulsion of Soviet personnel which might be linked in some way with the KAL downing. That was a decision I made, which I think is a sound one and justified in the circumstances.

Mr. Lawrence: Through you, Madam Speaker, I say to the Minister that that is nonsense, especially when the KAL downing took place on September 1. The decision was made between September 1 and September 12 to hand the note to the embassy. It could have been done a month ago, it could have been done a month from now. That is just nonsense.

Madam Speaker: Order, please. The Hon. Member knows that comments on questions are not really the kind of thing

which should take place during Question Period. Hon. Members are required to ask questions.

TIMING OF EXPULSION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary is to ask the Minister if the real reason for his intervention in this matter, that is, to keep the decision from the Canadian people who have every right to know what happens when it happens, was not strictly political, in that he did not wish to confirm the truth of the claim by the new Leader of the Opposition two days previous to September 12 that there were many KGB agents here in Canada.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker, that had nothing to do with it, though I am pleased to know that the Hon. Member read the exact words of the Leader of the Opposition when he said, "You and I both stumble into KGB agents in Ottawa every day of the week". The only two KGB agents I stumbled into have been expelled from the country. Maybe the Leader of the Opposition would now tell us where all the others are. All I can say is that his followers yesterday, after his performance, looked as grim faced as any group of KGB agents ever could look.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

SOCIAL SERVICES

VOLUNTARY AGENCIES FEEDING THE HUNGRY—DEPARTMENT'S ROLE

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister of National Health and Welfare. One of the consequences of 1.5 million unemployed is the fact that thousands of people are hungry every day. In the last two years there has been a dramatic increase in the number of volunteer agencies in cities from Halifax to Vancouver that have established facilities for feeding hungry people. Obviously our system of social security is not meeting the needs of these people. Has the Minister's Department given any consideration to the problems which are now apparent? Is it studying the scope of the problems and what might be done to alleviate them?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, without wanting to diminish the human problems which have arisen because of the difficult economic years through which we have come, first I want to say that we have quite a good safety net of programs in Canada, both federal and joint programs, as well as provincial ones. However, in the case of all welfare recipients in Canada there may be an acknowledged and relatively old problem which is not improving and on which I do not think we could have any direct influence as the federal Government. I am referring to the levels of payments of benefits decided upon and paid by the Provinces, which we reimburse 50 cents on the dollar. Unfortunately they are at the initiative of the Provinces and we are not supposed to influence them. Some have cut back. Some have deindexed. All are not giving enough vis-à-vis the level of poverty, so there is a problem there. If a Province wants to readjust its rates, we will automatically reimburse the full 50 per cent.

Mr. Orlikow: I am sure the people who are hungry and have to go to soup kitchens will not get much comfort out of the suggestion of the federal Minister that this is a provincial problem. I do not think they care who will handle the problem. What they want is some action.

REQUEST FOR STUDY ON EXTENT OF HUNGER

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to direct a supplementary question to the Minister. Will she give consideration to funding a study of the problem to see what is the extent of it or how many people are, in fact, hungry in the country? This study could be done by organizations such as the Canadian Council for Social Development or the National Council on Welfare. At least we could understand what is going on and what might be done to help these people who are in such desperate need.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am afraid if a question in the federal House on a provincial matter does not help that a study will not help either. However, I will explore the point. May I ask the Hon. Member whether he has made the representations he should to the Manitoba Government, for example, in order that one Province may show an example and help push up the level of welfare benefits? It is very urgent.

* * *

EMPLOYMENT

DENIAL OF ACCESS TO TRAINING FOR GRADE SIX EDUCATED WORKERS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It follows yesterday's statement by the Minister of State for Economic Development. Is that why applicants for training under the Skills Training Act with a functional grade six or less are being denied access to training? Is this a trial balloon in that the Government will write off those with a functional grade six or less for the unemployment world?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I really did not understand the ramifications of the Hon. Member's question. I thought he referred to an answer given yesterday by the Minister of State for

Economic Development. Perhaps if he could rephrase his question in a more precise way I might be able to help him.

POLICY INQUIRY

Mr. Jack Shields (Athabasca): Madam Speaker, Canada Employment Centres across the country refuse to admit, under the Skills Trainint Act, people with a functional grade six or less into training. I am asking if this is policy. It is policy only, because the Act itself emphasizes programs that especially benefit native people. Native people and people with functional grade six or less are being denied entrance into skills training programs by design, by policy of local Employment Centres. Following the statement yesterday made by his colleague, indicating that full employment is no longer possible, my question is very simple. Is this a trial balloon? Are we now prepared to write off people with a functional grade six or less as totally unemployable or unemployed?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the short answer is no, there is no connection between these two things. There was a recommendation that the problems which he pinpointed of those who have less than grade six education were more properly the responsibility of the Provinces. In a subsequent supplementary question, he raised the question of educational programs in relation to Indian groups, which is another catogery altogether. The answer is no, there is no connection between the two matters that he has cited.

* * *

● (1450)

UNEMPLOYMENT INSURANCE

REQUEST THAT BENEFITS BE EXTENDED

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Employment and Immigration. He will recall that last week I raised the plight of people who are unemployed, out of unemployment insurance benefits, and unable to live on their welfare payments. It has come to my attention that nearly 25,000 people in Hamilton are on welfare. Yesterday the Steel Company of Canada announced that another 1,300 people will be laid off this Fall and a potential of 300 more by Christmas. I asked the Minister of Finance if he would move to extend unemployment insurance benefits to those who are out of work through no fault of their own, and who cannot possibly live on welfare.

Will the Minister take steps to present to Cabinet a proposal for the extension of unemployment insurance benefits to those people who are seeking employment and who cannot find it because there is just not any work?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, it is correct that the Hon. Member did raise this question. As a result of the question I have done some checking into the situation. Of course there are more people who have exhausted their unemployment insurance benefits than we would like to see in Canada, but the number is considerably less than had been anticipated.

The Hon. Member then raised the question of knowledge about those who, as a result of that, were moving on to welfare. Our studies show that the percentage of those who are doing that is somewhere between 8 and 10 per cent. That figure is considerably less than those who are exhausting their unemployment insurance benefits.

The third question he raised was whether we are considering changes to unemployment insurance which might respond to this problem. The answer to that is a very general one. I am looking over the variety of our programs to see if they can be improved.

Mr. Deans: Quite clearly from the Minister's answer, if it is such a small number, then to extend unemployment insurance benefits would certainly not be any great burden.

NUMBERS ON WELFARE IN HAMILTON AREA

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would like to ask the Minister what exactly he can offer to the city of Hamilton and the immediately surrounding area to enable them to meet the demands placed upon them by having over 20 per cent of the steel workers unemployed, 25,000 people on welfare and absolutely no jobs available, or people who are currently in the job market and unable to find employment.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I really do not understand the argument of the Hon. Member. Is he suggesting that the number is so small that it would not cost very much to deal with it, or is he suggesting that the number is so small that it should not be responded to? If the problem is not great, I suppose there is no need to respond. On the contrary, however, I believe it is an important problem that we should look into.

There is obviously, as he very well knows, support by the Government of Canada in conjunction with the Provinces under the Canada Assistance Plan to deal with welfare in the normal way in which we finance those programs through the financing of the provincial Governments. The kind of question he is now raising is the kind of question which his colleagues in the provincial House should be directing to the Government of Ontario.

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NORTHERN AFFAIRS

NORTHERN CANADA POWER COMMISSION—RATES AND REFINANCING

Mr. Keith Penner (Cochrane-Superior): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Following hard upon the report of the subcommittee on the Northern Canada Power Commission,

the Minister asked the National Energy Board to take yet another look at the method of setting power rates north of 60. How soon does the Minister expect to hear from the National Energy Board? While he is answering that question, will he tell the House how soon we can expect the Government to respond, I hope in a positive way, to the recommendations of the subcommittee on the Northern Canada Power Commission, particularly two recommendations, one dealing with reorganization and the other with refinancing?

Mr. Nielsen: Unanimous recommendations.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the National Energy Board is expected to make its report any day. I am told that the recommendations are made, so I presume it is in the realm of translation. Therefore, those recommendations are very imminent indeed.

May I say that I believe the Government has viewed the Hon. Member's submissions and those of his committee very favourably indeed. It is a question of money. We might have been able to expend more moneys as far as the NCPC is concerned in wiping out its debt, which would have had some considerable impact. But we had to find $25 million rather quickly to save Cyprus Anvil in the Yukon last year. That put some of our expenditure plans back. We certainly consider it a high priority.

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PENITENTIARIES

FORCED FEEDING OF INMATE AT AGASSIZ, B.C.

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I wish to direct my question to the Solicitor General. I am informed that last night he directed one of his doctors to force feed the Doukhobor woman held in Agassiz, B.C. I am also informed that the doctor who performed that service asked that he be fully protected in case he was put at legal risk because of doing this without the consent of the person. Will the Minister confirm this is what happened, and will he tell the House why the Government has refused to protect this medical doctor as he asked?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the issue of the protection of doctors, in my view, does not arise in the circumstances. The Government of Canada and the Correctional Service of Canada have, over the years, been force feeding criminal inmates from the Doukhobor community in West Coast penitentiaries. This has been done over 30 years. The problem of legal protection has never really arisen. It is a hypothetical question. The inmates are in a sense wards of the Government of Canada through the Correctional Service of Canada. The legal duty is clearly there. My colleague, the Minister of Justice, has informed me, and the law officers of the Crown have advised me, that the duty is there. Therefore I am confident that the circumstances do provide adequate protection for doctors behaving in a professional way in force feeding the inmates.

ORDERS GIVEN TO DOCTORS

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I believe the Solicitor General knows that the Medical Association of Canada has been advised by its legal counsel that doctors do face legal risk if they are not given legal consent before operating on a patient. The Solicitor General will also know that the British Columbia Government attempted to have one of its prisoners made a ward and the courts refused to make that person a ward of the Government. I therefore suggest to the Solicitor General that he is on very shaky legal ground. Why is the Minister putting medical doctors in his service at risk as a result of obeying orders the Minister directs them to carry out?

Hon. Bob Kaplan (Solicitor General of Canada): As I indicated, Madam Speaker, I do not think that is at all the case. What has arisen is a difference between the statement of professional ethics of some of the medical associations and the law of Canada. Under the medical ethics that have developed over the last several years, in some cases it is the view that no procedure should be imposed on an individual without that individual's informed consent. That may be a fine general professional principle, and we are certainly not asking any doctors to violate their consciences or violate their own sense of ethics to assist the Correctional Service of Canada to fulfil its mandate. On the contrary, we have made a deliberate call across the country for doctors who can, in good conscience and in consistency with their own professional ethics, act in those circumstances to save life.

The point we are making is that when it comes to people under the custody and control of the Correctional Service of Canada, the duty is there. I have done my best and the Correctional Service of Canada has done its best to have on hand doctors who believe in saving life and are prepared to intervene to make that medical judgment when the right time comes to save the lives of inmates in those circumstances.

* * *

NATIVE RIGHTS

FUNDING OF DENE AND METIS LAND CLAIM NEGOTIATIONS

Mr. Rod Murphy (Churchill): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. He has been given notice of the question. The Minister sent a telegram to the Dene and to the Metis in the Northwest Territories in July, cutting off their funding for land claims negotiations. Since then both organizations have come together and have agreed on a strategy for land claims negotiations. Representatives of those two organizations were here this week and could not meet with the Minister. Can the Minister now guarantee to the Dene and to the Metis that

money will be given to them so that they can again start land claims negotiations with the Government of Canada?

• (1500)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I do not think it is correct to say that I could not meet with them. Within the last half hour I have sent a note indicating that I would adjust commitments that I had made, so I am still hopeful of meeting with them.

May I also say, Madam Speaker, that yes, I can stand in the House and say that the funding was cut off at my direction as an inducement to the two organizations to get back together. Generally speaking, I think both organizations supported this. Certainly the Dene did, and the Métis admitted later on that it was the best course of action to take. They have now gotten back together to my satisfaction. I will meet with them and I think I will be in a position to reassure them completely that I am prepared to reinstitute the funding that they require.

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[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, September 21, 1983, meet the requirements of the Standing Orders as to form.

* * *

[*English*]

THE LATE ANDREW BREWIN

TRIBUTES TO FORMER MEMBER

Mr. Neil Young (Beaches): Madam Speaker, on behalf of our Leader, the Hon. Member for Oshawa (Mr. Broadbent), and on behalf of all members of our caucus and our members and supporters across the country, we pay tribute today to the memory of Andrew Brewin, the former Member of Parliament for Greenwood. To his wife Peggy, his son John and his daughters Margaret, Martha, Mary and Jane and other members of his family, we extend our deepest sympathy.

Andrew Brewin was one of our most distinguished former Members and his passing has deprived Canada of a man of passionate commitment toward the eradication of injustice in our world.

Andrew Brewin first won election to the House of Commons in 1962 and he won re-election until his retirement in 1979. In the years he served the House and the country, his concern for the wellbeing of his constituents was always at the forefront of his actions as he pressed for resolutions to their problems. For that he earned the respect of the people in Greenwood and the admiration and friendship of his constituents.

The Late Andrew Brewin

Andrew Brewin was a man who devoted his whole adult life to the service of others. He was a man of ideas and conscience and it was here in this House that he was able to speak to Canadians day in and day out about social and economic justice, about the gap between the rich and the poor and about the crying need in our world for a greater understanding between its peoples.

Andrew Brewin was a man who was devoted to work always for the common good. It was this devotion that convinced him to take up the case of Japanese Canadians who were so unjustly treated at the beginning of the Second World War. It was because of that devotion that he fought against injustice not only in Canada but internationally as well. He argued tenaciously on behalf of the needs of people in developing nations and about the obligation of the developed countries to give greater assistance to those areas.

Even after he left this House, Madam Speaker, Andrew Brewin continued to be an outspoken advocate for those principles he profoundly believed in. His lifelong work which was dedicated toward achieving world peace was well known to Members of the House, and over the past several years he increased those efforts against what he termed as the insanity in the growth of nuclear armaments.

In voicing his compassion, Andrew Brewin was always civilized and advanced his arguments with reason and warmth. It was Andrew Brewin's force and conviction that brought me and many others that I know of into active politics and the example that he set will live on long after his passing.

Andrew Brewin was a great Canadian and a great humanitarian. His work in this House and internationally is his legacy to our great country. We will all miss him.

Some Hon. Members: Hear, hear!

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would like to speak on behalf of my Party on the passing of Andrew Brewin. As you know, Madam Speaker, he had been a Member of Parliament for many years. When I came to the House in 1963, I had the occasion to meet him and we became quite good friends. I think that his contribution to the House of Commons has been outstanding. His speeches in the House of Commons were always well thought of and always showed his great devotion to humanity.

During all the years he was in the House of Commons, Andrew Brewin made a very positive contribution. He spoke loudly and clearly about what he felt was important to express and at the same time he managed to make a lot of friends.

Even after he left the House of Commons he remained deeply interested in the debates of this House. During the debate on the Constitution, I personally received many phone calls from him and had many visits with him because of his great preoccupation with human rights. He wanted our House of Commons to pass a bill of rights that would inscribe in the Canadian Constitution the basic values that make Canada such a great country.

The Late Andrew Brewin

The fact that he has now left us is very sad for all of us. On behalf of every member of this Party, I would like to express my deepest sympathy to his wife, who helped him so much in his political career, and to the members of his family who spent so much time in the public service during the time Andrew served in the House of Commons.

[*Translation*]

I would like to add that I am sure my Quebec colleagues will remember Andrew Brewin as a man who knew Canada very well and respected every part of this country. He always wanted our country to be great and united, and it was always his desire that everyone should be well served by government in Canada. He brought the same concern to his activities at the international level, and in the course of his travels, he always worked very hard to support all international movements for peace and for the progress of mankind and to ensure that Canada's contribution would represent the best we had to offer. On behalf of the Members of my Party, I wish to join the Member for Beaches in offering the Brewin family our sincere sympathy.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, as one of those Members who was here when the late Hon. Member for Greenwood came to this House and who was also here when he left the House, I would like to associate the Official Opposition with the remarks that have been made by the Hon. Members who have eulogized the late Andrew Brewin.

Those of us who knew Andrew Brewin recognized his dedication to and concern for others. We recognized his consuming interest in securing justice for the dispossessed and the underprivileged. Those views were a credit to his Party and to the country as a whole.

He was a very able Parliamentarian, always sincere and straightforward with no guile or deviousness in his nature or in his soul. He fought very strongly for the things in which he believed and afterwards, as the Hon. Minister has just said, he was always ready to extend a hand in friendship to his colleagues in the House.

He was a member of the New Democratic Party at a time when some of its Members were giants in the House. T. C. Douglas, David Lewis, and the Hon. Member for Winnipeg North Centre (Mr. Knowles), who is still with us, lent lustre to the Chamber.

The late Hon. Member for Greenwood was always in the forefront of debate, putting forward his Party's position with grace, dignity and moderation. He always had a good word for the argument of an opponent and, while prepared to uphold his views with competence and very often with wit, could always see good in the opinions of others.

He was one of those people who went to Africa over a decade ago to obtain first-hand information on conditions on that troubled continent.

He was a Parliamentarian in every sense of the word with a true love of this Chamber and a true respect for its traditions. He knew what Parliament was about and was aware of the insoluble link between the right of free expression and the preservation of our liberties.

The sympathy of Members of this Party goes to his colleagues and to his family. I say sincerely on behalf of all of us in this Party that he will be missed.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I welcome the opportunity to say a few words along with other Hon. Members about what has happened to us with the loss of Andrew Brewin last night. It was my privilege to have been close friends with Andrew Brewin for a period of between 45 and 50 years. I know something of the kind of person he was, serving the interests of this political movement of which we have been a part. He played his part in making things better not only where he lived, but in other countries around the world.

• (1510)

I mentioned the fact that I knew Andrew these 45 or 50 years. I might say that I had the privilege of knowing his late reverend father, who was a leader in the English Anglican church in Canada. I also know his wife, Peggy, very well and his five children, one son and four daughters. They are all married, I was at their weddings and I have had connections with them in various other ways. In addition, there is a large number of grandchildren. One of the things that Andrew was hoping for was that he would see the first great grandchild in the family, who is to be born soon. Interestingly enough, the father of the great grandchild yet to be born also has the name of Andrew.

We are very appreciative of the kind of people the Brewins are and of the personal friendships we have had together. I welcome this opportunity in Parliament to remember his wife, children and grandchildren and we extend to them our very best wishes.

I am grateful for what other Members have said, both on behalf of this Party and the Liberal and Conservative Parties. They spoke of the breadth of his interest. He was a strong and active politician and was greatly concerned about certain matters. While he was interested in international affairs, world relations and that sort of thing, he also visited other countries of the world because he wanted to render any service he could in helping to make life better for other people. He was concerned about relations in this country, about our Constitution and the things that affect people in a place such as the City of Toronto. He played a very important role. We always enjoyed the speeches he made here and welcomed the stands he took on our behalf.

I think we can say that Andrew Brewin made a very positive contribution in his 17 years in this Parliament. We are sorry to lose him but we remember him as one who made a great contribution to this country during his lifetime.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, my colleague, the Minister of Energy, Mines and Resources (Mr. Chrétien), has eloquently expressed the

regrets of this side of the House. I merely wish to add a brief, personal reminiscence. I had the opportunity of working with Mr. Brewin over a period of more than 20 years in various causes. I also had the privilege of teaching law to two members of his family, one of whom is now one of our most distinguished federal public servants. I think we all feel a great sense of loss in this House at his passing.

The last significant occasion that I shared with Andrew Brewin was a small dinner given for him by the then Japanese Ambassador to Canada. It was attended by Mr. Tom Shoyama and other members of the Japanese-Canadian community in Canada in honour of his fight for the Japanese-Canadians at a time when that was not a popular cause in the country.

It is because of men like Andrew Brewin that this House and this country are as great as they are.

Madam Speaker: I am certain the House would wish me to convey to the family of Andrew Brewin the sympathy of all Members of the House and to send to his wife and family an extract of the words that were pronounced in the House today so they may be comforted by the friendship and high esteem in which our former colleague was held.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, the Minister who is acting as Government House Leader has already informed us that the business today is to be that which commenced at eleven o'clock this morning. We would like to know what is to go tomorrow and what the Government's intention is for at least Monday and Tuesday of next week. If he can go further than that it would be helpful.

Mr. Collenette: Madam Speaker, we will continue with Bill C-110, as we will tomorrow. Monday will be a short day with Question Period at eleven o'clock, to be followed at twelve o'clock with one hour of debate and adjournment at one o'clock. We propose to call Bill C-12, an Act to amend the Bankruptcy Act.

If the Western Grain Transportation Act, otherwise known as the Crow legislation, is reported tomorrow, it is our intention to bring that forward on Tuesday. If it is not reported until Monday, then we propose to bring it forward on Thursday. On Wednesday of next week we would have Private Members' Business. It goes without saying that if we commence debate on the Crow on Thursday, we would call Bill C-110 again on Tuesday. Beyond next Thursday, which we will use for the Crow, the business will be decided later next week.

Mr. Nielsen: Madam Speaker, there is some doubt with respect to discussions that took place between the Minister and myself yesterday and the day before. Are we quite certain now that on Friday we will deal with Bill C-110, and if that business is disposed of, we will then go on to Bretton Woods? Is that the order for Friday?

Mr. Collenette: I regret to inform the Hon. Member, Madam Speaker, that there was a slight misunderstanding with the New Democratic Party on the Bretton Woods Bill. It would not be our intention to move forward on that tomorrow if we dispose of report stage of Bill C-110 today. I just learned of this earlier today and must apologize to the Hon. Member for Yukon.

If we get report stage of Bill C-110 today, then perhaps we would move third reading of it tomorrow, or we might call Bill C-91. I am not sure of his Party's intentions in regard to Bill C-110 and whether it is prepared to let that go today. At any rate, the Bretton Woods Bill will not be dealt with tomorrow. It would require unanimous consent to do that as the Bill has yet to be introduced. That consent is not forthcoming at this point.

Mr. Nielsen: Madam Speaker, I am afraid this has not been cleared up for me yet. Perhaps the Minister has not been informed of the offer I made during this morning's debate. The Parliamentary Secretary indicates that he has conveyed that information to the Minister. That may clear the way for total progress on Bill C-110. If that occurs today, what will be the business for the remainder of the day? If Bill C-110 goes on for the whole of today but is dealt with some time tomorrow, what will be taken up tomorrow in the time between its disposal and the normal adjournment hour?

Mr. Collenette: Madam Speaker, I was aware of the offer made by the Hon. Member for Yukon. Until I am advised otherwise by the Minister of State for International Trade who is in New York, the Government cannot agree to his proposal. If there is some change on that I will get back to him and the Hon. Member for Hamilton Mountain very quickly.

On that assumption, should there be an arrangement about that particular piece of legislation, I understand it would mean that third reading would also be called today, if that is agreeable to the New Democratic Party. Tomorrow we would probably proceed with Bill C-91 and I could let him know about that later this afternoon. This is contingent upon negotiations and on the offer that he made earlier.

Mr. Deans: Madam Speaker, as soon as the Minister sorts out what he wants to do he can let me know and I will be happy to look at it.

Last week I asked about the progress that was not being made on Bill C-653. I wonder whether the acting House Leader might be able to inform me whether the Minister of Agriculture has indicated if he is prepared to have the Bill brought back to the House so that it can be proceeded with either in its present form, which is in the form of a Private Member's Bill, or in some other form initiated by the Government. This is a Bill of crucial concern and it has been hanging around on the back burner long enough. The farmers of Canada expect the Government of Canada to do something about the problem of bankruptcies.

● (1520)

Mr. Collenette: Madam Speaker, I was aware of the proceedings last week and the undertaking of the Government House Leader to look into the matter. The Government House Leader will be back tomorrow and perhaps this subject can be raised at that time.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. BLAIKIE—CRTC TELEVISION BROADCASTING REGULATIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I have the duty and pleasure of putting before the House today a petition which is signed by members of the Assiniboia Christian Centre in Winnipeg, which consists of St. Chad's Anglican Parish and the Roman Catholic Parish of John XXIII. It is a petition which expresses the concern of these people about pornography. They are concerned that the Canadian Radio-Television and Communications Commission's television broadcasting regulations do not extend to women the same protection against abusive comments or abusive pictorial representation which now exists for racial and religious groups.

MR. McKINNON—IMPOSITION OF METRIC SYSTEM

Hon. Allan B. McKinnon (Victoria): Madam Speaker, it is my duty to present to the House a petition signed by 56 residents of my riding of Victoria in which they humbly shew that they oppose the mandatory imposition of the metric system in Canada and request that the implementation of the metric system in Canada be continued on a strictly voluntary basis. And as in duty bound your petitioners will ever pray.

MR. TAYLOR—CLIFFORD ROBERT OLSON

Mr. Gordon Taylor (Bow River): Madam Speaker, today I am presenting petitions from 1,606 Canadians who are asking that the Government of Canada, the House of Commons and the Senate pass Bill C-671 in order that the early execution of Clifford Robert Olson may take place. Some 8,343 Canadians have now petitioned for the execution of Clifford Robert Olson for the heinous crimes which he committed in murdering and then bragging about the deaths of 11 splendid young people. And as in duty bound your petitioners will ever pray.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,122, 4,938 and 4,954.

[*Text*]

ACQUISITIONS BY PETRO-CANADA

Question No. 3,122—**Mr. Clarke:**

1. During the period 1970-80 did Petro-Canada acquire shares or other ownership interest in any other corporation, limited liability company or unincorporated company and, if so, what was the (a) name of the corporation, limited liability company or unincorporated company and any subsidiaries thereof (b) percentage of equity acquired (c) cost of acquisition (d) book value of the acquisition?

2. Does Petro-Canada have a plan to change the present portion of ownership in any of these enterprises and, if so, what is the plan?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. Yes.

(a) Name of Corporation	(b) Percentage of Equity Acquired	(c) Cost of Acquisition	(d) Book Value of Acquired Net Assets
Atlantic Richfield Canada Ltd.	100 per cent	$ 342,440,000	$126,705,000
Pacific Petroleums Ltd.	100 per cent	$1,496,389,000	$563,112,000
Panarctic Oils Ltd.	45 per cent of the common shares	$ 80,000,000	Approximated by costs of net assets acquired.
Syncrude Canada Ltd.	15 per cent	$ 315,000,000	Approximated by costs of net assets acquired.

2. No.

PETROLEUM AND GAS REVENUE TAX

Question No. 4,938—**Mr. Mazankowski:**

For each of the 1981 and 1982 taxation years (a) how many individuals, excluding Corporations, declared income liable for the Petroleum and Gas Revenue Tax (b) what was the total income declared and the total tax paid (c) what was the average income declared and the average tax paid (d) how many individuals had PGRT income of less than (i) $2,500 (ii) $5,000 (iii) $10,000?

Hon. Pierre Bussières (Minister of National Revenue): Statistics available currently only for tax year 1981.

(a) The number of individuals who declared income liable for the Petroleum and Gas Revenue Tax was 1,543. The number of entities other than corporations and individuals, such as trusts, associations, estates, drilling funds, etc., that declared income liable for this tax was 199.

(b) The total income declared by individuals was $69,712,-551 and the total tax assessed was $5,576,724. For the other entities the total income assessed was $41,423,620 and the total tax assessed was $3,313,859. (Statistics on tax paid are not available.)

(c) The average income declared by individuals was $45,179.90 and the average tax assessed was $3,614.21. For the other entities the average income declared was $208,159 and the average tax assessed was $16,652.60. (Statistics on tax paid are not available.)

(d) The numbers of taxpayers who declared income liable for Petroleum and Gas Revenue Tax in the income ranges requested are:

	Income Range	Number of Individuals	Number of Trusts, Association, etc.
(i)	$ 1–2,499	464	27
(ii)	$2,500–4,999	154	12
(iii)	$5,000–9,999	136	12

ADVISORY COMMITTEE ON NORTHERN DEVELOPMENT

Question No. 4,954—**Mr. Mazankowski:**

1. Is there a Advisory Committee on Northern Development and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) The Advisory Committee on Northern Development is not a standing committee with fixed membership. It is chaired by the incumbent Deputy Minister of Indian and Northern Affairs. The incumbent Assistant Deputy Minister, Northern Program, is the Secretary.

(b) (i) Attendance at meetings is dictated by subject matter and Deputy Ministers' of Departments with expertise related to items to be discussed are invited to attend. Deputy Ministers may delegate, at their discretion, one or more of their senior management team to attend with them or in their stead. (ii) See above.

(c) No extra salary or expenses are associated with membership.

(d) The Advisory Committee's administrative requirements are provided by indeterminate employees of Indian and Northern Affairs using existing accommodation and resources.

2. (a) Terms of reference: To advise the Government on questions of policy relating to civilian and military undertakings in northern Canada, and to provide for the effective co-ordination of all government activities in that area.

(b) See (c) below.

(c) The Committee did not meet in the fiscal year 1982-83. No requirement as to frequency of meetings exists.

(d) None.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 6 and 8 (Mr. Blenkarn).

Mr. John Gamble (York North): Madam Speaker, when the House recessed at one o'clock I was in the process of discussing the implications of taking from the House of Commons and placing in to the hands of the board of directors of a Crown corporation the significant judgment which has to be made with respect to the making of loans and the consequences thereof.

This becomes very important when one examines the way in which these funds which are loaned by the Export Development Corporation are treated in their financial statement. I have before me the most recent set of financial statements, with notes attached thereto, which form part of the Annual Report for the year ended December 31, 1982. It is of particular interest to find when you note the statement of assets that a total net advance by way of principal loan receivables amounts to $4.5 billion, roughly, with respect to which there is a reserve for what is referred to as "losses on loans" of $53 million. That is a reserve for losses which have not as yet been realized.

With respect to the loan guarantees and the interest earned, an examination of the financial statements will show that there is a $6 million reserve against loan guarantees outstanding in the amount of $404 million, roughly. I was curious as to why the amount of intended reserves should be so little, having regard to the very substantial quantum of outstanding loans. The answers are very clear and are explained by way of notes in the financial statement. They are rather elaborate, but I believe I have enough time to put them on the record. Let me read from page 25 of the Annual Report:

> The provision for losses on loans is based on a review of collectibility of all outstanding loans to sovereign and commercial borrowers. In respect of this review, the Corporation recognizes that the future economic and political conditions in some of the countries where the Corporation has made loans are

subject to varying degrees of pressures, some of which are unpredictable. Accordingly, delays in the repayment of principal and interest may well occur from time to time.

In the case of loans made to sovereign borrowers, that is the governments of countries or their agencies, payment delays are not necessarily indicative of a future loss requiring a provision. Sovereign entities and their international financial obligations do not have commercial mortality, and the international system does not allow the unilateral denial of a sovereign obligation. Furthermore, the international system provides several mechanisms and institutions through which countries facing repayment difficulties can effect remedial measures in agreement with their creditors. Therefore, except in the rare instance of outright repudiation or a write-off of asset value agreed to by creditors, in the opinion of management the ultimate collectibility of a sovereign obligation, and thus its asset value, is not subject to question, although delays may have to be accepted.

It is the policy of the Corporation to set aside from net income, in addition to any specific provisions made as a result of the review of the outstanding loans, an amount sufficient to maintain an accumulated non-specific allowance proportionate to the total loan principal and interest receivable for which no specific provision has been made.

What we have here, Mr. Speaker, is a complete repudiation of the general principles which apply in the case of commercial loans made by the private sector, and it is something which should alarm the general public. The statement here flies in the face of the fact that a nation like North Korea, when it suited it, completely repudiated the obligations which it had to the international community. And it is a true fact that as long as the lender in any situation, be it international or local, continues to advance money to the borrower, that loan will never be bad; it is uncollectable only when the loan is called.

What this note to the financial statement indicates very clearly is that the usual considerations which apply when examining whether a loan is a bad loan with respect to which a reserve should be claimed or not, are not listened to or paid attention to, on the false premise that sovereign powers are immortal. That is a strange justification, Mr. Speaker, because very clearly if a loan is made for $100 million and advanced for a period of 50 years interest-free, and this House has no opportunity of determining exactly what the terms of those loans are, the value of that loan in the financial statements of this Crown corporation can clearly be zero, particularly when the recipient of those funds happens to be a nation which may be hostile to Canada.

My great concern and the concern of my colleagues has been expressed throughout this debate. We have no opportunity to deal with these substantive issues when the very matters with respect to which I direct the attention of the House are taken out of the House and transferred to a board of directors who will now be made up exclusively of members of the senior Public Service in Canada. That will be the situation if the Bill in its present form goes through as requested by the Government.

● (1530)

One thing we should also pay some attention to is the growth within the public sector of Government expenditure as a portion of the GNP of this nation. That growth today stands at 49.2 per cent of the GNP. If this corporation uses the powers granted to it under this Bill and in fact borrows the $20 billion to which reference has been made, that will have two very substantial effects on the business community. It will dry up the available funds for regular commercial activities and force up interest rates, the very things this Government tells us it wishes not to do.

Thank you Mr. Speaker.

Mr. John Thomson (Calgary South): Mr. Speaker, I think I am about the one hundredth speaker on Bill C-110.

An Hon. Member: One hundred and one.

Mr. Thomson: I guess you have to ask yourself why we are fielding 101 speakers on this Bill. I have not been able to find more than a squib on it in the newspapers ever since we started debating the Bill. Certainly the media does not care very much about it and probably most of the Canadian public does not understand the Bill. So why in the world would 101 Members of Parliament stand up in this House of Commons and fight so fiercely this particular legislation?

It is not a very significant piece of legislation. It only enables the Government to go out and put at risk $62 billion of taxpayers' hard-earned money. It is not really all that significant, I suppose. So why are we fighting so hard over a paltry $62 billion? Mr. Speaker, the reason we are fighting so hard on this Bill and why we are going to continue to fight so hard is because we are fighting against the Government's intransigence, its unwillingness to introduce any semblance of accountability to this institution. What we are fighting for in this Bill is this institution. What is the purpose of our being here if we are all totally irrelevant? I include in that the backbenchers of the Liberal Party as well as the Opposition Party. What is the point of being here if we are simply a rubber stamp to be tramped on by the Government at will? That is what this legislation is all about.

We have asked for just a few amendments to this Bill to give Parliament just a little wee bit of say over how the Government might want to spend $62 billion of the Canadian taxpayers' money. All we have asked for is some semblance of representation on the board of directors to introduce some responsibility, accountability and control over the management of the Export Development Corporation. But no, that is to be denied us.

Why is it that the Government does not want to do anything about amending Bill C-110? Why is it that for the last seven years Crown corporations have been a subject of debate? There is a mountain of information about the management, control and accountability, the role and responsibilities of directors of Crown corporations. Yet the Government does not know anything about it. It just turns its back. Not one thing has been done about it. You can go back to the Lambert Commission and the reports of J. J. Macdonell, the Auditor General who preceded Mr. Kenneth Dye, and Mr. Henderson who preceded Mr. Macdonell. Consistently, year after year after year, they have reported that Crown corporations are poorly managed, indeed out of control.

I would like to read you something, Mr. Speaker, written by a gentleman who shall remain unnamed but who has spent

most of his life in Government administering Crown corporations. He says that unfortunately the Crown corporation concept is in deep trouble. It is a very good idea that is badly abused, he says. By and large most of the Crown corporations are poorly managed, drawing on Government money as if it were a bottomless pit. They have Ministers who do not know what they are doing, and boards of directors stacked with patronage appointments. I guess nothing more clearly exemplifies what this gentleman is saying than the disaster, the catastrophe of Canadair.

But to come back to my point, Mr. Speaker, why does the Government not want to do anything about these Crown corporations? Why does it not want to introduce into this House legislation to put some teeth into the management, control and accountability of Crown corporations? You have to ask yourself why. Why does the Government not want to do it, Mr. Speaker? There must be a reason why. You have a blue ribbon commission headed by Mr. Lambert and successive Auditors General who have clearly stated the need for reform. You have the members of the Business Council on National Issues who have pleaded with the Government to introduce reform. When we were in government we introduced Bill C-27, and the Liberals stonewalled it. Then the Government comes back with its own version of reform in Bill C-153, which really is simply a fraud and window-dressing, as evidenced by the fact that the other side has withdrawn the Bill.

So, Mr. Speaker, what is at the heart of the government's desire to not want to proceed with these reforms? Well, to do so would detract from the Liberal Government's ability to manipulate for their own political advantage. These Crown corporations cost the Canadian people in 1981-82 some $6.5 billion. Most people, including myself, cannot even get their arms around a billion, let alone six and a half of them. I repeat, Mr. Speaker, $6.5 billion. But no, this Government refused to introduce any reforms for the benefit of Canadians because it would interfere with political patronage and political manipulation for their benefit. I can think of no better way to illustrate this point than by giving you two examples. Sometime in the next little while we are going to see what is called the Canada Development Investment Corporation, the CDIC. It will be capitalized at the small amount of $3 billion. But it is going to have control of Canadair, de Havilland, Teleglobe, and it will acquire the share of Government ownership in the Canada Development Corporation which controls Texas Gulf Sulphur and many other companies.

We are told that the purpose of the CDIC is to enable us to manage properly the assets of these other Crown corporations. Why? Because a management team has been put in place that knows how to deal with all of these problems. At its head is Senator Jack Austin. Then there is the infamous Mr. Maurice Strong, who certainly qualifies as a great manager, there is no question. He is a Liberal so he must be a good manager. Then there is the architect of the National Energy Program, Mr. Joel Bell. These gentlemen will do all these good things for Canadians and will manage this $3 billion monster corporation. Not only are we told that they will manage it properly, CDIC will look after the interests of the taxpayers of Canada by disposing of those assets that can be managed more properly by the private sector. These gentlemen have never sold anything in their lives.

● (1540)

The CDIC is a blatant instrument of further state intervention, and no Canadian should misunderstand its purpose. Anything else that one hears is tommyrot, and that Government knows it but does not have the courage to stand up and admit the truth. When we say more state intervention, what does it mean to most people? Canadians like to think that we have a wonderful blend or mix in Canada of state intervention and private enterprise. They assume we get along very well this way and that Canada has this unique situation where it has a little bit of each and that we get along fine with state intervention.

Since I am running out of time I will try to wrap up very quickly. People do not seem to understand what is at stake here, and the Government certainly does not want them to understand. Jobs are at stake and that is what we are concerned about. We are talking about jobs. State intervention means the loss of jobs and the loss of the ability of Canada's economy to compete in the real world today. We will never create jobs in Canada until we are prepared to face international competition. There is no commodity for which Canada sets the price. We are at the mercy of prices for every single thing out in the real world.

State intervention represents a misallocation of capital. That $6.5 billion which I referred to a few moments ago could perhaps create 100,000 jobs for Canadians who are unemployed in this country today. Canadians will be faced with a very clear choice in a few years from now. That choice is whether they want jobs or further Government intervention in their lives and more agencies like CDIC. Crown corporations are depriving Canadians of their jobs. They are depriving us of the motivation, innovation and willingness to adapt to the real world. Canada represents less than one-half of one per cent of the world population. If we believe that we can win the battle in international markets of the world through Crown corporations we are very sadly mistaken.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I had not intended to participate in this debate and I do not intend to make a long speech at this time. I will agree with my friends in the Conservative Party about the incompetent manner in which the Liberal Government has managed Crown corporations.

However, it does seem to me that some Members from the Conservative Party should deal more honestly with the whole question of Crown corporations than the Hon. Member who just finished speaking. Crown corporations in Canada are not the creation of the federal Liberal Government, they are in existence in every Province of this country, and they have been created by Conservative federal Governments as well.

While I will not go through the entire list, in my Province there is a publicly owned provincial telephone system which was established in 1908. It was not established by some socialist government but by the Conservative Government of the day headed by Sir Rodmond Roblin, the grandfather of Senator Roblin. There is a provincially owned telephone system in the Province of Saskatchewan which I believe was established by a Liberal Government. A great example of a Crown corporation in this Province is Ontario Hydro. It was established by a Conservative Government and has been managed by a Conservative Government which has been in power continuously for the last 40 years. The present Ontario Government purchased a substantial share in Sun Oil over a year ago. I could go on, but the point I am making is that Crown corporations are not foreign and not something foisted on the Canadian people by a Liberal Government alone.

Crown corporations have a long history in Canada. Most of them have an honourable history. They have been established by federal and provincial Governments, Liberal, Conservative, NDP or indeed Social Credit. It seems to me that it was the Social Credit Government in British Columbia which took over the hydro-electric system and made it a public utility owned by the people.

Crown corporations have been established in this country for many years. They were established because a government, whether Liberal, Conservative, NDP or Social Credit, believed that the private sector was not prepared to do what was necessary. I remind the Hon. Member who just spoke that it was a Conservative Government in Ottawa which established the Canadian Wheat Board and a Conservative Government in Ottawa which established the CBC. That is the reality.

While I agree with many of the criticisms made by my friends in the Conservative Party about how the Government operates and manages Crown corporations—and certainly one of the worst examples of how to do things is the establishment of the Canadian Development Investment Corporation—I wish that at least one Conservative Member of Parliament would try to tell us honestly whether they believe there is a role for any Crown corporation or whether they really believe, like some of the Reagonite and Goldwater Republicans in the U.S., that the Government should do less and less and that almost everything should be left to the private sector.

Mr. Scott Fennell (Ontario): Mr. Speaker, it makes sense to hear my friend from the NDP defending Crown corporations because they take the attitude that they would like everything owned by the Government. They would like pure socialism. We would be in the same situation as the Russians.

I believe that this Bill is nothing more than proliferation of subgovernment. The Liberal Party is requesting permission to go out and literally spend an extra $34 billion. The Government is asking for an unbelievable amount of money to give to foreign countries to buy our products. Anyone who has any basic knowledge of economics knows that one cannot give everything away for nothing and then borrow and leave it in a financial statement. Let me refer to state to state loans. Poland has a state to state loan. This is shown in their financial statements. We questioned the Auditor General. We asked why we did not write that loan off and be honest. Instead the Government capitalizes the interest on that loan ad infinitum. It is time we faced up to our losses, wrote them off and got on with managing this country properly. An example of that under Crown corporations is the CDIC. It took Canadair over through a very bad time. We as a Government have written off $2 billion to develop a toy, an executive jet. It may be a very fine product. But now we turn it over to CDIC. It cannot help but make money out of it. Believe me, the way Crown corporations in this country operate, the CDIC will blow it. The CDIC is incapable of selling the product because there is no incentive in the bureaucracy. We seem to proliferate Crown corporations. What is interesting about CDIC is that the Minister in charge is the Minister of Social Development. If the Government had taken that $2 billion, it could have retired every employee of Canadair on $60,000 a year indexed. That is social development, not running a company into the ground.

• (1550)

Furthermore, this is a political ploy on the part of the Liberal Party. It picks a Minister who is in the other place and says he is in charge of CDIC. I checked back with the Department of Industry, Trade and Commerce. That Department is still involved. Why does the Government not face up to it and put the responsibility for CDIC where it belongs, that is with the Minister of Industry, Trade and Commerce (Mr. Lumley), let him answer questions in the House, which we have still not had answered in committee, and face up to the problem facing this country?

Another example concerning a Crown corporation which really upset me this week was when the Chairman of Canadian National, a great Canadian citizen, stood up and said the Auditor General should not meddle in the affairs of CNR. He is covering up. The Chairman is frightened to have the Auditor General deal with his financial statements. We need a comprehensive audit on every Crown corporation in Canada. We must start winding up Crown corporations. Crown corporations should only be started where the private sector is not capable of providing capital to get a corporation going. But we should not continue operating them. I would say the CBC is a prime example. It has proceeded from being a moderate organization to costing the taxpayers of Canada very close to $1 billion a year. I can watch many programs on the CBC on an American network by way of cable. I believe the original concept of the CBC, as for Canadian National and for Air Canada, is very sound. Because of the length and breadth of this country, we had to subsidize communication and transportation to help Canadians. Once we do that and we get these entities on their feet, they should be turned over to the private sector.

With respect to the private sector, the Economic Council of Canada in its report clearly states that the EDC should be reduced, restricted and its function should be taken over by the private sector. The American Credit Insurance Corporation does about ten times the volume of business the EDC does. That corporation or another credit corporation could handle

this business if it were assisted on these difficult state to state loans. I will acknowledge there are some state to state loans that must be made because we have a responsibility to the Third World. But why do we not face up to these responsibilities to the Third World and write off these loans after we have made them?

We object to this Bill, Mr. Speaker. The Government is asking us as representatives of the Canadian public to triple in Clause 14 and quadruple in Clause 18 the potential available cash that would be taken out of the taxpayers' pockets. There is not enough revenue coming into the Government to handle this kind of expenditure. Our request is very simple. We say that when a Crown corporation needs funds, it should come before the House, explain the purpose of the funds and have the matter debated by the representatives of the Canadian public. We would not be doing our job in the House, we would not be representing our constituencies, and I would not be representing the voters in the constituency of Ontario if I did not speak violently against this type of proliferation and permission to borrow. This should not be allowed.

The Minister of State for International Trade (Mr. Regan) has said, "We will do a deal. We will reduce the amount." That still is not good enough. The Government must come to this Parliament at least twice a year if it wants to spend this kind of money. The Government must come to Parliament and request the funds and tell us the purpose for the funds. I do not mean to put a total roadblock in front of the Government. We do not want the Liberals to do the same thing to us when we become the Government within the next year or so. I would not want that kind of roadblock. There must be some flexibility. But $34 billion is an awful lot of flexibility. It is about one-fifth of our total national debt. That means increasing our national debt by another 20 per cent. This country cannot afford any more deficits. It is having crippling effects on industry; the service industry and the tourist industry.

For example, let us take a look at the tourist industry. Through taxation programs, tax on gasoline and tax on liquor, it is driving tourists out of the country. As a result, we are $1.2 billion in the red. I hear the explanation from the Liberals that "Our people like to get the sun in the winter time." There are many Canadians who not only get the sun but who go to ski in areas run by private enterprise in the United States because we are not assisting our tourist industry here in Canada, particularly the ski industry.

I think this whole Bill has to be rewritten. I think the Economic Council of Canada, a very responsible organization, has stated it very clearly. This Bill should be withdrawn by the Government and it should be redrawn. The Government should take into consideration some of the points we have made and bring the Bill back to the House, possibly after the next Throne Speech.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the first thing I would like to do is to accept the challenge of my hon. friend, the Hon. Member for Winnipeg North (Mr. Orlikow), and tell him yes, there is the odd good Crown corporation. In fact, when I become Prime Minister I will make the NDP a Crown corporation and then privatize it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Malone: With no tongue in check this time let me say that, quite naturally, there are corporations which serve the public well, but that is not what this debate is all about. This is a debate about accountability. We have a Government today which is writing a cheque and signing it without filling in the numbers. It is being printed on latex and extended to the Export Development Corporation for a period of ten years, allowing that corporation to spend up to $62 billion without telling Canadians what the money is to be used for, how it is to be spent or when it will be spent. We live in a democratic country where the people, through this institution, are supposed to control the king's purse.

● (1600)

As Opposition Members we are responding to why Members of Parliament are here in the first place, that is, to control expenditures which are made on behalf of Canadian taxpayers. There is no piece of legislation as fundamental as the one with which we are dealing today. Canadians all across the country are deeply concerned about the enormous growth of Government expenditures. Its spending is out of control, and we are in a situation today of being partially shock-insulated. The average citizen does not know what a billion dollars is. A dollar bill is exactly six inches in length, so two of them make a foot. A billion dollars placed end to end in dollar bills will stretch from Halifax to Vancouver and back two and a half times. The Government wants the authority to take 62 of those without any accountability to Canadians. A former Cabinet Minister of the present Government, now the Chairman of CN and unfortunately a constituent of mine, is now saying that the Auditor General should keep his nose out of the auditing of any Crown corporation. The fact of the matter is that Canadians are begging to know where their money is being spent. I accept the challenge of the Hon. Member for Winnipeg North. It is not a question of whether or not each and every Crown corporation fits on a scale of good or bad. It is a question of what this place is for. This place should provide the Government with an opportunity to respond to how people's moneys are being spent.

I would like to do something today which, I concede at the outset, is somewhat unfair. I will refer to some examples of Government expenditures that are obviously wasteful. While Canadians will understand them easily and readily, they really do not add up to all that much in terms of a percentage of total Government waste. However, I want to illustrate that this kind of legislation is an example of the willy-nilly non-accountability of Government. There is an attitude filtering through the Public Service that if it is taxation money, it does not matter. Let me turn to these examples of expenditures which seem to grow like Topsy in the back of the barnyard.

Some years ago the Anti-Inflation Board was established. The then Minister of Finance, Donald Macdonald, said that he would require a staff of fewer than 200 persons. Before the year was up, his staff numbered 866 persons, with a salary tab in excess of $15 million annually. That is simply an example of what happens throughout the country. We live in the world of language where repeated Ministers of Finance have talked about the principal objective of getting inflation and unemployment under control, yet we continue to be faced with the Government seeking authority for $62 billion without accountability, with no time period for spending the money, and without returning to Parliament. During the first term of office of the present Prime Minister (Mr. Trudeau), Edgar Benson, the then Minister of Finance, said that his budget was intended to show that they really meant business in their fight against inflation. That was in 1969. Then in 1973, the first budget of John Turner indicated that its purpose first and foremost was to bring about a substantial reduction in unemployment. Then in the second budget of John Turner in 1974, he indicated that it reflected his determination to deal with inflation. This was followed by the budget of Donald Macdonald who indicated that their goals were clear and that their first objective was to maintain underlying trends to lower inflation. Then we come to the budget of the Minister of Energy, Mines and Resources (Mr. Chrétien) who expected inflation to be down by the end of the year. Then the Secretary of State for External Affairs (Mr. MacEachen) brought in a couple of glorious budgets which woke up the country. Now the good gentleman over there, the present Minister of Finance (Mr. Lalonde), tells us that we are in a beautiful economic period of time. I am sure there are two million Canadians who do not agree with him.

It is this kind of non-accountability which makes 67 per cent of respondents indicate in the Gallup poll that they do not believe this institution is relevant. They do not believe there is any accountability. We used to have representative democracy where people could elect a Member of Parliament to come here, to speak on their behalf and to talk about the control of money. This place has gone wild. They are asking us to appropriate. The Auditor General, Kenneth Dye, has been telling us that we have to be careful of appropriation of more and more money to Crown corporations and of having a sub-layer of Government gone wild.

I would like to return to the examples of Government expenditure which were discovered by the Auditor General a few years ago. He indicated that the Army had a supply of overalls to last 97 years, that the Air Force had enough light bulbs for 250 years, and that the Navy had underwear of a particular size which would meet its requirements for 1,000 years.

An Hon. Member: They were not Stanfield.

Mr. Malone: No, they were not Stanfield. Had they been, we might have had a better Armed Forces today. Then there was the example of a piece of aircraft navigational equipment which cost $9,000 and had a replacement value of $15,000. It was sent to be repaired and was declared surplus in error and sold for $20. I warned Hon. Members that these examples would be somewhat unfair, but they are little examples which people understand when the Government is requesting $62 billion in Bill C-110. They make public servants believe that when there is no accountability in this forum they do not have to be accountable in their own forum.

In the mid 1960s the Post Office Department overestimated the volume of Christmas mail. The result was that there were 53 million Christmas stamps, at a printing cost of $16,000, which were of no use after that season. The defence Department agreed to pay 25 cents per cubic foot for gas at Camp Wainwright in Alberta, although its contract was for only 21 cents. Over the years, the Department of Public Works has had its fair share of criticism because of waste and mismanagement. A firm of architectural engineers was paid $13,000 for plans to erect a two-storey federal building in Kelowna, British Columbia. Subsequently, the plans were useless because the Government decided to build a four-storey structure. An architectural firm was paid $15,000 to design the four-storey building, but once again the Government changed its mind, decided to build a three-storey structure, and the plans for the four-storey structure were also put in the waste bucket.

• (1610)

If we in this place cannot be accountable for the waste of some $62 billion without accountability, signing over latex cheques to EDC, surely these little examples that haunt Canadians, because they understand the size of numbers, it is only natural that we are not showing leadership here.

The Acting Speaker (Mr. Laniel): Order please. I regret to interrupt the Hon. Member, but his time has expired. The Hon. Member may continue his remarks with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Albert Cooper (Peace River): Mr. Speaker, I regret that my colleague, the Hon. Member for Crowfoot (Mr. Malone) was not given the opportunity to continue his remarks. They were very pointed and made a strong case with regard to our concerns over this Bill.

I am pleased to have the opportunity to speak on Bill C-110. I once again refer to the clause we are debating today, particularly the part amended by my colleague from Mississauga South (Mr. Blenkarn). It begins this way:

> —from which outstanding contingent liabilities of the Corporation to which the arrangement applies are directly or indirectly derived . . . shall not at any time exceed ten billion dollars.

That is the way the present Bill reads. The amendment put forward by my colleague is that it "shall not at any time exceed 3 billion 500 million and 1". The whole purpose of what we are trying to address in this debate and with this piece of legislation is not so much the money but the concept or the

feeling about what has been happening to Parliament and to the country with legislation brought forward by this Government over the last few years.

There is no doubt that all of us recognize that this is a very complex time. The issues we are faced with on a daily basis are extremely complex. The responsibilities that we as individuals carry, whether as Members of Parliament, business people or in some other walk of life, are very complex. That complexitity encourages us to seek out expertise, to go to people who are experts in a given area.

That is the same situation that we have had over the last few years in terms of Government and of legislation and specifically what we see in cases like this. Once you proceed to obtaining experts, the next step is to allow those experts to come together to form a bureaucracy. Up until that point it is not too bad. However, the next step is that the bureaucrats, that group of experts, suddenly has to pass regulations. At that point, we as Parliamentarians have to become very careful and watch what is happening, because we then begin to see the serious situation that is demonstrated by what this Government has put forward in Bill C-110.

Once the bureaucracy begins to pass regulations, it also begins to centralize its own authority. The authority collected through that agency is authority that is taken away from Parliament. That becomes very significant when you are dealing with Crown corporations and Government agencies that deal with, use and spend taxpayer's money. What is important is that every time you have taxpayer's money being used, that money should be overseen, watched by those who have been elected by the taxpayers.

Once you have all of this centralized authority, you have essentially the authority of Parliament, the watchdogs for the taxpayer. That responsibility goes on down the line, and that lack of responsibility is transferred down from segment to segment. If it is allowed to go on long enough, it almost brings you to the point where you have taxation without representation. We know what kind of revolt that has caused in the past.

The problem, even on the very smallest scale, is that you end up with a lack of service to those people intended to be served, the taxpayers, those who pay the taxes. They have elected us to represent them and to demonstrate their concerns to the Government. We are to have an input into what kind of legislation is put forward. Because of this evolution and because the authority of a Member of Parliament has been reduced, a very difficult situation has developed. That is exactly what Bill C-110 is all about and why we have to introduce amendments such as those brought forward by my colleague.

The question is whether we can change what has been happening. I think we can. In fact, I think we have to. I wish to quote from an article in the *Edmonton Journal* of September 18 which demonstrates the kind of situation we are dealing with. It reads:

> Cabinet has passed 2,789 orders in council—laws and expenditures passed by cabinet behind closed doors—since January 1. The orders do not need parliamentary approval nor are they referred to MPs for debate. They come into effect after a mere flick of the prime minister's pen. In contrast, the House of Commons considered 49 bills during that period. Only 29 gained approval. Can there be any doubt where the real power lies in Ottawa?
>
> Prime Minister Pierre Trudeau must carry a lot of blame for making Parliament irrelevant. What is relevant is a powerful political machine, which includes senior bureaucrats and top cabinet ministers, he set up in his office. But the blame is not entirely his to bear—Parliament allowed it to happen.

There is a lot of truth in that article. No doubt Parliament has allowed this kind of thing to happen. That is why we must take a stand on such Bills as Bill C-110. If this is allowed to continue as it has in the past, it will continue to erode the authority of Parliament, transferring the authority from here to Crown corporations, departments and bureaucracies, anywhere but into the hands of elected officials and those called upon to represent Canadians.

The big question is how to solve the problem. We are doing that today by introducing amendments such as this. The question is whether the Government Members and Government backbenchers who are equally responsible to their constituents, will recognize what they are doing by transferring their authority from Parliament to the Crown corporations. This question must be addressed seriously.

I have been a member of the committee on procedural reform. John Holtby, an adviser to the committee, recently gave me the results of the poll regarding the opinion of Canadians on the relevance of Parliament. It indicates what they think of Parliamentarians and what they think of Parliament as an institution. This has been talked about lately in the press. There have been various comments on it. There is no doubt that Canadians do not see this institution as relevant. They are not concerned about the relevance of Members because more and more what the Member says, does and controls is becoming severely limited. This is not being done on a grand scale. It is not something we suddenly realize. There is no flash of lightening that strikes and indicates that this must be stopped. There has been a constant erosion for more than a decade. Since 1968, the authority of Parliament has been whittled away, some of it going to the Crown corporations, some to the bureaucracy. It is always transferred away from the elected Member of Parliament and this institution. The net result is what we see coming out of recent polls.

The Government has speeded up the process. It has encouraged it through Orders in Council, through legislation which allows so much bureaucratic control and so much discretion, and through the vast use of regulations. Anyone who has seen some of the energy Bills recently passed in the House would be frightened by the regulations attached to that legislation and the authority that is in place for those regulations.

● (1620)

It is a serious issue, Mr. Speaker, and it is not simply one of changing the figure from $10 billion to $3,500 million. It is the whole issue of who is responsible to whom. As we as elected officials must realize and must demonstrate and must do all we can to protect that authority, it must remain in Parliament. Therefore, we must go through with amendments to legislation

such as this. As long as the Government continues to bring in bad legislation that can harm Canadians in such a way, we as the Opposition will have no choice but to stand up, Member after Member, to speak to this very important issue.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I welcome the opportunity to participate in this debate. Owing to the great many Hon. Members on our side who have wanted to be on record concerning accountability in this type of legislation, this is the first opportunity I have had to speak on this subject.

The Chair will appreciate, Mr. Speaker, that the general thrust of Bill C-110 is to expand the operational capacity of the Export Development Corporation. The objection our Party has to this particular legislation is to the way that the Government wants to do this, and that is, without any further reference to Parliament and without any further need for paid-up capital. We now feel, and have always felt, that it is the job of all Crown corporations to be accountable to the Members of Parliament who represent the taxpayers who are funnelling the money into these Crown corporations.

The second thrust of the Bill is naturally to allow the Government to make more political appointments of Grits to the board of directors of operations such as the Export Development Corporation. We on our side understand that it is necessary to pay people to be Grits and to occupy those positions because it is so difficult to be a Grit these days. If a person can get free trips to attend board meetings to sit as a board member, fine, why not? That is the second thrust of the Bill.

What we are concerned about, however, is the very essence of the difference between the approach taken by the two major Parties in the country to accountability. It is the policy of the Progressive Conservative Party that Crown corporations be accountable to Parliament. It is the policy of the Liberal Government to set up the Crown corporations, give them as much money as they want in the form of a carte blanche, appoint a Grit board of directors and send them on their way. They can come back every so often for more money, but the basic idea is to get out there and spend money. The Government does not want Crown corporations to be accountable.

I refer the Chair to the recent speech made by the late great Jack Horner, a man who went to his political reward as the Chairman of the Board of Directors of Canadian National—

Mr. Bloomfield: He's not a long-time Grit.

Mr. Lewis: Yes, he has obviously overcome that, and one might say that he has gone down very fast. Now he executes the office of Chairman of the Board of Directors of Canadian National by running around the country making speeches in which he says to the Auditor General, the independent representative of the Parliament of Canada, "Keep your nose out of our business".

The Chairman has obviously missed the point of the function of the Auditor General. The Auditor General's function is not to determine whether the policy is correct. That is our job. Once a policy is passed by the House of Commons, we appreciate that, whether we like it or not, that policy is not within the ambit of the Auditor General. It is within the ambit of the Auditor General to make sure that Canadian taxpayers get fair value for their money, that the administration of the taxpayers' dollars through Crown corporations is carried out with an efficiency that gives value for money. That is what the Auditor General is interested in.

The Chairman of Canadian National puts up a specious argument by saying, "Well, our internal auditors who report to our board of directors tell us whether or not it is being done properly." He obviously does not appreciate the difference between an internal auditor from a firm of independent chartered accountants and the Auditor General. We understand that. We had a fair bit to do with him when he was on this side of the House and we understand his deficiencies in appreciating those differences.

I was pleased that my colleague, the Hon. Member for Crowfoot (Mr. Malone), made mention of the remarks of that great saver of the Canadian taxpayers' dollar, the former Finance Minister, John Turner. He is known affectionately as "Old Blue Eyes", the man who waits in his corporate law office on Bay Street to come and save the Canadian public from the mess that the present Government has got them into. I know that there are many people on that side of the House who wait for him with great interest, such as, for example, the new Minister of State responsible for Small Business who is to be a sort of paid watchdog for "Old Blue Eyes" when he comes back to the House on his white steed in his "second coming", as it were, to save the country.

I do know that many of us on this side of the House would welcome the reappearance of "Old Blue Eyes". Anyone who practises law in a county town can hardly wait to get his hands on a Bay Street lawyer, so he can come any time he wants. He could tell us that the purpose of the next budget, first and foremost, will be to bring about a substantial reduction in unemployment. We would welcome that today because the present minister of unemployment—I am sorry, I said unemployment when I meant finance.

Mr. Fennell: It is the same thing.

Mr. Lewis: It is actually the same thing. He has nothing to offer to ease unemployment. As a matter of fact, his idea is just to spread unemployment around.

I would like to refer directly to Motions Nos. 6 and 8. Bill C-110 would give the Cabinet the right to make its own decisions above and beyond those of the Liberal board of directors of the EDC. With these motions, we are trying to cut back on what Cabinet can do to override the moves of the board of directors.

You will know, Mr. Speaker, that the House has seen other examples of Cabinet operations where the Cabinet decides how things will happen. There is, for example, the Maislin situation where, because of the friendship between the Minister of Finance (Mr. Lalonde) and the Bronfman family, it was decided that Maislin would get a $34 million loan guarantee. That set a bit of a precedent because the Government had

never guaranteed any loans to the service industry before. We were assured that we would be saving 2,000 Canadian jobs. Those 2,000 Canadian jobs did not exist when we got the assurance. There are now no Canadian jobs and the company has gone bankrupt. We appreciate that the Cabinet found it necessary to do this for its own purposes, but the purpose of a board of directors is to manage the affairs of the company, and it is not right to allow Cabinet to override that board if it has made that kind of decision. That is why my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), is attempting to cut back on what the Government wants to do through this Bill.

There are other examples of Crown corporations that are running around without any control whatsoever. I draw to the Chair's attention the Canada Development Investment Corporation which is naturally fathered by a member from the other place who is the only Cabinet Minister from British Columbia.

We on this side note with great amusement that the Canada Development Investment Corporation reports to the House of Commons, the representatives of the people, through the Minister of National Revenue (Mr. Bussières). It is amusing because he is not even on the economic committee. At least he was not on that committee when its list of members was last published. One does not know when he would have the opportunity to have these great communications with the Minister from the other place. That is another example of a Crown corporation running around making investments.

There is a man named Joel Bell whom I have always referred to as the pseudo Lee Iacocca of Crown corporations. He will do for Crown corporations what Lee Iacocca did for the Chrysler Corporation. One must understand that there is no bottom line with a Crown corporation. Lee Iacocca had a bottom line and brought the Chrysler Corporation back to health.

We do not have any confidence that the people running the CDIC operation and other Crown corporations will do the kind of jobs that we as Members of Parliament want them to do, basically because they refuse to be accountable. If they were prepared to be accountable to Parliament and if they were not Jack Horners, we would be prepared to go along with some of these things. As long as they refuse the accountability that we as representatives of taxpayers demand, we will continue to fight legislation such as Bill C-110.

● (1630)

The Acting Speaker (Mr. Blaker): Before I recognize the next Hon. Member may I deal with the adjournment motion.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Fraser Valley West (Mr. Wenman)—National Defence—Soviet aircraft intrusions. (b) Meeting of International Civil Aviation Organization; the Hon. Member for Mississauga South (Mr. Blenkarn)—Finance—Indexed security investment plan. (b) Government policy on tax changes; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Veterans Affairs—Request that annual report of department be tabled. (b) Organizations' appearances before Standing Committee.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-110, to amend the Export Development Act, as recorded (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 6 and 8 (Mr. Blenkarn).

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to speak on the two motions proposed by the Hon. Member for Mississauga South (Mr. Blenkarn). I enjoyed the address given by the Hon. Member for Simcoe North (Mr. Lewis) very much. He put forward a number of observations regarding Crown corporations. The problem of credit, finance and insurance is a very important one in today's financial world. There is a scramble for export markets, and countries from all around the world are working hard to assist their corporations in entering these markets. I see that the Minister of Agriculture (Mr. Whelan) is in the House, and we know how he tried to inflict a Crown corporation upon us recently, one which would be involved in this very important area.

There is great competition for markets and this presents difficulties. The treasuries of European communities and of the United States are much larger than ours and, as a result, we have to be very aggressive and use some of the methods used by our competitors in export markets.

I wholeheartedly support the amendments proposed by my colleague which deal with accountability to this institution. The Government brings forward legislation for debate in an attempt to get Opposition Parties to agree with it but it asks constantly for more money than it ought to. It takes time to get these measures through the House. The borrowing Bill is

an example of that, and now the Government has brought this Bill forward. If the Government and Crown corporations can prove to Members of Parliament that the money is required, the legislation will be passed very quickly. The amount of money being asked for in this legislation brings us to the nub of the question of accountability.

Two Hon. Members who spoke ahead of me mentioned the speech that was referred to in Question Period today. The man who made that speech sat in this House for almost 20 years, but how soon he forgets, Mr. Speaker. I remember many speeches made by Mr. Horner when he spoke about the rights of Members of Parliament and the worth of the institution. Now that he is Chairman of a Crown corporation he seems to feel that that corporation should not allow the Auditor General to look at its books. In committee there have been months of debate on a Bill that will give hundreds of millions of dollars of taxpayers' money to that particular corporation. Members of Parliament are not asking to be directly involved in the operation of the railway but they feel that they have a right to know that the money voted in this institution will be properly spent. The Auditor General tells us whether this happens. It is important that Crown corporations be competitive, but we would also like them to be accountable to Parliament.

In this Bill the Government seeks authority to increase the value of loans and loan guarantees issued by Order in Council from $2.5 billion to $10 billion. That is not a small increase. The Hon. Member for Crowfoot (Mr. Malone) illustrated for us, in a very picturesque way, what a billion dollars is.

When we look at Orders in Council we see just how irrelevant this institution is becoming. Since January 1 of this year Cabinet has passed 2,789 Orders in Council, all without any reference to Parliament. That authority has been put into legislation over the years and we have passed it. A committee is supposed to examine Orders in Council but considering the volume of them, it is almost impossible for one committee to do this. As a result, Parliament becomes more and more irrelevant. Surely many of these Orders in Council should come to the various committees for examination in detail. When legislation is drafted, surely we should be more concerned about the authority given to the Governor in Council to make certain regulations. It is a very innocent clause in many Bills but it gives unbelievable power to Ministers.

The Government wants to give Cabinet the authority to approve insurance deals that the Export Development Corporation is not prepared to approve. That means that if the board of directors—which the Government has appointed to run the corporation—decrees in its wisdom that a deal ought not to be approved, then Cabinet, in its wisdom, can disagree. There is nothing in the Bill to stop Cabinet from making that decision; it can override the board of directors and approve the deal. It seems to me that a Government ought to find the best people possible to sit on the board of directors and, having done so, it ought to abide by their decision. If the board thinks a deal is a bad one, then I do not see how the Government can say it does not agree. Any interference by the Government must be for political reasons. A bad deal is a bad deal.

I support my colleagues when they say we ought to limit that clause and that if the Government wants to interfere with the board of directors of the corporation, it ought to ask permission of Parliament. The Government spends taxpayers' money for which we are responsible. That accountability is at the centre of this debate, and that is what we are saying. Another thing which disturbs me about the Export Development Corporation is that it seems to be doing some of the work of CIDA. When we look at some of the loans which have been approved in the past few years, we find we have extended financing to INCO, for development of plants in Indonesia and Guatemala, and that is creating jobs which, perhaps, are jeopardized here in this country. We have forest development projects in other countries. If there is a necessity to develop those industries in those countries, that ought to be done under CIDA. The Export Development Corporation should be a lender or a financier of last resort. When the private sector is not able to put this together it should then come to the Export Development Corporation to guarantee its loans, to insure its loans or to refinance those loans. That is what the Economic Council in its report proposed. It is so very important that we have the accountability and control which comes with Parliament.

● (1640)

I would like to conclude by saying that I appreciate the speeches of the many Hon. Members of Parliament on this side who are so concerned about this institution and what we make of it in the future.

Mr. John Kushner (Calgary East): Mr. Speaker, I would like to express a few words of concern about this Bill which gives the Government more borrowing authority. I have lost confidence in this arrogant and incompetent Government. The reason I say that, Mr. Speaker, is that I happen to be one of those who was not born in this country. I came from Poland when I was about five years old, during the Depression. I quite appreciate the fact of unemployment and welfare. We have accomplished many things since that Depression. We have brought about social services, pensions and we have put many mechanisms in place so that a depression of the kind we had then will never happen again. But what has this Government done? It has destroyed the lives of two million Canadians who are unemployed today. I know what that feels like. I was one of those who were on welfare when I came from Poland during the Depression. I know what it feels like to go to the grocery store where you cannot even buy a loaf of bread or a quart of milk but you have to make soup out of the same bone two or three times. I have gone through all of that.

It is very hard for me to believe that this Government actually got to be so irresponsible and uncaring for the Canadian people. I can speak with some authority, Mr. Speaker, in that area because I was an elected city alderman in the City of Calgary for ten years.

Mr. Lapierre: What are your solutions?

Mr. Kushner: I am talking about solutions. There are only about five or six Hon. Members on the other side, and you are expressing concern? I am very much referring to the solutions. I do not interfere with you when you speak. Please have the courtesy to let me, on this side, speak. If you do not like it, you can walk out, because most of your colleagues are out anyway. One more or less will not make any difference.

Mr. Lapierre: You are talking about your own Party, are you not?

Mr. Kushner: If you will listen, you may learn something becaue I was in the labour movement involved with the problems we are faced with today when you were still in diapers. So perhaps you had better listen and maybe you will learn something.

I would like to refer to credibility. I have been an alderman for ten years. I was the chairman of finance and budget in Calgary for two terms. I never pretended I was some sort of an expert in finance, but I was always able to listen, to show some compassion, to cut through some red tape and be able to keep in mind that the people should receive full value for their tax dollars. That is not what is happening in the House of Commons today. The Government has been spending money like drunken sailors. Canadians no longer want to see this Government get more authority to spend money. Canadians want to see this Government get out. They want a new government so they can have hope. As our leader has pointed out many times, we must give back confidence to the business community so it can help rebuild this country and get our factories rolling and Canadians working again.

I have also served as the chairman of operations and development. So I say to the Hon. Members opposite, I have known accountability and responsibility which we do not have here. I have heard expressed many times, and I have experienced it myself, this complete loss of confidence in the Liberal Government.

Mr. Fisher: No, say it is not true.

Mr. Lapierre: Talk about jobs now.

Mr. Kushner: The Hon. Member opposite is asking about jobs. I can say that this Government has put us in this mess. It has been the Government for 15 years, so it certainly cannot blame the Conservatives and it cannot blame world economic conditions. We are living in one of the wealthiest countries in the world. We should not be in the mess we are in today. The problem is that there is no leadership on the other side. There is only one leader and the bureaucrats are running this country.

Mr. Fisher: Stick to the Bill.

Mr. Kushner: You have nothing to say, my friend, as far as running this Government is concerned, as a backbencher. That is the way it is structured now. That is the way it has become in the last 15 years.

Mr. Lapierre: You have not told us about your solutions.

Mr. Kushner: I am getting back to accountability, and that is what it is all about. I came to be chairman of the land committee. I did not pretend to be an expert, but I was able to listen and to reflect the needs of the people of my city at that time. That is what this Government has failed to do. It has failed to reflect the needs of this country.

From there I served on the Calgary Board of Education. I served as an elected official as well as a bureaucrat, but accountability existed then very much so, the accountability we do not have here. I am happy that Hon. Members opposite are responding. The reason I have lost respect is that I see there is no justice in this House of Commons. The Ministers are very evasive and incompetent, as far as I am concerned, and that seems to be the name of the game. Even the Prime Minister (Mr. Trudeau) is doing a very good job in that area as well. It is a disgraceful situation we have got ourselves into. I was elected in the Province of Alberta as a member of the Legislative Assembly, and I have to say that accountability is somewhat lesser in that area, but nothing as compared to what we have in this Government. As a matter of fact, this Government has killed the goose which has laid the golden egg, that is, the oil industry. In fact, it has destroyed the oil industry in this country. It has destroyed the incentive and the backbone of the small business community.

Some Hon. Members: Oh, oh!

Mr. Lapierre: I rise on a point of order, Mr. Speaker. I know we have a rule of relevancy. I do not know if the Hon. Member is looking for a job, but he has been giving us his curriculum vitae. Is that part of the Bill we are discussing?

Mr. Deputy Speaker: The Chair will pay attention to the Hon. Member's remarks. I am sure the Hon. Member has heard the point which has been raised.

• (1650)

Mr. Kushner: I appreciate the Hon. Member's concern but I have to give him a little background about what has happened. He has a lot to learn, as I mentioned to him before. He was still in diapers when I was in politics, and I wish he would pay attention.

Mr. Fisher: And you have not learned anything since.

Mr. Kushner: I want to remind the Parliamentary Secretary that his Government has been very famous for being evasive through the use of a commission or study. After that, the Government hires another commission to study what the first commission has actually done. A good example of that right now is the Macdonald Commission.

Mr. Deputy Speaker: Order, please. I call the attention of the Hon. Member to the fact that this is report stage debate and, according to the rules and practices of the House, remarks must be relevant to the item before us. I therefore invite him to address his remarks to the amendment we are discussing.

Mr. Kushner: Mr. Speaker, I cannot help but get emotional over what is happening in the country and here in the House of Commons. I would have to have a wooden head if I did not. I think we have to give some background to what is happening here. The Government is trying to get more authority over spending, and we think they have by far too much right now. The Canadian people do not want to give them any more authority. As a matter of fact, they want them out of office, and the sooner the election is called, Mr. Speaker, the better it will be.

Mr. Fisher: Relevance.

Mr. Kushner: But the Government is not going to do that, Mr. Speaker, and you know that as well as I do.

If I may, I want to touch a little more on what is really happening right now. You see, you are squirming right now and you are embarrassed about what is realy happening. You cannot stand it.

Mr. Deputy Speaker: I am sure the Hon. Member realizes remarks should be addressed to the Chair, and the Chair wants to assure the Hon. Member that the occupant of the Chair is not squirming.

With all due respect, I have to call to the attention of the Hon. Member for Calgary East (Mr. Kushner) that the time allotted to him has expired.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unamimous consent for the Hon. Member to extend his remarks.

Some Hon. Members: Hear, hear!

Mr. Kushner: Mr. Speaker, how much time do I have so I can adjust myself at least?

Some Hon. Members: All you want.

Mr. Kushner: All I want? Oh, my goodness! We are going to stay here for a while.

I am going to respect the courtesy of the Chair and the House of Commons. I believe I have made my point quite clear, and I want to thank the Hon. Member on the other side for paying attention and being sensitive to what is happening in this country right now. I want to conclude by saying, Mr. Speaker, you are most patient.

Some Hon. Members: More!

Mr. Kushner: Thank you, very much. I enjoyed saying a few words. I wanted to say more but I am not going to take advantage of it.

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words on Motions Nos. 6 and 8 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Let me say at the outset, Sir, that the old boy network of the clients of EDC is working well, it is healthy and vibrant. At 7.30 this morning I was talking to a gentleman employed by a large manufacturer who uses the facilities of the EDC for export financing. The company is one of the members of the "club of '62". This chap passed on a message to me that we should pass this Bill, just close our eyes, hold our noses and pass the Bill. That in essence was his message. Maybe he did not say it quite as concisely as I have, but that is what it was all about. He implied that we were sort of holding up some large deal that was going to be financed through the EDC.

I must say he was surprised when I advised him that the EDC had adequate financing for the next 18 months, and adequate insurance funding to handle export sales for probably the next 24 months. He was surprised to learn that the Government has the right to guarantee and insure loans up to $3.5 billion and only $460 million has been spent, the Government was asking us to close our eyes, hold our noses and give EDC an additional $10 billion for loan guarantees and insurance. He did not really understand that. He had the impression gained from the management of his company that some large deal they had ready to go out the door, ready to be signed, was being held up until this Bill passed. Well, what a lot of nonsense. It just proves the sort of fraud being perpetrated on the people of Canada.

My friend could not really understand the request for more than three times the present loan and insurance fund. He could not understand it any more than I can. Then I explained to him that we had moved an amendment to cover this matter, in fact to return the loan and insurance guarantee back to $3.5 billion because only $460 million has been used and why should we give the Government $10 billion on top? He could not understand it, and I explained to him our Motion No. 6 and what it was going to do.

I hear my friend across the way and I do not think he has ever had anything to do in the field of commerce with export business, so he should just keep quiet until I am finished. If he wants to come across and ask me about my experience in the export market I will be glad to tell him a few things.

When we began talking about Motion No. 8, Mr. Speaker, I explained that the Government presently has the right to take up to $2.5 billion from the Consolidated Revenue Fund and lend that money to foreign companies, boards, agencies or Government. He was not aware of that, and I went on to explain that even though it had lent only $711 million and it still had $1.8 billion available, in spite of all this the Government was asking us to close our eyes, hold our nose and give it another $10 billion. That is something he could not understand. He was surprised. I said, well, why not go back to your management and ask them what sort of game they are playing here? We believe as strongly as anyone in export business but we do not like being conned, and that is what is happening here. Then I went on to explain to him our Motion No. 8 and

why we wanted to keep the limit at $2.5 billion. In essence, we just do not trust the guys across the aisle. That is what it comes down to. That is the bottom line. Give those guys $20 billion to play with and God knows what will happen to it.

The gentleman who called me, Mr. Speaker, and I am not being critical of him because he is a good friend of mine, but he was a messenger. He was a messenger from the boys in the club who said, "Pass on the line to these guys that you know in the House of Commons that we have to have that export financing right away and that we will go under if we do not get it." I have gone to him and said, "I want you to pass back a message to your friends in the company and tell them that they have more than adequate financing presently in EDC to last them for the next 18 to 24 months regardless of what activity they get involved in."

• (1700)

That is the matter in a nutshell. While I will not say what I have written here because I notice that it is an unparliamentary word and I respect you too much to utter it, Mr. Speaker, I just say to those guys to get on with their jobs while we concern ourselves with the accountability to Parliament for this amount of money.

It frightens me when I think of a board of directors, as recommended in this Bill, comprised primarily of bureaucrats who are beholden to the Government for their livelihood and income, having the ability to dip into the Consolidated Revenue Fund to the extent of $20 billion in addition to what they presently have available. That really frightens me because past experience has shown that this is where the Government spending gets out of control. Unless there is a check and balance in Parliament through the Estimates and the budget system, it just disappears.

If the Government would agree to pass the amendments, I am sure my colleagues would agree to expedite the passage of the Bill. However, until we can have some negotiations along that line, I am sure that the fact there are no cheques, no balances, no controls, and no accountability to Parliament and the people of Canada means that we cannot just blindly vote for this legislation.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it certainly is a privilege to be able to follow my illustrious colleague, the Member for Burlington (Mr. Kempling) who is a very successful businessman. I am well aware that he has some considerable experience in the export business because of his particular company.

I certainly support Motions Nos. 6 and 8 in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Motion No. 6, which has been well described by the mover, would allow the Government of Canada to increase the limit on promissory notes to $10 billion from the present $3.5 billion. When we look at this motion more closely, we see that the present Government has come to the House of Commons with a request to increase this limit to $10 billion when in fact it has not surpassed the present limit. In that case, why does the Government want to increase this limit?

There is no way that we can allow the Government or Crown corporations to continue to grow in the direction which this Government allows. What we have had in Canada from the present Government is a fixation on excessive spending and empire building. This is certainly reflected by the preoccupation of both Ministers and administrators.

Whereas the focus should return to the House of Commons, the opposite has taken place. Crown corporations have become a subgovernment. It seems to me that it is not only improper but immoral for a government to move in the direction of removing from Parliament the means and opportunity of challenging those operations which we feel so strongly are not acting in the best interests of my constituents or the rest of Canada. That is our task as Parliamentarians.

The important issue, as I see it, is accountability to Parliament. This Government, over the years that it has been in power, has given Canadians rising deficits to a projected $31.3 billion this year. The current cost of interest on public debt in 1983 is $700 per capita, or $16,200 per taxpayer. The interest alone on our debt for 1983 will amount to a staggering $17 billion, which I believe is one-half times the amount of the total budget the year I entered this hallowed Chamber in the fall of 1972.

An Hon. Member: How much will it be when Bobby Orr gets here?

Mr. Darling: We will worry about Bobby Orr, my illustrious friend, later. I think you will admit that if he wants to come here, this Chamber is available to all people. All one has to do is to get the nomination and then be elected. I am wondering if my illustrious friend will be here after the next election even though he might get the nomination.

Mr. Bloomfield: Time will tell.

Mr. Darling: We will see.

The focus should return to the House of Commons, and I want to emphasize that point. The important issue is accountability, and this Government has not been accountable over the years.

With this record of performance, how can we be asked to give another blank cheque as the Government is asking? As many of my colleagues have stated, we are not prepared to give the Government a blanck cheque. We believe it should come before Parliament. If the Government has legitimate reasons and can point out where the expense is required and the money is needed, I believe there would then be a different attitude taken by those of us on this side of the House.

With the increase in the employment of Crown corporations, we must give Parliament more powers of direction, control and scrutiny over Crown corporations to ensure their efficient, effective and accountable performance. When I spoke on this Bill earlier I pointed out that there are well over 300 Crown corporations doing business in Canada. In many cases they are

competing with the private sector. If the Crown corporations do not have sufficient funds, the Government is there to bail them out. We know the horror stories of some Crown corporations that are in the red for astronomical amounts.

Why is it that the Government and bureaucratic managers so favour Crown corporations and persist in expanding them and endeavour to form new ones at every opportunity? Why does the Government continue to resort to this corporate form of organization when the private sector time and again is a better instrument? There seems to be a love-hate relationship here. The Government embraces the growth of the Export Development Corporation with wreckless abandonment and seems both incoherent and largely unconcerned about the reasons behind this expansion. But let Hon. Members rest assured that the Progressive Conservative Party is very concerned about the growth of the Export Development Corporation and is attempting to bridal this beast.

Motion No. 8 amends the clause which would allow loans through the Consolidated Revenue Fund to be increased from the present limit of $2.5 billion to $10 billion. It seeks to increase the ceiling for loans and loan guarantees made under Cabinet authority to foreign customers. Again, there is a lack of parliamentary control over these high risk and abnormal transactions.

I maintain, along with many of my colleagues, that accountability must be the cornerstone of the parliamentary system as it is the cornerstone of the fiscal system. The standard of accountability expected of those who deal with the management of moneys and taxes raised is far less weighty and is, in fact, downright sloppy. The annual report of the Auditor General of Canada is full of page after page of horror stories relating instances of this matter. A number of items that were brought out in that report should be recalled now as we debate the merits of this particular Bill and these two amendments.

In Mr. Dye's opinion, over the past six years the actual progress toward better accountability has been limited, particularly as far as Parliament is concerned. In the following quote from the report this is further highlighted:

● (1710)

Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibilities for overseeing receipts and expenditures of public funds. The existing legislative framework for creating, monitoring and where necessary, changing the purpose of using the corporate form for achieving public policies objectives can be abused.

We, the Official Opposition, have recognized its abuses and stand for greater scrutiny and control, which is what we are doing about Bill C-110 and its implications.

This is what this debate is all about. It is not about whether or not the Progressive Conservative Party is against exporting or foreign trade, it is about the fact that government must be accountable to Parliament. Let me emphasize again that we are very much in favour of foreign trade, helping companies to expand trade and to provide credit where credit is necessary.

Mr. Bruce Halliday (Oxford): Mr. Speaker, we are debating today the amendments to Bill C-110, the Export Development Act, and in particular Motions Nos. 6 and 8. I am pleased to follow my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling) who has been in this House a long time now. He understands the functioning of this House and he has seen it deteriorate over the last number of years. I guess you would be as aware as anybody, Mr. Speaker, that I am one of the Members of this House who is not often on my feet to speak on Bills that I think are not of any consequence. But I am concerned about this Bill. It touches at the very essence of our parliamentary system, and I would like to say a few words about that this afternoon. The way this Bill impinges on our system is a threat to our parliamentary democracy.

Before I go further, I want to make a reference to the Hon. Member for Winnipeg North (Mr. Orlikow) who came into the debate earlier this afternoon for about four or five minutes. I could not help but observe that the only people who have spoken this afternoon in this debate are Members of the Official Opposition, the Progressive Conservative Party. We appear to be the only people really concerned about the way this Parliament functions.

Mr. Fisher: Filibustering.

Mr. Halliday: Filibuster? Mr. Speaker, we are talking about the essence of parliamentary democracy, a subject which I will be getting into in a few moments. The Hon. Member for Winnipeg North felt that, because we were challenging the way Crown corporations operate, we were therefore opposed to Crown corporations. He went on to explain how many of them we, as Conservative Governments federally and provincially, have instituted in the past. I think we see the role and feel there is still an effective role for Crown corporations. A Member who has been in the House as long as the Hon. Member for Winnipeg North has should understand that we are not opposed to Crown corporations. We are opposed to the way they are being operated under the present Government. That is the problem we see.

From time to time I go into our schools. There are teachers in my constituency in Oxford who are prepared to have me go into the schools because they trust that I will not preach partisan politics to their students. They appreciate that I talk about our system of government. What I talk to them about on the whole is something based on three words: representative parliamentary democracy. I do not doubt for a moment that we are experiencing a type of democracy in Canada now, but it is not the type of democracy that most Canadians want. The kind of democracy practised by the present Prime Minister (Mr. Trudeau) and his colleagues and the people who control the Liberal Party outside of this House who are not elected shows they are not interested at all in a representative parliamentary democracy. They are interested in a kind of democracy where the powers that be at the centre of that Party are able to control the backbenchers. I could not help noticing that as I sat here this afternoon and watched Members on the

Government side. For a while there were as many as two or three, more recently there have been five, eight or ten. I see about six at the present time sitting on the Government side. Two of them are pretty good friends of mine. They are from London. They are two of the triplets from London. The Hon. Member for London West (Mr. Burghardt) and the Hon. Member for London-Middlesex (Mr. Bloomfield) were sitting together for quite a long time. They are both very fine gentlemen. But I am disappointed that neither they nor any of their colleagues on the other side have seen fit to get up this afternoon and speak to the very issue that we in the Opposition are talking about. We are not talking about whether the Government needs more money or not. What we are talking about is the accountability of Parliament to what the Government is doing or not doing. That is what we are discussing. Yet, the Liberals do not have the courage to get up and defend what the Government is doing. They are giving tacit approval to what we in the Opposition are saying, namely that they are not accountable to this Parliament. They are unable to defend the fact that they are being accountable to this Parliament. That is a shameful position for people who are representatives of the people of Canada. They are sitting on the Government side and they are not in a position to get up and defend how and to what extent their own Government is being accountable.

The three words, representative parliamentary democracy, are words that have a lot of meaning. I have mentioned already the effect of democracy. Take the words "parliamentary". The essence of that word is that we here in this Chamber make our decisions following talk. Lots of talk goes on here. But we should bear in mind that altogether too often we are prevented from talking in a fashion like this because the Government sees reason to bring in closure and forbids us the opportunity to speak on issues that we feel are of importance to our system here.

Finally, probably the most important word today from the point of view of this debate is the concept of the word "representative". All of us here are representing a certain part of the country. We are here to express the opinions of the people. We are also here to come to decisions and to vote based on what we hear in the debates, Mr. Speaker. It is distressing for me that Members on the Government side, the backbenchers in particular, are not given the opportunity to vote as they see fit. I am sure my friend, the Hon. Member for London-Middlesex, who is sitting today on our side, might well prefer to sit on this side of the House because his philosophies are much in keeping with those of us here. But he is not in a position to say what he would like to say on behalf of the Government because he is not given the choice to represent his own views before the House of Parliament, nor the views of his constituents. I think we are just seeing this whole system of ours go down the drain because the people of Canada are beginning to realize and are developing a cynicism which is based on the fact that no longer are we as their representatives reflecting their views.

I spoke on this Bill just two days ago and mentioned that I spoke to a good friend of some of my colleagues across the way. He was lamenting the fact that the people who are appointed to Crown corporations are no longer representative enough of the private sector. We see in the workings of the various Crown corporations that the Cabinet overrides the decisions of these boards. Yet the Government is asking to have more money. I think that is an intolerable situation. This upsets the private sector and, after all, that is still the prominent part of our economy.

In short, I am here to speak in favour of Motions Nos. 6 and 8 which are attempts on the part of the Opposition to amend this dreadful Bill which will give an opportunity to this Government to spend increasing amounts of money without being accountable to the representatives of the people of Canada.

● (1720)

Mr. Mel Gass (Malpeque): Mr. Speaker, I am pleased to participate in the debate on Bill C-110, an Act to amend the Export Development Act. I am delighted to follow the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Parry Sound-Muskoka (Mr. Darling) who was asked by an Hon. Member across the aisle when Bobby Orr would come to Parliament. That will be decided in the next election.

In particular I would like to speak to Motions Nos. 6 and 8 which are before the House. Motion No. 6 in part reads:

"shall not at any time exceed 3 billion 500 million and 1".

Motion No. 8 in part reads:

"shall not at any time exceed 2 billion 500 million and 1".

As we are well aware, Bill C-110 will give the Government $62 billion of authority. We must rise and continue to speak out on behalf of the people who sent us here, demanding that the Government be accountable. Parliament should not be used for access to $62 billion without a vote on the subject.

In the words of Professor André Raynauld of the University of Montreal, the Export Development Corporation is:

—rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire, and involving Canada in transactions and negotiations that are both costly and inefficient.

Also, seven years ago the report of the Auditor General noted:

In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually nonexistent.

What we are talking about today is accountability: accountability of Government to Parliament, accountability of Members to their constituents, and accountability of Crown corporations to taxpayers.

Approximately four years ago the Lambert report noted:

In examining the bewildering array of Crown agencies we have found that existing provisions for classifying them and for accountability for each category have been rendered obsolete. The resulting state of confusion, if left unattended, will seriously impair the value of these agencies as instruments of public purpose and do further damage to the tenuous and sometimes obscure accountability

links that, in varying degrees, they now have with the Government and Parliament.

Last fall the Auditor General noted:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so stained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

As a Member of Parliament for Malpeque on Prince Edward Island, I find that statement hard to accept because as elected representatives we are accountable to our constituents. We have to answer for the stands we take. I believe that the Government should answer to Parliament for the decisions it makes, that Crown corporations should answer to taxpayers and that Members of Parliament have to answer to their constituents.

I operate a business on Prince Edward Island. When I go to the bank to borrow money with which to run my business, the bank manager asks me how much I need and for what I need it. Very seldom will he give me more money than I need. In fact, I need to have good reason before he will even give me the money I want. There is no way that he would give me a line of credit ten times in excess of what I need or a blank cheque to be used for anything I decide in future. It is a good practice. Sometimes when the bank manager gives me a hard time and I have to account to him, I think he is somewhat unreasonable, but upon reflection I realize that because he has made me accountable to him I have managed to stay in business and to be successful. I hope to continue to run a successful business. I have been accountable to someone, someone was there to ensure that I did not go off on a tangent and was unable to pay my bills. The same thing should happen in Parliament. The Government should be accountable to Parliament. Members of Parliament, in their wisdom, should decide how much money the Government will be able to spend or how much it will be able to give to Crown corporations.

I am a relative rookie in the House of Commons, having only been here a little over four years, but I feel quite strongly that the Government does not appreciate the fact that it should be accountable to Parliament. In fact, it should be accountable to the Opposition who voices the concerns of the people of Canada. I cannot emphasize strongly enough how I feel about Bill C-110 and the fact that the Government wants to increase the expenditure limits of the Export Development Corporation. The Government is attempting to circumvent Members of Parliament who were sent here by their constituents to ensure that it did what was best for Canadians.

In the few minutes remaining I would like to stress the fact that the Government has not been doing the job it should be doing. It seems to be more interested in establishing Crown corporation after crown corporation like Canagrex. I see the Minister of Agriculture (Mr. Whelan) sitting across the way. He has done everything he can to undermine the private sector.

Mr. Whelan: Prince Edward Island is the biggest user of federal dollars.

Mr. Gass: I am sorry that the Minister of Agriculture has awakened. He was peaceful and quiet until a moment ago.

Mr. Whelan: You asked for it.

Mr. Gass: The point is that I believe the Government has to be accountable to Parliament. Some Crown corporations are doing a good job, but they must be accountable to the taxpayers who fund them. The Export Development Corporation will help private enterprise, agricultural communities and so on, at least that is the intent of the Bill, but the Government does not need the amount of money it is requesting. I wonder what the Bill will do to help the tourism industry which employs well over a million people in Canada and provides $18 billion—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member but his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

• (1730)

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to participate in this debate on Bill C-110, an act to amend the Export Development Act. Bill C-110 is a bad Bill. This Bill erodes Parliament's right in the area of accountability and control regarding the public purse, taxpayers' dollars. Through this Bill the Government believes that, as in the old adage of the Divine Right of Kings, tax dollars are its divine right, that the public purse is the property of the Government to do as it pleases with as little reference to Parliament and to outside consultations as it can get away with.

Bill C-110 seeks to expand the operational capacity of the Export Development Corporation without need for further reference to Parliament. To add insult to injury, the Government seeks as well to increase the high risk or bad business transactions from $3.5 billion to $10 billion concerning insuring sales, and from $2.5 billion to $10 billion in the case of loans and loan guarantees. To further aggravate the situation, losses incurred under such circumstances are to be paid from the Consolidated Revenue Fund without reference to Parliament.

I can well understand such action being taken in a dictatorial state, but such high-handed action has no place in a democratic country. Unless we stop this continual erosion of democracy by this Government, and soon, democracy will become a dead issue in Canada.

The fact that the Export Development Corporation is not accountable to Parliament is totally unacceptable. It is the taxpayers' money we are talking about and they have the right to know how their money is being spent. To borrow money in

the name of Canadian taxpayers and their children without seeking parliamentary authority to do so, cannot be allowed to continue. That is the main principle behind the reason why I refuse to go along with this Bill.

What it really means is that the Government, with this Bill, will have the authority to make any deal it cares to make. The Government will be able to make loans to anyone it wishes without any vote by any Parliament at any time. It also means that the Government may make insurance commitments that are not of a commercial nature to a ceiling of $10 billion. As well, the Government may make loans that are not of a proper commercial nature to a value of almost $10 billion.

There is no question that the Export Development Corporation is, in the words of Professor André Raynauld, of the University of Montreal, and I quote:

—rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire, and involving Canada in transactions and negotiations that are both costly and inefficient.

There is no question that the Export Development Corporation is poorly managed. It is another example of Government having no business in business. For example, in 1982 the 613 employees of EDC had loan transactions with 62 companies and placed slighly in excess of 900 insurance policies. Can anyone name a bank that has 10 employees for every loan customer? For that matter, can anyone name any insurance company in the private sector which issues insurance policies at an annual rate of one and one half policies per employee? Such inefficiency is not possible in the private sector. If it were so, such companies would be out of business in a very short time.

The lack of common sense which EDC is surrounded with would indicate the reasons why it financed Inco developments in Indonesia and Guatemala at the expense of taking precious jobs from Sudbury and Manitoba. A similar foolish financial fiasco had EDC financing forest development projects in Mexico, Poland and Peru in direct competition with Canadian forest products, again taking away jobs from Canadians. Foolishly again, the EDC helped finance the construction of a monument to the Algerian revolution.

One could go on and one about the way EDC conducts its business. The amount of ineptness, inefficiency and lack of common sense present in the management of EDC would be more than enough to send several private enterprises into bankruptcy if it were ever allowed to happen. The amendments to Bill C-110 introduced by our Party would institute some semblance of order and common sense to an already bad Bill.

We advocate that the chairman of EDC be appointed from outside the Public Service and that the number of public servants on the board be restricted to three. However, the Government wants to impose a 15 man board with no limit to the number of public servants on the board and that the chairman be appointed from the Public Service.

Our amendments also call for leaving the authorized capital at $1 billion and restricting borrowing to ten times the actual money on hand in the form of paid-in capital and earned surplus. We would also seek to nullify the Government's proposed increase regarding the ceiling for loans and loan guarantees made to foreign countries from the present $2.5 billion to $10 billion.

The few minutes that I am allotted to speak do not permit me to go into greater detail regarding the inappropriatness of Bill C-110 and the EDC. Suffice it to say that much has been said and written concerning the Export Development Corporation. Many recommendations have been made for the betterment of EDC. The Economic Council report "Intervention and Efficiency" devotes a full chapter to the subject of export finance and the EDC.

As well, several reports of the Auditors General over the years have stressed the lack of financial management and control which they term weak and ineffective. The reports found confusion and unaccountability to be the most important problems of EDC and many of the other Crown corporations, which has certainly impaired the value of these agencies as instruments of public service.

All of us in this House are here to represent our constituents in all facets of federal jurisdiction. It is important for us to ensure that our taxpayers are receiving good value for their tax dollars. This must be preserved at all costs if we as Members are to justify our being here in the first place, if we are to do our job diligently and effectively. We will be serving our constituents and our taxpayers as all of us should be serving and carrying on our responsibilities as Members of Parliament by refusing to compromise our responsibility. We can do that by not letting this Bill pass in its present form.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this happens to be a day in my life which I would like to mention because it relates to the Government of the day and the performance of Members of Parliament. Thirty-one years ago today, at about this hour, I was concluding a political campaign to get myself elected, along with my colleagues, to the provincial Legislature of the Province of New Brunswick. It was a successful campaign. I had the pleasure, which I have not enjoyed since, of being part of a Government of the Province of New Brunswick which was fiscally responsible and which for the eight years of its term of office reduced the net debt of the Province on an annual basis. that is a claim which this Government certainly cannot make. Nor has it been an objective of this Government that it be fiscally responsible.

This is another Bill which indicates that this Government is not concerned about money. It may well be that it is a hidden instrument to attain some of the objectionable objectives of this Government. I am concerned about the fiscal responsibility of nations and the private banking system when I consider the debt which has been approved by nations which have no hope of paying, whether they be Poland, Argentina, Mexico, Brazil or whatever. There seems to be little likelihood that those accounts will be paid in full in view of the projections of the world economy as they are being made today.

● (1740)

What will be the consequence of the failure by any of these to honour their bills? What will be the consequence of their failure to pay interest down the road? What will be the consequence of their failure to pay capital down the road? What happens? It has been a long while since we have seen a government go bankrupt. In the 1930s, it was necessary for the federal Government to bail Provinces out and assist them to finance. Are we now in this milieu of economic misfortune, about to face again the possibility that governments can go broke? If so, what is the consequence?

I wonder what the policy objective of this Bill is because as yet it has not been mentioned specifically. The policy in general is that we will export more and therefore we will create more jobs, but let us take a look at where these exports might possibly be directed and, what is more, where the credit may be directed.

I do not think it is improper to ask of the Government, "Is this to be the instrument by which we may, without public approval and without approval of the House, find ourselves extending aid to the North-South program which has been so thoroughly espoused by the Prime Minister (Mr. Trudeau) and the people on that side of the House?" Is this to be the instrument whereby, in spite of the public asking for fiscal responsibility, we may now conceal the spending of public money directly or money borrowed for which the public is directly responsible? Can we be using that money to extend loans to people in the North-South structure of this land?

The maximum amount that is available to the Crown corporation is considered to be $50 billion or perhaps $60 billion, depending on who estimates its needs. Some of this money is to be provided by Government and some of it is to be made available through the opportunity to borrow with the Government guarantees.

I ask you, Mr. Speaker, if it be the Cabinet decision to make the loan, are we now setting this nation up to give money to, for instance, Cuba? Are we going to give Cuba perhaps $4 billion, $5 billion? It would not be unusual to find ourselves in that position in view of the Prime Minister's approach to, and sympathy for, the communist world. It would not be unusual or impossible for us to assume that under the cover of darkness and behind the secret curtains, the directorate of this corporation might very well choose to lend large sums of money or to extend large sums of export credit to countries such as Cuba under the guise that it is in the best interests of the North-South dialogue and the accomplishment of that policy within this nation alone.

Again, when I reflect on fiscal responsibility, I wonder what this could do to the country. It is this reason among others which makes me ask that the Government come forward and let the accounts of this corporation be examined by elected people. As was pointed out by the last speaker, there is a board over which the Prime Minister (Mr. Trudeau) has absolutely total control. Basically, the chairman has had control of the meetings of boards of directors of Crown corporations, particularly when the stock was 100 percent owned by the Government as it is in this instance. Now, however, we are going to supplement the chairman's control, and that goes to the point that he can refuse to accept the vote of his committee in its decision-making process.

We now will have a board with a four-to-one ratio of public employees to private members. The responsibility of a public employee is to please his employer. The public employees on this board will not confront the Government with a decision which is not satisfactory to the Cabinet. This is for two reasons; first, because they must please the employer, which is the Government of the day, and second, because they do not want to get fired. They do not want to be contradicted by Cabinet which can overrule them. Therefore, the control is totally in the hands of the Prime Minister.

The likelihood that the Cabinet would have to overrule the board of directors is remote, provided that the board of directors knows the will of Government, and they shall certainly know it. The Government will see to it that they are completely and totally familiar with what is the wish of Government in respect of a particular loan.

This then becomes a bad Bill which does not reflect fiscal responsibility by the Government, nor does it reflect any possibility of the public knowing what goes on. As I have said, my initiation to Government was in a fiscally-responsible provincial Government. At the present time I find myself in an environment in which fiscal responsibility is just not considered desirable in respect of the accomplishment of the political objectives of a crew of elected members who think they have a halo over their heads and a right to govern and to hell with the public and its better interests.

I want to know, Mr. Speaker, if we are going to use this Bill as a negotiating instrument at all. When we do extend credit to help Governments and nations and peoples of those nations, are we going to use this to try to overcome some of the unfavourable trade situations in which we find ourselves? I think I must return again to the agricultural picture. I recall an instance when I happened to be asked to go into the storage room of the dining room of this House of Commons. Among other things which I saw there were canned fruit salads from two nations. One of those products arrived from overseas at a cost less than our cost of packaging and processing the product. That would leave nothing for the producer of some of the fruits which could have been incorporated in that mixture.

If we are to go into the world of trade with $50 billion, do we have the pledge of the Government that we will try to negotiate a better position for our agricultural producers? The agricultural producers of the land find themselves now marketing in Canadian markets which are open to virtually the world at prices which are not relative to our cost of production. Are we then going to try to negotiate some trade opportunities which will be supported by our export credit extensions? Will the Minister of Agriculture (Mr. Whelan) participate in this and help our farming community?

What is the purpose of this Bill? Is it for North-South relations and a blind way to spend money with nobody knowing? Is it the instrument by which we will get better trade

deals with other countries of the world to help the farmers, the fishermen, the manufacturers and the foresters? Why the secrecy? Why does the Government not come forward, Mr. Speaker? The people of the nation need to know these things if they are to spend this many billions of dollars under a blanket where nobody can see it.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have been present for most of the day listening to the debate. I cannot help but say a few words about some of the things that have been said.

When we are talking about this Bill to amend the Export Development Act, what are we talking about? We are talking about giving the Export Development Corporation authority so that it can compete with the other countries of the world.

The Hon. Member from the other side who last spoke said that this might lead to aid to Cuba. Surely to God he knows that Cuba is one of the oldest buyers of seed potatoes from New Brunswick. For 50 years, Cuba has bought seed potatoes from New Brunswick. It bought potatoes even before the present régime in Cuba, and it continues to buy potatoes. This year it will be one of the biggest buyers of seed potatoes from New Brunswick and Prince Edward Island because of the inspection system that we have. A delegation from Cuba visited Prince Edward Island to see what we are doing there and to make sure that our potatoes are safe to use. We used the Export Development Corporation to export those potatoes. The Minister of Agriculture of that Province welcomed that delegation. Cuba has paid for everything it has ever bought from us and it has a good record. Is the Hon. Member suggesting that we should stop sales of seed potatoes to Cuba? It sounded like that because he was saying that country was friendly to the Prime Minister (Mr. Trudeau). I was in Cuba just recently. We have sold Cuba more cattle and swine than any other Latin American country. All their Holstein breeding stock came from Canada and their purebred swine, that are now producing one million hogs per year, all came from good, Canadian private enterprise farms. Does the Hon. Member suggest that we should not trade with Cuba?

● (1750)

Let us look at what the United States is doing to get markets around the world. It is giving free credit and all kinds of things—no payment for three years, etc. Hon. Members must understand that it is a very competitive, hurly-burly world out there, and if we do not deal with it in the same way as other countries, we will not even be involved in trade.

With all the gimmicks that the United States has used its agricultural exports went down about 12 per cent last year whereas ours went up 12 per cent. It was one of the biggest years for grain sales—29 million tonnes, the most we have ever sold in the export market. We exported more cattle than ever last year as well, but gloom and doom is all we hear from Hon. Members opposite.

I do not say, Mr. Speaker, that all these things are due to things I have done to help people by travelling around the world and opening doors for them, and that kind of thing—I will do that for the good of the country any time.

Mr. Nielsen: What did you do with that cow on the lawn this morning?

Mr. Whelan: In one year, Cuba buys from Canada about $342 million worth of agricultural products. But we buy from Cuba, although to hear Hon. Members opposite, you would not think trade was a two-way street. The Premier of British Columbia is going to send a Mr. Harvey and someone called Gordon overseas. He is spending about $1 million to try to increase British Columbia exports to Europe. Ontario is going to get into the export business as well because the Premier says producers are not selling hard enough. That Legislature is not in session yet but the Premier is allocating another $1 million for Denis and people to travel around the world to try to sell products. Everyone says that trade is important, but in essence Hon. Members opposite are saying that it is not all that important.

Let us look at some of the things that are being done in Saskatchewan. The former Minister of Agriculture of that Province has taken on a new job as Minister for International Trade. I asked him if he was getting rid of his Crown corporation and he said, "No way, Gene. I just sold" He did not mention Bulgaria as the Hon. Member who spoke ahead of me did. That is a socialist-communist country. He used his Crown corporation to sell several hundreds of head of purebred beef cattle and he used that terrible thing, a Crown corporation, to do it! Can you imagine how dastardly people become when they talk about these things sometimes, Mr. Speaker. In essence they are saying "Don't do as I do, do as I say."

In Saskatchewan there is a special Minister just to look after a Crown corporation called Crop Insurance. The federal Government puts $56 million into that fund and the Province matches that amount. The Minister fired the manager who had been there since 1972, and now he is going to be sued for $400,000. That is one of the best run crop insurance programs in Canada. The federal Government spent about $168 million in Saskatchewan last year and the Province spent about $68 million, and yet the Province has the money to go into the international world and trade.

Mr. Neil: They have to, to survive.

Mr. Whelan: The Hon. Member for Moose Jaw (Mr. Neil) says that they have to because we are not doing it. Canagrex is a Crown corporation, and the Auditor General commended me and the Department of Agriculture for proposing it and for the control that it has. We accepted amendments from the Opposition to make it subject to public scrutiny so that it would come before Parliament with its budget. I have not heard anyone opposite say a word about that today. It is the ideal thing that Crown corporations should be scrutinized by the Auditor General; that he should be able to walk in and examine the books anytime he wants to. Hon. Members opposite talk about Government spending not being open to scrutiny, but in all the times I have attended the Agriculture Committee, no questions

about expenditures of the Department have gone unanswered. We are not big spenders—the officials and myself run a pretty tight ship. It has a pretty good crew with not a bad captain, if I may say so, as humbly as I can.

Some Hon. Members: Hear, hear!

Mr. Nielsen: You are going to go down with your ship.

Mr. Whelan: When we talk of expenditures we should make a comparison between California and Ontario, perhaps. The population of California is nearly as big as the population of Canada, but Ontario's population is only one-third that of California. But who spends the most money, Mr. Speaker? Good old Tory Ontario. If Hon. Members opposite would check provincial expenditures they would see that proportionately, they are greatest in the Provinces. The Provinces use Crown corporations. And who started the CNR? Who started the Canadian Wheat Board? Who started the Canadian Broadcasting Corporation? The good old Tory Party, yet today they speak about the horrible Liberals who created Crown corporations.

I am sure the Member from Prince Edward Island was not serious when he spoke about expenditures. Does he want me to cancel that $18 million veterinary college in Prince Edward Island and all the other programs to assist agriculture? They amount to nearly 90 per cent of the total economy of Prince Edward Island. Does he suggest we stop that? He would not dare suggest it in Prince Edward Island—even his Leader would not suggest that we cut back those expenditures in the Maritime Provinces.

Mr. Deputy Speaker: Order, please. I am sure the Hon. Minister realizes that his remarks should be addressed to the Chair. The time allotted to the Minister has expired.

Some Hon. Members: Go ahead.

Mr. Deputy Speaker: He has unanimous consent to extend his remarks.

Mr. Whelan: Mr. Speaker, I heard a Member from Calgary say that he was on the municipal council for ten years. I was in municipal politics, Mr. Speaker, and I administered budgets. I also administered the budget of the big co-operative that I was president of for 16 years before I came to the House of Commons.

Mr. Deputy Speaker: With all due respect to the Hon. Minister—

The Hon. Member for Elgin (Mr. Wise).

Mr. Wise: Mr. Speaker, do I gather that the Minister has concluded his remarks?

Mr. Deputy Speaker: There was unanimous consent for the Minister to extend his remarks. I gather that the Minister chose to terminate his remarks.

An Hon. Member: Give us another load, Gene.

Mr. Deputy Speaker: I was rising to draw to the attention of the Minister that remarks should be addressed to the Chair and that there is such a thing as a rule of relevance.

Mr. Wise: Mr. Speaker, I have a point of order. I want to assure you that the only purpose of my interjection was to find out whether the Minister of Agriculture would entertain a question?

• (1800)

Mr. Whelan: I just want to say to the Hon. Member from Calgary that I know a little bit about Calgary, because the first time I worked in Alberta I was about 18 years of age and I can remember how Calgary grew. I know it had good administration—

Mr. Deputy Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL DEFENCE—SOVIET AIRCRAFT INTRUSIONS. (B) MEETING OF INTERNATIONAL CIVIL AVIATION ORGANIZATION

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, as a result of the heinous attack by a Soviet jet fighter on a Korean Airlines 747 with the loss of 269 lives, I asked the Government on September 15 whether it intended to initiate measures at the International Civil Aviation Organization to establish new international agreements on procedures regarding sovereign airspace intrusions, including mandatory visual identification and central command control, before action by a sovereign nation, in order to prevent further tragic loss of life and further destabilization of an already tense international climate.

I am pleased that the Minister of National Defence (Mr. Blais), in his first response in his new portfolio, demonstrated enough integrity to bring my representation to the attention of the Minister of Transport (Mr. Axworthy) as he promised. I am also extremely pleased to see that the Minister of Transport took my suggestion and on September 20 proposed that ICAO draft a convention expanding and strengthening the international rules of interception. I commend the Minister on recognizing such an important initiative in this crucial matter of rules governing sovereign airspace. A new international convention needs to be established to strictly govern the interception of civilian aircraft and prevent hostile acts by military aircraft. The convention must have teeth to ensure respect for and compliance with its procedures.

This entire issue has a broader scope to it, that of east-west relations and the nature of the Soviet Union. The only surprise in the destruction of the Korean Boeing 747 and the taking of 269 innocent civilian lives, should be that the Soviets grossly miscalculated international public and governmental response to the incident. This incident, and the decisions taken, are indicative that the Soviet decision-making process may be becoming increasingly under the influence of the Soviet military establishment. For at least the past three decades the elite of Soviet youth have been channelled into the military. While the older intellectual and power-broker mandarins still remain in ultimate control, Andropov has yet to consolidate the traditional authority vested in his office.

The next generation of leadership of the power-brokers in the Soviet Union may be emerging from within the new and younger military establishment. Therefore, in dealing with the Soviet Union it must be recognized that: first, the Soviet Union has an inherent paranoia and a collective inferiority complex regarding its own security as a result of a history of having its territory overrun and overwhelmed by foreign powers; second, the newly emerging Soviet establishment through internal education and experience, has had limited access to and limited understanding of western values; and third, this new establishment has its own set of values based on a tight, closed, technocratic and totalitarian view of itself and of the individual's relationship and role within the state.

Negotiating from the rule of law and good faith alone is not sufficient in order to deal with barbaric power-brokers whose uncivilized values allow the unleashing of unrepentant forces of destruction against innocent unarmed commercial civil aviation in a supposed time of peace. We must not allow this massacre to pass without the reparations of concrete and meaningful international agreements to further stabilize and assure the peace of the international community. It is with this perspective and approach to the issue one must also look to guarding the sovereign integrity of both Canadian and NORAD airspace.

• (1805)

The Minister of National Defence in response to my question regarding the 77 Soviet incursions into NORAD airspace so far this year, indicated that the premise of my question was not accurate in that "there has not been any entry within Canadian airspace by any Russian aircraft" but that there had been incursions into the Canadian Air Defence Identification Zone. I am fully aware of this. NORAD airspace of course includes the CADIZ as well as the Great Britain-Iceland-Greenland gap and the Defence Early Warning Identification Zone (DEWIZ) in our northern Territories. The DEWIZ has not yet been violated by Soviet aircraft; that we know of. I appreciate that the Minister is new to his post, and I am grateful that he took time to be briefed on this important issue. His response, however, revealed that he possesses the facts without the benefit of comprehension of the subtlety the question involved and which regrettably caused him to misrepresent and distort the premise of my inquiry.

The comprehensive facts remain that Canada is less able to secure national sovereignty at the present time than ever before, and that given the increasing militarization and aggressiveness of the Soviet Union, the Government should honour its commitments to NATO by entering into a bilateral program with the United States to update the efficacy of the northern warning program, as well as bringing our defence spending up to speed, above the level of countries other than Luxemburg, by meeting our 3 per cent GNP commitment to NATO. For the Soviet Union, being a superpower means never showing weakness. The need not to display weakness explains why the Soviets shot the plane down in the first place.

The Soviet Union has perpetuated "the superpower myth", that the two superpowers are equal and therefore equally malevolent. Many people in democratic nations are seduced by this double standard and the continual KGB disinformation campaigns. By accusing KAL Flight 007 of spying, the Soviets are engaging in a game of beggaring the question. The point here is that 269 civilian lives were systematically liquidated by a political system which puts a different value on human life than we in western democracies do. We must understand that different value system and undertake measures to secure our value system from the excesses of another.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I wish personally, to congratulate the Hon. Member for Fraser Valley West (Mr. Wenman) on his appointment as co-defence critic. I look forward to hearing constructive questions from him in the future knowing his interest in subjects of a military nature.

I believe the Minister, in his response on September 15, answered the Hon. Member's questions thoroughly. However, it is worth repeating some of the points the Minister made, especially concerning the nature of Soviet military aircraft activity off Canada's east coast. Soviet military aircraft, primarily long-range Maritime patrol aircraft, en route between the Soviet Union and Cuba, occasionally intrude into Canada's Air Defence Identification Zone known as CADIZ off the east coast. The zone is international, not sovereign Canadian airspace, which is defined as that area 19.3 kilometres from the shoreline.

Canadian Forces interceptors are scrambled to identify, observe and escort intruding Soviet military aircraft out of the zone. However, it is worth underlining that there have been no intrusions of Soviet military aircraft in Canadian sovereign airspace. The photographs the Hon. Member has seen in the press were taken on such missions.

With regard to the U.S. Government's intention to upgrade the DEW Line, this information has been common knowledge for some time. Indeed, discussions between Canada and the U.S. on the modernization of the NORAD system have been going on for some time and formal negotiations are now underway between the Department of National Defence and the U.S. Department of Defence, with a view to determining how best to upgrade all component systems, not just the DEW Line, making up the air defence capability of both countries on this continent.

● (1810)

In closing, I would like to remind the Hon. Member that the rules of engagement for the interception by military aircraft are in the public domain and that special rules and regulations governing interceptions under NORAD are, for the most part, classified but follow a commonsense, careful and cautious approach.

The Hon. Member is aware that Canada is taking a leading role at the International Civil Aviation Organization meeting in Montreal and has proposed that practical measures be adopted which would govern the interception of civilian planes and prohibit criminal acts by military aircraft. The Minister of National Defence (Mr. Blais) has consulted with the Minister of Transport (Mr. Axworthy) on these issues because of the obvious interest of this Department.

The assembly of the International Civil Aviation Organization is currently considering the recommendations made by the Canadian delegation to this assembly.

FINANCE—INDEXED SECURITY INVESTMENT PLAN. (B) GOVERNMENT POLICY ON TAX CHANGES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on September 19 last, I had occasion to ask a question of the Minister of State for Finance with respect to the introduction of the Indexed Security Investment Plan.

It was announced in the budget of April 19, that that plan would commence on October 1 next. Indeed on September 7, the Minister stated in a press release that although the ISIP Program would not commence until October 1, 1983, it is important to notify prospective administrators and participants of these changes in the April draft legislation that may be of interest to them. He also stated that he intends to make a further revised draft of legislation public as soon as possible.

I had asked the question because this indexed Investment Security Plan is one of the Most dramatic changes to our Income Tax Act since the tax reform of 1971. In effect, the concept of this plan is that those who invest in stocks traded on the stock market, publicly traded shares, will be able to put those shares in a plan that will index the capital gains and index the losses. Taxes will be paid on the indexed gain. In other words, after inflation is taken into account they will pay taxes on the gain but only the real gain, not the inflationary gain. The real gain may be very small. They will pay half rate taxes on the real gain.

Under this system they are also entitled to deduct their real losses. The losses can be deducted from any income source, not just at the rate of $2,000 a year. The effect is that of those who trade in publicly traded shares and use the Indexed Security Investment Plan, the rich, capable, wealthy, the big traders and those who have lots of money will not pay capital gains tax the way we pay capital gains tax. We will have to pay tax on inflationary gains but these people will be privileged.

The system will be introduced on October 1 without this House of Commons ever seeing the legislation. The Minister of Revenue (Mr. Bussières) announced details of the information that administrators of the ISIP Plan will be required to report to Revenue Canada. While reporting forms are yet to be finalized, it is expected they will be similar to existing T4 and T5 reporting forms. In other words, this procedure is in motion and ready to go. The administrators of the plan and the big brokerage houses such as Pitfield MacKay and Wood Gundy will know about it but the House of Commons will not know about it. We will not be told what the legislation is all about. It is in Justice right now. Mr. Redden in the Minister's department cannot give us the material. After all we are only Members of Parliament. This is a massive income tax change and what does the Minister of State say? "I would add, however, it is our intention to bring forward the legislation as rapidly as possible." Well, isn't that nice. This is one of the most dramatic changes in the Income Tax Act, a change that is not necessarily unanimously accepted in the investment community. I would point out that Lyman MacInnis, a senior partner of Touche Ross & Partners calls the ISIP:

● (1815)

—a hell of a lot of bureaucratic machinery giving the benefit to investors who least need help.

Let me emphasize that; it is giving the benefit to investors who least need help. Patricia Johnston of the organization for small business has said that if we are going to do this for the big fat cats, we had better do something for individual owners of shares in privately held companies. We better do something for landowners, farmers and fishermen too.

The system is going ahead. It will be in place on October 1 as far as the investment community is concerned. The forms will be out to them, possibly or possibly not. The regulations will be in their hands, possibly or possibly not. But for sure they will not be in our hands. This House of Commons will not have dealt with the matter. Indeed, the Bill will not even have been introduced.

What we have been calling for is parliamentary control over the taxing system and the borrowing system. We cannot as Members on this side accept this attitude from this Government.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I believe the Indexed Security Investment Plan and the process which the Liberal Government has followed in relation to it is a model for good development of important tax changes. Let me say right at the beginning, if the Hon. Member for Mississauga South (Mr. Blenkarn) is not informed about this plan then he should be ashamed to cash his pay cheque. He claims to be a finance critic yet somehow he has not been able to read a Green Paper that was issued 18 months ago, or listen to the recommendations of the Lortie Commission which came in a year ago, or read the recommendations that were contained in the budget of the Minister of Finance (Mr. Lalonde) last April, or read the proposals in a detailed Ways and Means Motion filed last

April, or read a September 7 press release which came out while he was away galavanting on his holidays, or indeed, listen to the feedback that comes from investors who are very supportive.

This legislation has been suggested, debated and virtually written by the very taxpayers and investment community it should serve. New ideas are, of course, going to come forward in the next few days in the form of draft legislation. October 1 is the Government target date for that. These new ideas as announced in the September 7 press release will contain some technical changes.

These changes are a result of consultation. In this case consultation with the Toronto Stock Exchange Options Committee, a group I think we want to listen to, even if the Hon. Member does not think we should be talking to them. I believe a new open consultative budget process has been put into play over the last two years. We saw it prior to the April budget when the Minister of Finance spoke to every possible interest group he could find. The applause for that budget reflected the widespread consultation that he carried out. We saw it with the federal sales tax proposal, with the charities proposals and with a myriad of other proposals of the Government. The Indexed Security Investment Plan is a result of open government. The Hon. Member for Mississauga South should look for ways to take part in that positive process.

● (1820)

VETERANS AFFAIRS—REQUEST THAT ANNUAL REPORT OF DEPARTMENT BE TABLED. (B) ORGANIZATIONS' APPEARANCES BEFORE STANDING COMMITTEE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on June 16, I directed a question to the Minister of Veterans Affairs (Mr. Campbell) asking when he was planning to table the annual report of the Department, or any other report dealing with the Department of Veterans Affairs in order that we could obtain an order of reference to enable the Standing Committee on Veterans Affairs to meet. To date nothing has been tabled, and the Standing Committee on Veterans Affairs is still not able to meet.

Many recommendations and suggestions by various veterans' organizations should be discussed with a view to implementing such legislation. Veterans are still encountering many difficulties. The more years that pass without any solutions to these problems, the more serious their situation will become. Not meeting to discuss what can be done to assist veterans only makes it appear that the Government is not concerned with their hardships. Perhaps the Minister should glance at the "Last Post" in the Legion magazine. He will see that we lose more of our veterans every day, and the majority of these people and their families have not received what they should in recognition of what they have done for our country.

I have letters from veterans organizations requesting the opportunity to appear before the Committee. The National Council of Veterans Associations in Canada indicated a wish to submit a brief dealing with the basic rate of pension, the aging veterans program, and the continuation of pensions to widows at the married rate for one year following the death of the pensioners.

The Council would also like to furnish the views of the 13 member associations to the Committee regarding the Department of Veterans Affairs and its agencies. We in the Progressive Conservative Party feel there are many shortfalls in the present legislation, and we feel there is a definite need for the Committee to meet so that we may develop answers to overcome the shortfalls.

The Royal Canadian Legion also made recommendations which should be looked into. It has made suggestions regarding the aging veterans program, war veterans allowance interest exemption, Canadian war veterans living outside of Canada and others. If the Minister took time to consider them, I am sure he would agree that these ideas would if implemented be of significant value to veterans.

I am sure, the Minister is aware that because of constantly changing conditions legislation that works for today may not be suitable for tomorrow. I believe we should be able to make amendments to legislation quickly and easily so that those veterans being affected will not be forced to suffer. For this reason we should always have available an order of reference enabling us to meet when necessary to discuss what we can do to assist our veterans.

I further believe that now is a necessary time to meet particularly when there are so many issues which need to be addressed by the Committee and, most important, since the Committee Chairman was contacted directly asking that the opportunity be given to organizations such as the National Council of Veterans Association to appear. With the Royal Canadian Legion, the National Council of Veterans Association and 13 member associations ready to appear before the Committee with recommendations which would be beneficial to the welfare of veterans, surely the Minister will waste no more time in tabling the report immediately so that veterans can begin enjoying what they have earned.

On June 6, 1983 I informed the House that my Conservative colleagues and I feel that veterans deserve better treatment and that a step toward their receiving better treatment would be to amend the War Veterans Allowance Act as quickly as possible. We therefore requested that the Act be revised on the return of the House in September, providing ample time for the Minister and his Department to draft the necessary changes to the legislation. The reply received was that the review was making good progress and the Minister anticipated that legislative proposals would be ready for consideration either in the fall or next spring.

Needless to say, we and thousands of veterans are still waiting. It seems that veterans are always made to wait. They are forced to wait for improvements to legislation, just as they are forced to wait for their pensions. I realize the Minister has stated the delay in processing pension applications has been significantly reduced. However, if my Private Member's Bill, Bill C-641, an Act to amend the Pension Act, was adopted by the House veterans would have one less thing to wait for.

● (1825)

My Bill would impose a 90 day limit at the initial stage and a 45 day limit at each of the two levels in the appeal process. If a decision was not made within any of those periods, the applicant would be automatically awarded the full amount claimed by him. We are certainly not at a loss for veterans issues to be discussed in committee. I therefore recommend that the Minister table the report so that we can get right down to business and begin improving the conditions for veterans.

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, in reply to this question directed to us in the adjournment debate; a question that was directed to the Minister of Veterans Affairs (Mr. Campbell) by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) on June 16, 1983, concerning the annual report of the Department, I wish to advise the House that the report will be ready for tabling between the end of October and the middle of November.

In addition to the comments of the Minister at the time on the issue of Indian veterans, I wish to add that the Minister has met with both the Alberta Indian Veterans Association and Saskatchewan Indian Veterans Association and he has heard their concerns. I would like to state also that following consultations between native representatives and departmental officials, Indian veterans have been invited to bring individual complaints to the attention of the Department of Veterans Affairs. That is the subject of the question that was posed. A mechanism has been established to investigate and respond to every complaint so presented. Also, the Department has identified counsellor positions where the basic requirements would include a good knowledge of the native culture. Five such positions are now staffed by counsellors with a native background.

While the Minister has offered his support to the Indian veteran organizations, he has had to tell them that Veterans Affairs has no authority to make funds available to support their activities. They have been referred to other Government agencies which provide funding to certain organizations.

In closing, I would like to reiterate the Minister's rejection of the Hon. Member's assertion of a breakdown in communications between the Chairman of the Standing Committee on Veterans Affairs and the various veterans organizations regarding their appearance before the committee. As the Hon. Member knows, or should know, it has always been the practice of the Chairman and Members of the Standing Committee on Veterans Affairs to meet with any organizations that wishes to appear before the Committee.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6:27 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, September 23, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FARM CREDIT CORPORATION

CALL FOR EXPANSION OF CREDIT

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, farmers in Canada listening to the debates in this House on Bill C-110, an Act to amend the Export Development Act, are perplexed and angry with the priorities which the Government holds. Providing the Export Development Corporation with a credit of $62 billion is a bewildering contradiction for the farmer who seeks Farm Credit Corporation assistance, only to be told that the Corporation has no funds.

The EDC legislation proposed by the Government permits the extension of credit at below market rates of interest in order to promote trade, and this suggests to Canadian farmers that the same type of consideration should be made available to them.

If the Government of Algeria is deserving of a $100 million loan at 7 per cent, 10 per cent less than the cost to Canadian taxpayers of borrowing that money, and the purpose of that loan is to construct a monument to Marxism, Canadian farmers rightly ask, "Why is money not available to us through the Farm Credit Corporation for infinitely more legitimate purposes and, when it is available, why are we not given concessionary interest rates such as are available to offshore customers?"

Surely if the Government of Canada considers that Canadian exports require the type of financial commitment which Bill C-110 provides, it is not too much to suggest that agriculture, the largest job creator in the nation, should be deserving of equal treatment.

* * *

WESTERN GRAIN STABILIZATION ACT

DEMAND FOR PAYMENTS TO FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, many western Canadian grain producers are facing critical financial problems. Some farmers in my constituency of Brandon-Souris have told me that if they do not receive payments soon from the Western Grain Stabilization Program, it could be the last straw. They could go bankrupt.

One would think that the Stabilization Program, to which each farmer contributed up to $1,200 this year, would have the flexibility to make payments when the payments are needed most. And in fact the program is in a very good position to do so. There is more than $800 million in the fund now. By April, 1984, there will be close to $1 billion in the fund. That is the most money the fund has ever contained in its history. However, the final decision has not yet been made on whether there will be a payment for crops seeded in 1982, and here it is September, 1983. Western grain farmers need the money now.

I urge the Minister of Agriculture (Mr. Whelan) to consider basing the calculation on a three-year rather than a five-year average so that the calculation reflects up to date conditions. As well, there is no justification for a 12-month delay, or even longer, between the time the crops are taken off and the time the payments are made. As it now stands, the program, despite all its money, does little to stabilize the western grain production industry.

We need a revised Grain Stabilization Program and, even more, we need a new Government, a Government that cares about the Canadian farmer.

* * *

EMPLOYMENT

FORECAST OF JOB OPPORTUNITIES IN HAMILTON

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, yesterday in the House the Hon. Member for Hamilton Mountain (Mr. Deans) commented on the possibility of further employee cutbacks at Stelco Inc. in Hamilton. The possibility of these lay-offs is a matter of very serious concern to me, but I am also concerned that in isolating this one company's employment situation from the rest of the Hamilton community, a negative image about the city of Hamilton could be generated.

I would like to point out that a recent survey of companies across the country by Manpower Temporary Services of Toronto indicated that Hamilton, with an anticipated hiring increase of 35.7 per cent, has the brightest outlook for job opportunities for the final quarter of this year of all other communities in Canada.

In addition, unemployment in the Hamilton-Wentworth region has declined substantially since January, 1983, from 16.7 per cent of the population to 11.1 per cent this month. This decrease is due in part to job-creation projects and other

measures, such as ILAP assistance to Firestone Canada Limited, put into motion by the federal Government. This level of unemployment is still unacceptably high, but the figures indicate a substantial trend toward increased hiring in the Hamilton area.

I would also like to point out that in order to provide a substantial boost to Hamilton's steel mills and related industries, it would be in the city's best interest, as well as in the best interest of the nation, for the House to pass into law the Government's Bill C-155 which would amend the Crowsnest Pass freight rate and assist in expanding the rail network in western Canada.

* * *

VIA RAIL

MINISTER URGED TO RESTORE AND IMPROVE SERVICES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I think almost all Members of this House welcome the apparent willingness of the new Minister of Transport (Mr. Axworthy) to reconsider the abandonment of 20 per cent of Canada's passenger rail system which his predecessor ordered in 1981. I know that in western Canada people who travel to or from places like Rivers, Melville, Watrous, Saskatoon and Biggar, et cetera, will be hoping for reinstatement of service on the northern transcontinental route, as they, like everybody else, know that the system put in place in 1981 was ill designed and is not working. I am thinking in particular of the train that now runs from Winnipeg to Regina to Saskatoon.

I also urge the Minister to bring forward a VIA Rail Canada Act so that passenger rail service and VIA itself would no longer be at the whim of Orders-in-Council and so that there might be more genuine accountability to Parliament.

I also urge him to expedite changes in the costing order arrangement that VIA has with the railways and which has proved such a burden. Finally, I urge him not just to restore former things but to think and act imaginatively about the various ways in which passenger rail service could be used and encouraged in an energy conscious future.

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POLITICAL PARTIES

LEADERSHIP VACANCY IN MANITOBA LIBERAL PARTY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, the Manitoba Liberal Party has been leaderless for 15 months, and no one wants the job. With record high unemployment caused by this disreputable government, you would think the vacancy would be quickly filled, but not so.

The Manitoba Liberal Party is looking for a naive millionaire who is supposed to bankroll the Liberals. This position calls for someone with just the right qualifications. It requires someone who believes in the sleazy and discriminatory politics of the Liberal Party, who enjoys seeing Canadians paying through the nose for Liberal errors, who can mislead the public, and, of course, who has a sense of direction so that investment can continue to be pointed south of the border. I am pleased to announce that I have two persons in mind who have these qualifications, plus, namely, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the Hon. Member for St. Boniface (Mr. Bockstael). May the best man, or should I say the worst man, win.

* * *

NORTHERN AFFAIRS

CALL FOR REMISSION OF SALES TAX

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, we are all well aware of the way in which the present income tax system discriminates against residents of northern Canada, but another tax problem which acts to the detriment of the few northern manufacturers has not received such widespread publicity. If an article is manufactured in the south, say at a cost of $100, and then transported to the North at an additional cost of $100, the final cost will be $200, plus federal sales tax levied only on the first $100, for a total of $209. If, however, the same article was manufactured in the North, the cost including transport of materials and the additional costs of northern operation, would likely be $200. Federal sales tax would then be levied on the full $200 to bring the total cost to $218. Therefore it is evident that the federal sales tax works to the disadvantage of the northern manufacturer compared with his southern competitor.

• (1110)

The solution which ought to be implemented is for the granting of partial sales tax remission for certain northern firms, in the same way that customs duties are frequently remitted for many southern firms when they can demonstrate undue hardships.

* * *

STATUS OF WOMEN

ANNUAL MARCH TO PROTEST VIOLENCE AND PORNOGRAPHY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, tonight women in Ottawa, as well as in 43 other Canadian cities and cities throughout the United States and Europe, will be marching through the streets. The purpose of this annual march is to demonstrate concern about the very high levels of violence against women in our society. This violence takes many forms. Once every 17 minutes a woman is raped in Canada. Domestic violence or wife battering is far too prevalent, with shelters for victims nonexistent or underfunded in many areas. Women continue to be degraded in violent pornographic depictions, in videotapes and magazines. At work women are frequently the victims of sexual harassment.

As Jean Frances, organizer of the Ottawa march, has stated:

We're protesting everything from the sleazy eyeball, to catcalls, to actually being pushed around, to rape. It is totally unacceptable that women cannot walk through the streets safely.

While it is only women who will be marching tonight, it is important that all of us, men and women, associate ourselves with the objectives of these women for a safe society in which they do not feel threatened by violence. The cry of these women tonight will be: "Women take back the night." We are proud today to join these women in that call.

* * *

EXTERNAL AFFAIRS

BOOK PUBLISHED BY MEMBER FOR EDMONTON SOUTH

Mr. Al MacBain (Niagara Falls): Mr. Speaker, yesterday saw the publication of a very thoughtful book entitled, "Politicians for Peace", by the Hon. Member for Edmonton South (Mr. Roche). It reviews the excellent work of the group known as the Parliamentarians for World Order, which includes Members from both sides of the House. In view of the regrettable inferences made about the Hon. Member for Edmonton South by the official external affairs critic for the Tory Party in an interview in *The Globe and Mail* earlier this week, I would like to suggest that he read his colleague's book in an effort to maintain the balance which Canadians expect of their political spokesmen in international affairs.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

OECD FORECAST OF CANADIAN YOUTH UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Employment and Immigration and the Minister of Finance, I will direct my question to the Minister of State for Finance. The Minister will know that a report from the OECD yesterday identified the unemployment rate in Canada into the eighties at 12 per cent, but singled out youth unemployment at an unacceptable level over the next two years of 22 per cent. Can the Minister, on behalf of the Government, tell the House what it intends to do about this unacceptable rate of youth unemployment other than the cosmetics of setting up a new bureaucracy?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member referred to a report of the OECD with regard to unemployment predictions in Canada. He overlooked the fact that the OECD is the same organization which only a very short time ago noted, in terms of growth, that the Canadian recovery is the strongest among the seven major industrialized countries. The same organization noted that inflation has dropped more rapidly and that job creation has grown more rapidly in Canada than in any of the OECD industrialized countries.

In those circumstances the Hon. Member opposite should realize that the opportunity for employment is growing in Canada, as noted by the leading Canadian economists surveyed by the Conference Board in their report the other day. It drew attention to the fact that unemployment rates in Canada in 1984 will be at 11.2 per cent, lower than the OECD estimate and even lower than our original forecast in the budget. I am sure the short-term measures which the Government has put in place to deal with the problem of youth unemployment are having an immediate beneficial effect.

• (1115)

More important, over the longer term, the budget provisions and other supplementary measures that the Government has undertaken will help to make the private sector the principal generator of jobs for young people as well as for older people.

RATE OF JOB CREATION

Hon. James A. McGrath (St. John's East): Mr. Speaker, perhaps the Minister can explain to the House how it was that new employment dropped by 75 per cent in August, according to the last data received from Statistics Canada. Perhaps he can also explain what new programs he is talking about. We have advocated putting in place an employment tax credit program which, I might say, has also been recommended in a new report from a task force of the Department of Employment and Immigration on skill development leave. Unless the Government recognizes the severity of the youth employment problem, all we can suggest is that the Government looks upon this group as the untouchables of Canada, a situation that we in this House find unacceptable.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member overlooks the fact that we in Canada have had a rapid increase in our economic growth during the last two quarters which, at an annual rate, would be a remarkable 7 per cent. While none of us anticipate that that rapid growth will continue at those levels, we can be certain that, for the remainder of this year and well into 1984, the sustainable economic growth will be considerably more than that which we forecast in the April budget. That being so, benefits in terms of youth employment will be present in the increased activities of the private sector as much as in the public.

We have, in the public sector, as the Hon. Member may recall, instituted a number of measures for young people in particular. The internships, job corps, extended youth training programs, many of which have been noted at some length by my colleague, the Minister of Employment and Immigration, are obviously having a beneficial effect in the short term. In the longer term the economic recovery, spurred on by the measures we have put in place to help the private sector create the long-term jobs necessary to match the number of young

people coming on to the job market, are also having a very beneficial effect.

YOUNG PEOPLE ON WELFARE

Hon. James A. McGrath (St. John's East): Mr. Speaker, the Minister speaks of job creation for young people in the short term. He is not aware, of course, of a study released in June by Employment and Immigration, entitled "Strategic Policy and Planning", which states, "The prospects for an improvement in youth employment during the remainder of the year are bleak." That fact was confirmed yesterday by the OECD. Today half the people on welfare in the Ottawa-Carleton area, this very region, are young people under the age of 25. That is a scandalous situation which the Government refuses to address. The Minister should wait for the question. Is the Government prepared to address the problem of youth unemployment as one of the most serious social questions facing this country today, and at least bring in employment tax credits?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I had some difficulty in discerning the question. I am glad that the Hon. Member finally came to it. The OECD study to which he refers is based on statistics up to the end of the first quarter of 1983. The statistical material that has since become available, both to this Government and private sector economists, as reflected in the Conference Board material to which I referred the Hon. Member a few moments ago, has indicated a higher rate of job creation in Canada than had been anticipated. Indeed, over 55 per cent of the jobs lost during the period of recession have been recovered. We have created a net number of new jobs of over 325,000, during the recent period, obviously including jobs for young people. In addition to the job creation that I have mentioned, we have put in place a number of programs that are of immediate benefit to young people.

I do not take second place to the Hon. Member opposite for one moment in my concern for youth unemployment in this country, nor does this Government. That concern and the commitment to create jobs for young people will be seen in the combination of public sector initiatives, short-term initiatives that we have put in place, and the longer term initiatives to stimulate permanent jobs in the private sector.

* * *

● (1120)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FORMER PRESIDENT OF MEXICO

Mr. Deputy Speaker: Order. May I call to the attention of the House the presence of a distinguished visitor in our gallery, Sr. Luis Echeverria-Alvarez, the former President of Mexico and Director General of the Centre for Economic and Social Studies in the Third World.

Some Hon. Members: Hear, hear!

[*Translation*]

EMPLOYMENT

RECOMMENDATIONS MADE CONCERNING YOUTH UNEMPLOYMENT IN QUEBEC

Mr. John Bosley (Don Valley West): Mr. Speaker, my question is directed to the same Minister and concerns the situation in Quebec, where the unemployment rate among young people is higher than the national average, which means that 157,000 young Quebecers are out of work.

Could the Minister inform the House what suggestions he has received from the 74 Liberal Members from Quebec or have they remained silent on this problem as well?

[*English*]

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite should know that the members of this Party who are from Quebec are as active and committed to the welfare of their constituents, including young people, as any Members of Parliament could possibly be. Many of the Hon. Members from Quebec have emphasized the problems facing young Canadians today when seeking employment. They have taken an active part in designing and developing the initiatives of which I spoke earlier. They have come forward with a variety of ideas pertaining to their own constituencies in particular, which are also of great benefit to job creation for all Canadians, including those in Quebec.

[*Translation*]

Mr. John Bosley (Don Valley-West): I have a supplementary, Mr. Speaker.

The Minister said that the Liberal backbenchers do have suggestions, and I would like to know what they are.

Would the Minister have us believe that the only solution offered by Liberal backbenchers is to create a new bureaucracy and a few dozen jobs for young people? In that case, what about the remaining hundreds of thousands of young Quebecers who are out of work and who have nothing to expect from this Government?

[*English*]

Mr. MacLaren: Mr. Speaker, I am not quite sure of the thrust of the question asked by the Hon. Member opposite but the fact is that our members from Quebec have joined with other members and have participated actively in our caucus discussions and in discussions within the Party about such initiatives as those which led to the training facilities of the Armed Forces being made available to young Canadians for periods of service in the Armed Forces. They have contributed actively to the design of various job-creation programs during the summer months. They participated in the discussions which have led to local initiatives of a kind that can benefit the young people in the Province of Quebec as well as elsewhere.

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT—REQUEST FOR STATEMENT BY PRIME MINISTER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Prime Minister and is supplementary on the matter of youth unemployment. I would like to ask the Prime Minister, as he is a former university professor, whether he has had a chance to talk to young people or visit any campuses, colleges, or retraining centres this year. Has he seen that our young people seem to be in double jeopardy? They are turning to the colleges and universities because the rate of youth unemployment is over 20 per cent, and then some of them find that they are shut out, that they cannot get into these facilities.

I would like to ask the Prime Minister about the OECD report. It is not the first report. I released the Government's own report this summer, called "The Rocky Road to 1990". I would like to ask the Prime Minister if he will make a personal statement indicating that youth unemployment in Canada today is the Government's highest priority.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member would just have to look at the figures that are in the estimates and the figures given by the Minister of Finance. In this year we have devoted more than $1 billion to solving the problem of youth unemployment. That is up from some $822 million that was in last year's budget. I think that is a self-evident answer which indicates that we are giving it the highest priority.

● (1125)

Mr. Waddell: Mr. Speaker, we have checked the figures. If you look at the figures for ten years ago and consider the rate of unemployment today, and measure in constant dollars, you will see that the Government was spending more money in 1972 on short-term job creation than it is spending now.

OECD WARNING OF SOCIAL DISCONTENT

Mr. Ian Waddell (Vancouver-Kingsway): Would the Prime Minister agree with the OECD report which suggests that frustration and apathy among young people could lead to social discontent? Would he not acknowledge that the possibility of social discontent is perhaps as dangerous to western democracy as are the Soviet missiles and other things on which we are concentrating?

Would the Prime Minister declare war, literally declare war, on youth unemployment?

Mr. Deputy Speaker: The Hon. Member should ask a single supplementary question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do agree that it is in danger of creating social discontent. It is creating social discontent and many other uncertainties in the minds of young people. That is why we have increased spending for the creation of jobs for youth. We have increased it by 25 per cent this year over last year.

Mr. Waddell: Look at 1972.

* * *

INCOME TAX

DEPARTMENT'S TREATMENT OF TAXPAYERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is addressed to the Minister of National Revenue. Two days ago the Canadian Chamber of Commerce delivered a brief to the Minister and his Cabinet colleagues in which it made the following charge:

> —there appears to be a significant growth in the number of frivolous or poorly based assessments, often issued without the benefit of discussion with the taxpayer. In addition, the collection officers then insist on the payment of the tax owing, even though it might be obvious on a cursory review that the assessment will be reversed on appeal.

Has the Minister investigated this very serious charge and given strict instructions to his officials that there is no room for bully boy tactics, and that Canadian taxpayers are to be treated with civility and respect and not as criminals?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the answer is yes. Our concern at the Department of National Revenue is to ensure that taxpayers who owe taxes pay them and that those who are responsible for ensuring that taxes are paid in full and that the tax burden does not fall on other taxpayers, do so in a civil manner, with a view to helping taxpayers complete their tax returns properly.

[*English*]

Mr. Beatty: Mr. Speaker, nobody disputes the right of the Government to collect taxes owed to it. The point is whether the Government has a presumption of guilt on the part of the taxpayers and requires them to prove their innocence, and whether its tactics have been fair.

REPORTED GROWTH IN NON-CASH BARTER TRANSACTIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I want to ask the Minister about another allegation made by the Canadian Chamber of Commerce. It claims that the growing complexity of the Canadian tax system is driving increasing numbers of Canadian taxpayers into the underground economy. Has the Minister investigated that allegation? What steps is the Government prepared to take to make Canada's tax system comprehensible to Canadian taxpayers once again?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to point out to the Hon. Member that the complexity of Canada's tax system is related to the many

benefits the Income Tax Act provides for Canadian taxpayers. If, for instance, we had no child tax credit or business incentives like the measures introduced in his last budget by the Minister of Finance, and if we just had a flat rate for all Canadian taxpayers, it would be very easy to complete a tax return and to pay any tax owing to the Government. However, if that were the case, we would not have, within our tax system here in Canada, a set of measures aimed at creating jobs, encouraging businesses to invest in areas where economic development is critical, measures to help people in need, people on fixed incomes, and also measures to help mothers with children in single parent families to obtain substantial amounts from the Government of Canada, thus redistributing wealth within the country and helping people improve their standard of living.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLOCATION OF RESOURCES TO SECURITY SERVICE AND INVESTIGATION OF TERRORISTS

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Solicitor General. Will the Minister confirm that the human and technical resources of the RCMP Security Service have been both diverted and diluted from the threat posed by the Soviet Union to our national security, to the following of suspected Armenian terrorists or Nazi war criminals? Second, how did we get into a situation where we have to rob Peter to pay Paul?

● (1130)

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member is referring to reports in the media in the last few hours, and I certainly am glad to have the opportunity to comment on that. The war criminals activities within the RCMP come under the resources of the Criminal Investigations Branch. No resources have been transferred from the Security Service for that purpose. It is a normal criminal investigation operation.

Within the Security Service operation, I am very pleased to be able to inform the Hon. Member, the reports he read were wrong with respect to the reduction of resources in the counter intelligence division, which is the one which deals with unacceptable diplomatic behaviour of an espionage nature. In fact the resources in that particular division, on my direction to the Security Service, have not been reduced. They have been increased.

It is true, and I mentioned this before the Senate committee, that resources allocated to counter terrorism, which would include the anti-Turkish terrorists, have also been increased. The Hon. Member may want to ask, if two divisions have been increased, then which have been decreased—the Peter-Paul business. I regret to inform him, but I am sure he would agree with me, that it would not be in the interest of national security to indicate which areas of activity of the Security Service of the RCMP have been decreased.

The Hon. Member may also be interested to know that extra resources, in general, within the RCMP, manpower resources, have been freed up, because a couple of years ago Provinces asked us to prepare and train new RCMP officers at the depot to serve under provincial police contracts, and during the last several months a number of Provinces have cancelled the request which they made to take these RCMP officers. Therefore, in general, across the force we have officers whom we were training to work in provincial contracts who are now not available. I recently went to Treasury Board and arranged a transfer of those person-years from the RCMP provincial contracts to the federal contracts.

* * *

FEDERAL BUSINESS DEVELOPMENT BANK

LENDING POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, all Members of the House will be aware that the recovery will be led by and large by job creation and activity from the small business sector. In the absence of the Minister of Finance my question is directed to the Minister of State for Small Businesses. Is the Minister aware that one Canadian bank today, while lending millions of dollars to the small business community over the past number of years, has in place a policy, and has terminated all lending in one Province of Canada? Is the Minister aware of that situation?

Mr. Fisher: What bank?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, I would be happy to hear from the Hon. Member what bank it is. Because of this Government's commitment to the small business sector, we have in place the Small Businesses Loans Act, which last year made over 17,000 loans to small businesses. I believe that is a pretty clear indicator of the commitment of this Government to the small business sector of our economy.

NON-ALLOCATION OF FUNDS TO PROJECTS ON INDIAN RESERVES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I would like to draw to the attention of the Minister of State for Small Businesses that the Canadian ban to which I refer is the Federal Business Development Bank. It is the Canadian Government's bank which, in the Province of British Columbia, over the years has loaned out millions of dollars to small businesses which locate their activities in industrial parks on Indian reserves. However, in 1982 and 1983 not a single dollar has been loaned to these businesses. The Department was alerted to this problem many months ago. What has the Minister done about it? Or has he sat on his hands and done nothing? Why does this problem continue today?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have arranged a meeting with the president of the FBDB and some of his officials next week. I can assure the Hon. Member that I will be reviewing these matters at that time.

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ENVIRONMENTAL AFFAIRS

ANNOUNCED CLOSURE OF WATERLOO-WELLINGTON WEATHER OFFICE

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister will be aware of the widespread opposition to the July 8 announcement that the Waterloo-Wellington weather office will be closed in March of 1985. This opposition has come from regional government sources, municipal governments, farm groups, and the airport commission. Has the Minister, since taking over that portfolio, had the opportunity to review this decision?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the matter is one which has been brought to my attention in recent weeks. Representations have also been made to me by Hon. Members on this side of the House as well as by other Hon. Members. I am reviewing the situation, and I hope to be able to give a precise answer in a short while.

REQUEST THAT MINISTER HOLD DISCUSSIONS

Mr. Walter McLean (Waterloo): Mr. Speaker, the Minister will know that the Kitchener-Waterloo-Wellington County area has a unique climate, different from Toronto, Hamilton, and London. Last year there were 48,000 calls, half of those from farmers. This decision has an impact on the airport improvement plan. Will the Minister not only review it but make a commitment to come to the area and talk to the sectors which are affected by this decision which was made by his Department?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I would be glad to adopt the line of policy which the Hon. Member is recommending, if it were coupled with a policy decision on the part of his front benchers to increase Government expenditures.

* * *

THE ECONOMY

REQUEST FOR ALL-EMBRACIVE POLICY

Mr. Scott Fennell (Ontario): Mr. Speaker, unemployment in this country, and the responsibility for it, sit squarely on the shoulders of a government which has been in power for the last 15 years. When is this Government going to follow the lead of such countries as Sweden, France, Germany and Japan, and come up with a total economic policy so that people will have faith in Canada, will find jobs in Canada, and continue to be successful in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure why the Hon. Member insists on looking at other countries for comparison. As the Minister of State responsible for finance said earlier, jobs are growing faster in Canada than in any other country the Hon. Member has mentioned.

Mr. Crosbie: That is a figment of your imagination.

Mr. Trudeau: This is recognized even by the OECD figures. The Hon. Member can also look at the budget figures themselves when we set aside some $4.8 billion in order to create jobs.

Mr. Crosbie: Part-time jobs.

Mr. Trudeau: Well, the Hon. Member from St. John's West has a part-time job. It will end, we hope, within the next year.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: Why do you not come down and run there?

Mr. Trudeau: This is not the case of the jobs we create in Canada. We have been creating jobs at the rate of some 35,000 to 40,000 a month for the past nine months. Mr. Speaker, I would think this is an indication of good, strong, solid growth. Obviously it will have to continue, and it will only continue if Canadians have confidence in their economy and do not follow the lead of the Conservatives who have no confidence in the future of the economy.

ROBOT TECHNOLOGY

Mr. Scott Fennell (Ontario): Mr. Speaker, the Prime Minister refers to partisan, patchwork jobs. I want to make a recommendation to him.

• (1140)

Spar Aerospace has developed the most highly technical robot in the world—

Mr. Deputy Speaker: Order, please. The Hon. Member has been given a supplementary question and he should ask the question.

Mr. Fennell: Mr. Speaker, is the Prime Minister aware that we have the technology, that Canadians could be building robots when there is going to be such a tremendous demand between now and 1990?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The Minister of State for Science and Technology has made many statements on the importance of science and technology in our future development. He made a submission to the Macdonald Commission where that was explained at

some length, and I would commend the reading of it to the Hon. Member.

However, I would suggest, Mr. Speaker, that rather than being concerned about high technology in the future, they should look at present technology, the railways, for instance. They should realize there are going to be bottlenecks in the railways, particularly in the West, by 1985 if there is not a massive upgrading of the rail system. They should look at the Bill before the House on the Crow and realize that the Government is anxious to commit some $3.8 billion for upgrading the railways. It will lever some $16 billion from the private sector in upgrading the railways. Yet we see nothing but procrastination from the two Opposition parties in the passing of this Bill which has been before the House many months.

* * *

IMMIGRATION

TERMS OF EMPLOYMENT PERMIT ISSUED TO AUSTRALIAN

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Minister of Employment and Immigration and his Parliamentary Secretary, I will address my question to the Prime Minister.

As the Minister knows, from a letter sent to him dated September 9, the Canadian Association of Motion Pictures and Electronic Recording Artists, Local 81, senior officers of the Department of Immigration at the end of July directed that an employment permit be issued to Peter Moss of Australia to enter Canada for the purpose of working for six weeks for the Partners Film Company. Since immigration regulations on April 6, 1982, require that offers of employment and employment authorizations for foreign entertainers specify the jobs to be done when a foreign entertainer is permitted entry, will the Prime Minister tell the House why in this case the offer of employment and employment authorization to Mr. Moss failed to specify the jobs he is permitted to do while in Canada, and gave him blanket permission to take any job offers he pleases while in Canada?

Mr. Deputy Speaker: I suggest to the Hon. Member that a question of this nature might be better placed on the Order Paper, given the degree of detail requested. However, if the Minister wishes to reply, he may do so.

The Hon. Member for St. John's West.

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FISHERIES

NEWFOUNDLAND INDUSTRY—NEGOTIATION OF FEDERAL-PROVINCIAL AGREEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Prime Minister who will know that the unemployment problem in Canada is a serious one. If he does not know it from his Minister of Finance, he should know it from the OECD report, which gives the latest figures for the seven major industrial countries and which shows Canada's record as the worst.

Given that, and given the fact that Newfoundland has the heaviest unemployment in Canada, could the Prime Minister tell the House whether his Government and the Government of Newfoundland have entered into an agreement dealing with the fishery crisis in Newfoundland, or whether they may shortly be entering into an agreement, or just where that matter now stands?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do know that the Minister of Fisheries and Oceans on behalf of the federal Government did enter into an agreement with, I believe, the Minister of Fisheries for Newfoundland, but it was repudiated by the Premier. I understand there are now new discussions going on and that the matter is still being negotiated between the two Governments. I cannot report on the present state of those negotiations. I do know that the Minister of State for Economic Development was in Newfoundland a few days ago discussing the possibility of an ERDA Agreement, and progress is going along in that field. But in the matter of fisheries I am not quite sure where the matter presently stands.

REQUEST THAT AGREEMENT BE EXPEDITED

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I want to remind the Prime Minister it was reported by his Department of Employment that it is likely that 40 per cent of all the inshore fishermen of Newfoundland have not caught sufficient fish to be eligible for unemployment insurance this year. That is the magnitude of the crisis, and that was mentioned by another Member in the House several days ago.

In light of that and the fact that the fish plant at Trepassey, for example, owned by Fishery Products, is closed, and in light of the fact that the Bank of Nova Scotia has put the major offshore fishing companies of the Province in receivership at the urging of the Government of Canada, would the Prime Minister expedite any possible agreement there may now be with the Province? Could he promise the House he will have this matter checked out, and would it be possible for him to report to the House next week? There is a crisis in Newfoundland; half the population are unemployed and the other half have very little prospects.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, indeed there has been a crisis, particularly in the fishery in Newfoundland, for the past several months. That is why we were bitterly disappointed—

Mr. Crosbie: Exactly, and we want action.

Mr. Trudeau: We want action, too, Mr. Speaker. May I repeat to the Hon. Member for St. John's West that the Newfoundland Minister of Fisheries and the federal Minister

of Fisheries had signed an agreement which our Cabinet had accepted—

Mr. Crosbie: Which you repudiated.

Mr. Trudeau: —which was repudiated by the Premier. Therefore, if there is any hardship in the fisheries now, the Hon. Member can turn to the Premier and reproach him bitterly on the—

Mr. Crosbie: That is nonsense.

Mr. Trudeau: It is not nonsense, Mr. Speaker.

Mr. Crosbie: What about the present?

Mr. Trudeau: The Hon. Member says it is nonsense because it does not suit his partisan policies. But if he is interested in unemployment, particularly in the fisheries, he will ask himself why the Premier of his Province has repudiated the fisheries agreement—

Mr. Crosbie: Why don't you get briefed on what is happening now?

Mr. Trudeau: Yes. Mr. Speaker, the Hon. Member is not interested in the truth in this. He is interested in making points on the backs of the unemployed, and that is a miserable attitude.

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THE ECONOMY

RATE OF INFLATION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Prime Minister. Can he advise us why the decline in our inflation rate seems stalled at 5.5 per cent when the Americans continue to improve their performance and now have an inflation rate of only 2.4 per cent?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the first thing the Hon. Member should do is realize that the Canadian people collectively have brought inflation down in a year from something like 12 per cent to less than 6 per cent.

Mr. Crosbie: Who let it go up?

Mr. Trudeau: The six and five program this Government brought forward was successful.

Some Hon. Members: Hear, hear!

Mr. Trudeau: It was successful in spite of the bitter opposition of the Opposition parties. The objective was 6 per cent this year and 5 per cent next year. Those are the figures we are at now. We hope it will continue going down, but this will call for more than words from the Opposition. It will call for active support and, in particular, pressure on those Premiers who have not adopted the six and five program in their Provinces.

EFFECT OF GOVERNMENT RESTRAINT PROGRAM

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Prime Minister will know that six and five might have had some value when we had a 10 per cent inflation rate, but how can six and five today be anything but a floor on wage demands or price increases? Will the Prime Minister explain to this House how his six and five program is anything but encouragement for higher inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wonder if the Hon. Member should not be told what side is up when he talks about a floor. The fact is, as he recognized, inflation was at 12 per cent and that it seemed no mean feat to bring it down to six.

Mr. Crosbie: Who got it there?

Mr. Trudeau: It was brought down to 6 per cent and now to 5.5 per cent. Hopefully it will continue going down. But we in this House—

Mr. Crosbie: "Man-mountain" Trudeau wrestled it to the ground.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I have the loud mouth from St. John's, Mr. Speaker, trying to kibitz on an answer to a question his hon. colleague asked. I wish he would at least have the decency and respect for his colleague on the Opposition benches to listen to the answer.

Some Hon. Members: Hear, hear!

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PENSIONS

AMOUNT RECEIVED BY BRITISH PENSIONERS RESIDING IN CANADA

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. As he knows, there are some 40,000 persons in Canada who receive old age pensions from the British Government. However, since those pensions are not indexed to inflation most if not all of those seniors are suffering financial hardship. Could the Prime Minister tell the House whether he intends to raise this question with Prime Minister Thatcher when she is in the country next week with a view to pressing the British Prime Minister to enter into a reciprocal social security agreement with Canada?

• (1150)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the subject is one which I intend raising. It has been raised with me by the Minister of National Health and Welfare. She has made very strong representations that the matter be forwarded through me to the Prime Minister of Great Britain, and I will do so.

Oral Questions

SPOUSAL ENTITLEMENT TO CANADA PENSION PLAN CREDITS

Mr. Neil Young (Beaches): Mr. Speaker, last week the Canada Pensions Appeal Board ruled that the Government's policy of splitting divorced spouses' Canada Pension Plan credits was not enforceable in the courts. Will the Minister of National Health and Welfare advise the House whether she intends to bring forward measures which will give this policy the force of law so that all those women who have been misled will be able to receive what the Government has told them they are entitled to?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I think it is a little strong to speak of women who have been misled. We are reviewing the case in my Department now. But women were told to make a decision one way or the other as to their rights to credit splitting. Once they have decided not to have it and to forgo their right, you cannot say somebody misled them. We are looking into the matter. I have not reached a decision yet.

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ENERGY

RADIOACTIVE LAND FILL IN BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources, if I can pull him away from lobbying the caucus all morning.

Mr. Crosbie: How is it looking, Jean?

Mr. Chrétien: I will not collaborate with someone who says his own Leader lies.

Mr. Crosbie: The Prime Minister is getting nervous.

Mr. Friesen: If I can draw the Minister's attention to the responsibilities he has now rather than what he would like to have, in 1975 a company in my riding bought property from a company known as Fundy Chemical only to find out later on that the land fill on that site was low level radioactive land fill imported from somewhere else. Since 1976 my colleague from Fraser Valley West and I have been trying to get that landfill removed. Five years ago his predecessor wrote to me and said—

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member, but a question with the level of detail like this might better be placed on the Order Paper. If the Hon. Member wishes to pursue his question, could he please state it?

Mr. Friesen: Is the difficulty in removing that low level radioactive material from that landsite, which we have been trying to have accomplished for six years now, because the property was formerly owned by a defeated Liberal Member from Manitoba who foisted that land onto an innocent purchaser?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I do not feel too much pressure in the House. I have four shadows from the other side and in two weeks this is the second question and it is related to a problem that is five years old.

I can talk with my colleagues with a lot of ease. Also, I can assure the Hon. Member that, on our side, we will never do what the Member for St. John's West is doing these days, saying that his own Leader lies about the contributions to his funds for the campaign.

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NUCLEAR ARMAMENTS

STORAGE AT CANADIAN BASES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the Prime Minister. In February, 1981, two and one-half years ago, the Prime Minister said in the House that nuclear weapons would never be used by Canada's Armed Forces. If that is still Government policy, why are there still at least 55 nuclear tipped weapons stored in Canada at Chatham, New Brunswick, Bagotville, and Comox?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member knows that the purchase and deployment of F-18s will precisely have the result that I predicted. The F-18s will not be nuclear armed and the present airplanes are being phased out and replaced by the F-18s. The Hon. Member knows that.

If he is indignant about the fact that there are still some left, I wish he would lend more support to the effort we have made in the past to denuclearize our forces in NATO, which we have done in Europe and are finishing doing in Canada now.

Mr. Andre: If I am indignant about anything it is the fact that we have another case here where defence policy statements point in one direction and defence policy action in another.

GOVERNMENT POLICY

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the question is very simple. According to the Prime Minister we have had a policy for several years that even in the event of hostilities these nuclear missiles would not be put on Canadian airplanes. If that is our policy and has been for a number of years, why are there still today at least 55 nuclear missiles in Canada? Why are not the actions of the Government consistent with its stated policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am really bewildered by the Hon. Member's intent. We announced in the early 1970s that we were going to denuclearize our airplaines on the western front in Germany. We did that over a period of years. It has been done now for at least ten years, but it was not done overnight. In the case of

Canada, we announced the same policy and, as we announced it, we brought in the designs and acceptance of a new airplane, the F-18, which will not be armed with nuclear missiles. However, they take a little bit of time to build. I flew one personally last year, as the House will recall. They are being deployed now and they fly well. They are not armed with nuclear missiles and they will replace the ones that were armed with nuclear missiles.

This is going in the direction in which our policy said we would go. If the Hon. Member were really sincere in thinking that we would throw many dozens of planes away overnight and create new ones overnight, he is wrong. We never intended that. We just said that we would denuclearize our Armed Forces. We have been doing that, and have almost finished doing it.

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WESTERN GRAIN TRANSPORTATION ACT

PAYMENTS TO RAILROADS

Hon. Ron Huntington (Capilano): Mr. Speaker, I would like to return to the Prime Minister's allegation that constructive opposition to Bill C-155 is holding up $16 billion worth of investment, particularly $5.5 billion worth of investment in B.C., and 10,000 jobs. In view of the fact that early in 1982 the Prime Minister's government committed itself to the railroads for full compensatory rates on the 1982-83 grain crop movement, how can he continue to shovel out this twisted, misleading myth about the Opposition's responsible function as holding up progress in western Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is no myth. The Opposition has moved an amendment suggesting that the whole Bill be hoisted for three years.

Some Hon. Members: No.

Mr. Crosbie: Not true.

Mr. Trudeau: The jobs are needed now. The $16 billion and $20 billion are needed now. We have been attempting to get authority from the House to create those jobs. It is not tens of thousands of jobs, it is hundreds of thousands of jobs. It is $16 billion plus $3 billion and another half dozen billion dollars of indirect benefits from the Crow when it is passed. The railways are waiting for it. The shippers are waiting for it,—

Mr. Chrétien: The Government of B.C.

Mr. Trudeau: The Government of B.C. is waiting for it, as the Hon. Minister suggested. What we find is a Party with a Leader who is prepared to see the whole thing hoisted three years.

Mr. Nielsen: Nonsense. Rubbish.

Mr. Trudeau: The House Leader says nonsense, Mr. Speaker.

Mr. Nielsen: I said rubbish.

Mr. Trudeau: They have moved a motion saying that it be stood for three years.

Mr. Nielsen: Not the Bill.

Mr. Trudeau: Now if this is not what they want—

An Hon. Member: Not the Bill.

Mr. Trudeau: We want to spend the money, the railways want to invest the money, the workers need the jobs, the shippers need to put an end to the bottlenecks, and all that we have from the other side is indecision and, because they cannot make up their minds, they want to procrastinate three years.

Some Hon. Members: Hear, hear!

Mr. Huntington: A supplementary, Mr. Speaker.

Mr. Nielsen: A supplementary.

Mr. Deputy Speaker: The Hon. Member for Hamilton Mountain.

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UNEMPLOYMENT INSURANCE

REQUEST THAT BENEFITS BE EXTENDED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also addressed to the Prime Minister. The OECD says that the unemployment rate in Canada will be in excess of 12 per cent. It says, I think with some justification, that the youth unemployment rate will be in excess of 20 per cent. The Minister of Finance has indicated that unemployment will be in the order of 11.4 per cent in the coming year—

Mr. Deputy Speaker: Would the Hon. Member get to his question, please?

● (1200)

Mr. Deans: Yes, Mr. Speaker.

Whichever figure you want to choose, there will be a lot of people unemployed who will run out of UIC benefits this year. Will the Prime Minister undertake to increase or to improve the Unemployment Insurance Program in Canada to guarantee that those people who are unemployed through no fault of their own will receive sufficient benefits to meet their day-to-day commitments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this has been debated on various occasions in the House. The Minister has answered. We have no present plans to change the Unemployment Insurance Act in the way the Hon. Member suggests. Obviously, we would very much like to alleviate the burden and the misery of those who are unemployed. We are already putting billions of dollars to job creation in the budget. The scheme is working. We have been

creating jobs at a rate of 35,000 to 40,000 a month for the past nine months. There are still people who are unemployed.

Mr. Deans: 12 per cent are unemployed.

Mr. Trudeau: They will not cease being unemployed just by throwing another few billion dollars at them.

The Hon. Member would suggest that we enrich the unemployment insurance scheme. It was enriched by this Government in the last decade. It is now one of the richest schemes in any of the western nations. We do not have all the resources to make it the only recourse to those who have no jobs. We have on the one hand to find jobs for them and, on the other hand, we have to stimulate the economy. It is not the best way to stimulate the economy by putting more money into unemployment insurance.

Mr. Deputy Speaker: The Hon. Member for Capilano on a short supplementary to his previous question.

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WESTERN GRAIN TRANSPORTATION ACT

REQUEST THAT PAYMENTS BE REDIRECTED TO FARMERS

Hon. Ron Huntington (Capilano): Mr. Speaker, I would like to return to the reply which the Prime Minister gave to my question.

Mr. Nielsen: He misled the House.

Mr. Huntington: Why does the Prime Minister not come clean with the Canadian people and the people of western Canada, and admit that when he ordered the reversal of his former Minister of Transport's method of payment on the Crow he absolutely destroyed the future and the potential of western Canada and the grain basin? He benefits only the CPR, his pal, Mr. Ian Sinclair, and that is substantiated in the Wood-Gundy research report which shows that its earnings will increase $3.50 a share as a rsult of the Crow. Why does the Prime Minister not come clean?

Some Hon. Members: Order.

Mr. Deputy Speaker: Order, please. Will the Hon. Member put his question?

Mr. Huntington: Why does the Prime Minister not come clean with the people and redirect the initial payments back to the producers so that this country can start to grow once again? What is he trying to do to us?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is another astonishing statement. The Hon. Member seems to forget that it is his own Party, his own Members, and many institutions in the West, including the Pools, who opposed the Bill—

Mr. Huntington: You know better than that, Sir. Come up to date.

Mr. Trudeau: Is the Hon. Member telling me that his Party, and if it is true I would like to hear it from his Leader or his former Leader, that his Party would have supported the Bill as it was first introduced by our Minister, now Minister of State for External Relations, and that somehow the fight that was going on against it, the strong opposition to it in the West—

Mr. Huntington: Little pockets, and Quebec.

Mr. Trudeau: —and strong opposition to it in Central Canada were something that he knows nothing about? We changed the Bill, Mr. Speaker, in order to get more support for it. If we had had support from that side, and from the New Democratic Party, perhaps the Bill would have gone in its original form.

Mr. Deans: Split the Bill.

Mr. Trudeau: This is really strange. This is really a strange rewriting of history. We had a Bill before this House which now the Hon. Member speaks about with nostalgia. He did not support it then because we did not have enough support. We had to bring in some amendments which brought more support.

Mr. Huntington: Only from Quebec.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Big laughs. Now his Party is not saying it will support it if we go back to the original amendments. He is saying they will not do anything for three years. Let the Leader of that Tory Party stand up and say, "We will support the Bill as it was when Mr. Pepin brought it in." Let us hear him say that.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: They are very nervous over there and touchy. Watch out, Prime Minister. Yon Chrétien has a lean and hungry look.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Chair recognizes the Hon. Member for Yukon on a point of order.

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BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I have a question to raise because of some confusion arising from the projected business for today and yesterday's statement by the acting House Leader. First, may I welcome back the Government House

Leader. I hope he has totally recovered from his problems, physical, that is; I cannot wish him out of his political problems.

Yesterday as reported in *Hansard* at page 27387, the acting Government House Leader said:

—we will continue with Bill C-110, as we will tomorrow.

Meaning today. That theme, of course, is carried throughout the exchange that took place between the acting House Leader and myself yesterday. But we see in today's Projected Order of Business, as the second item of business, that we will be resuming debate on the motion of the Minister of Consumer and Corporate Affairs (Mrs. Erola) for second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-12, an Act respecting bankruptcy and insolvency.

It was our clear understanding yesterday that we would be proceeding with Bill C-110 today, but that if it were finished today we would be going on with Bill C-91, which was the indication by the acting Government House Leader. It was not that if we conclude Bill C-110 today we would be going on with Bill C-12. We are prepared to go on, should we complete Bill C-110 today, with Bill C-91, but not with Bill C-12.

Would the Government House Leader agree that was the projected order of business?

Mr. Pinard: Mr. Speaker, it is correct that we will be dealing with Bill C-110 today. Assuming that we terminate the report stage of Bill C-110 today, it is correct—because I witnessed my acting Minister on television saying so—that he said we were to study Bill C-91. I do not know if following his answer the Opposition House Leader had the opportunity to raise the matter again with my colleague. If that is not the case, we will certainly see that the Minister is prepared to resume debate on Bill C-91 today.

On Monday, though, we will go to Bill C-12 as announced yesterday. Since the chairman of the Committee will not be tabling the report with respect to Bill C-155 today, it will not be possible to deal with the report stage of that Bill before next Thursday. Next Tuesday we will resume debate on Bill C-110, assuming third reading is not passed today.

Mr. Nielsen: Mr. Speaker, if Bill C-110 is disposed of, what will be doing next Tuesday?

Mr. Pinard: Mr. Speaker, assuming that second reading stage of Bill C-12 is not completed on Monday, we will resume debate on Bill C-12. If Bill C-12 is dealt with completely during the one hour following noon on Monday, then, as announced, we will resume debate on Bill C-91.

If my hon. colleague asks what is next if Bill C-91 is dealt with, then I would be surprised, but I would welcome the good news just as I am happy to be back. I thank the Hon. Member for his good words at the beginning of his question.

Mr. Nielsen: Mr. Speaker, I thank the Government House leader for that clarification.

Point of Order—Mr. Nielsen

Mr. Deans: Mr. Speaker, I rise on the same point of order. Yesterday in the Government House Leader's absence, the acting House leader indicated to me that perhaps the Government House Leader would be able to indicate today upon his return what the Government's intention was with regard to Bill C-653. Is the Government House Leader now in a position to tell us whether that piece of legislation will be brought forward in any form during the course of the next week? Or for that matter, is it the Government's intention to meet what I understood to be a commitment to satisfy the requirements of many farmers in the country who are faced with bankruptcy?

• (1210)

Mr. Pinard: Mr. Speaker, I cannot deny that the Hon. Member may understand things in one way, but I am sure he will agree that we may have another understanding of certain facts. So far as the Bill to which he refers is concerned, I have to meet with the Minister of Consumer and Corporate Affairs, but in the meantime dealing with Bill C-12 will be a good step ahead in the sense of helping farmers and small business people with their problems. Perhaps the Hon. Member might consider giving swift and quick passage to Bill C-12. That might solve most of the problems.

Mr. Deans: Mr. Speaker, on the same point, yesterday the acting House leader raised with me whether or not we would be prepared to deal with Bill C-12 expeditiously through the particular stage it is at, and I said we would.

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POINT OF ORDER

MR. NIELSEN—S.O. 21 STATEMENTS

Hon. Erik Nielsen (Yukon): Mr. Speaker, my second point of order is also very brief. I have been noticing since our return a growing number of statements under Standing Order 21 being made by Members on all sides, but particularly today from the Government side and yesterday from the NDP, which cast aspersions or reflections either on other Members or on Members of the other place.

I just want to draw the attention of the Chair—and I am sure the Chair is aware of it—to Standing Order 39 which sets forth:

No Member shall speak disrespectfully of Her Majesty, nor of any of the Royal Family, nor of His Excellency or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof.

Also in support of my suggestion that the Chair might wish to pay closer attention to the contents of statements made under Standing Order 21, I refer to page 21873 of *Hansard* for Monday, January 17, 1983, when Madam Speaker was in the Chair discussing the application of the new experimental rules. She said:

There are two areas in particular where the discretion of the Chair will be a significant element in the successful operation of the provisional rules.

Further down the same column she said:

> The second area is the procedure, provided for in provisional Standing Order 21, which will enable Hon. Members other than Ministers to make statements of not more than one and a half minutes on matters of concern.

The important part appears on page 21874 of *Hansard* where Madam Speaker said:

> All questions raised must be on matters of concern, but they do not necessarily have to be matters of urgent and pressing necessity. The time set aside for Members' Statements should not be used to make personal attacks. I think that in the previous application of Standing Order 43, the Chair had to consider the content of the motion, but in this case, and in this particular form, Members are being given an opportunity to raise matters of concern. It is clear that personal attacks are not considered to be matters that should be raised and that are important, in the opinion of the House, at this point of the proceedings.

I am not pointing the finger at any specific side of the House, but respecting the practice of making personal references with respect to Members' conduct or statements, particularly in the other place where they do not have an opportunity to defend themselves in this place, I think the Chair might accept the suggestion that closer attention might be paid to stopping the practice in mid-air, as it were.

[*Translation*]

Mr. Pinard: Mr. Speaker, very briefly, I would say the Member for Yukon (Mr. Nielsen) is absolutely right, and I trust that his Party colleagues will observe the principles he has just mentioned, because often there is a tendency, especially in the Hon. Member's Party, to make personal attacks when criticizing actions or statements by other parliamentarians. This has occurred in the past and I am thinking of the times when certain Ministers were accused of lying and certain Members as well. I believe the principles he has emphasized this morning are entirely appropriate and that the message should be heard by all Members on both sides of the House, but especially by those who are sitting around the Hon. Member, considering the fact that in the past, and I repeat, they, and not Members on this side of the House, have tended to be guilty of this kind of attack. I wish to congratulate the Hon. Member on having brought this Standing Order to the attention of the Chair this morning, thereby emphasizing the rule of parliamentary procedure that actions or statements, not individuals themselves, may be attacked, and I would urge the Hon. Member to draw the attention of his colleagues to this rule at his caucus meeting next Wednesday.

[*English*]

Mr. Nielsen: Mr. Speaker, I am sorry the Government House Leader focused on Members of one particular Party. That is a matter which I scrupulously avoided in raising the point. But today it did occur. I could say that today it did occur on the other side and I could cite the Hon. Member for Niagara Falls (Mr. MacBain) who made disparaging remarks about a Member. Yesterday it was the Hon. Member for Broadview-Greenwood (Ms. McDonald) who made disparaging remarks about a Member of the other place.

I invite the House Leader to join with me in my request of the Chair that it pay closer attention to the application of Madam Speaker's correct interpretation of the operation of Standing Order 21 without attributing any specific responsibility on either side of the House. I think that on reflection he will agree that it not only occurs on that side and from the NDP but also on this side. I made that clear at the outset. It is just a practice I would like to see terminated.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I think the point is well taken. There has to be some care taken in ensuring that comments by Members at any time are comments directed either to the parliamentary process being undertaken or, at the very least, to the work of another Member or a Member of the other place, not directed at the Member personally.

There is a fine line, of course. It is awfully difficult for the Chair to draw that line when listening to statements since the Chair does not have the statements in advance. It would be extremely difficult under normal circumstances for the Chair to be in a position to make a very fast judgment on a statement which is only of 90 seconds duration. I think the practice could be better followed and the end result achieved if Hon. Members would exercise self-discipline.

Mr. Deputy Speaker: The matter raised has given concern to the Chair. The Hon. Member for Hamilton Mountain (Mr. Deans) made a valid point when he indicated that the Chair is in a difficult position; with a short statement things are said before the Chair is in a position to interrupt, since the period of time is so short. The Chair will make one observation: Hon. Members who offended the rule might have some difficulty getting the Chair's eye on future occasions.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Deputy Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, September 22, 1983, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. ANGUISH—RETENTION OF CROWSNEST PASS RATE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I have the honour to present a petition signed by residents of my area of Saskatchewan who indicate that they are concerned about Bill C-155 and its effect on agriculture in western Canada. They want the Crow rate to be maintained and at the same time see the necessity to upgrade the transpor-

tation system so that they have better transportation of their products to markets. Even in light of that, the Crow rate must be maintained.

* * *

• (1220)

LOUIS DAVID RIEL

MEASURE TO GRANT POSTHUMOUS PARDON

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-691, an Act to grant a pardon to Louis David Riel.

Some Hon. Members: Explain.

Mr. Yurko: Mr. Speaker, other Members in this House, particularly the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), would also have been very pleased to second this Bill.

The Parliament of Canada in 1885 committed a gross injustice that remains as a bloodstained blot on this institution. It hanged a man named Louis Riel against a plea of mercy by the jury involved and against pleas for clemency and a request for pardon by countless Canadians. Parliament could have prevented that hanging—

Mr. Deputy Speaker: Order. The Hon. Member is permitted a brief explanation of his Bill, not a major speech at this point. The Hon. Member may give a brief explanation of the purpose of the Bill.

Mr. Yurko: Mr. Speaker, this was a short introduction to the explanation of the Bill.

Mr. Deputy Speaker: The Hon. Member has ten seconds to explain the purpose of his Bill.

Mr. Yurko: This Bill intends after 98 years to grant a posthumous pardon to Louis Riel, a hero of western Canada, a hero of all Canada, a man revered from one end of the country to the other by stamps, statues, naming of roads, naming of institutions and so forth. I ask the House to support the Bill.

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Mr. Benjamin: Mr. Speaker, I rise on a point of order. It may even be a question of privilege. The Hon. Member for Edmonton East (Mr. Yurko) has introduced a Bill that is pretty well a duplicate of my Bill which has been on the Order Paper for five or six years. I resent the discourtesy of the Hon. Member in using someone else's legislation—

Mr. Deputy Speaker: Order. The Hon. Member may have a grievance. There will be another time and place in which to present that grievance, but at this stage does the Hon. Member for Edmonton East have leave to introduce his Bill?

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Mr. Yurko: Mr. Speaker, I rise on a point of order. I have taken the liberty of having this Bill printed and distributed in the House.

Mr. Deputy Speaker: Order. A point of order is not in order at this point.

Mr. Yurko: I have the right to ask the House for unanimous consent, as the House Leader on that side and the House Leader on this side have their opportunity. That is all I intend to do.

Mr. Deputy Speaker: If the Hon. Member is asking for unanimous consent for second reading of the Bill, that is all he has to say.

Mr. Yurko: That is what I intend to say, if you give me a chance.

Mr. Deputy Speaker: When shall the Bill be read a second time? Now?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: At the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,730, 4,751 (revised answer), 4,877 and 4,922.

[*Text*]

RENOVATION AND REDECORATION OF MINISTERS' OFFICES

Question No. 2,730—**Mr. Beatty:**

Since March 1, 1980, for each Cabinet Minister, what amount was spent on (a) renovating (b) redecorating his/her office in the (i) Department (ii) House of Commons?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council):

Order Paper Questions

Ministries	(a) Renovating (i) Department	(a) Renovating (ii) House of Commons	(b) Redecorating (i) Department	(b) Redecorating (ii) House of Commons
Canadian Wheat Board (see CWB Note)	$10,523	$1,011.96	$9,733.30	$15,414.14
Economic Development	—	—	246.00	—
Employment and Immigration	1,461	—	200.00	—
Energy, Mines and Resources	—	—	—	4,899.06
Environment	—	—	—	1,689.20
Finance	—	—	419.80	600.88
Fisheries and Oceans	4,115	—	—	—
Health and Welfare	—	—	7,308.26	61.94
Industry, Trade and Commerce	—	—	—	5,404.55
Small Businesses and Tourism	—	485	9,223.89	1,603.00
International Trade	—	—	985.73	1,352.00
Justice	—	—	—	252.00
Labour	—	—	—	8,108.04
Public Works	—	790	—	4,505.00

Note: Since March 1, 1980 through June 29, 1981, Public Works has spent the following amounts for renovating and redecorating the offices of the Prime Minister:

	—	1,326	—	30.00

For the same time period, Public Works carried out work in the Prime Minister's Office through the construction services revolving fund and was reimbursed by the Prime Minister's office. The amounts paid through the construction services revolving fund were:

	—	1,450	—	172.06
Secretary of State	5,449	—	239.00	—
Multiculturalism	1,603	—	—	—
Supply and Services	3,800	690	—	3,460.00
Treasury Board	—	—	260.00	—
Veterans Affairs	—	—	7,445.00	—

Other Ministries have no information on this subject.

CWB Note: The costs shown above are for the establishment of a new office and cover the complete decoration of offices in the Department and the Senate consequent upon the appointment of Minister of State for the Canadian Wheat Board.

COST OF NEWSPAPER ADVERTISEMENT

Question No. 4,751 (Revised)—**Mr. Munro (Esquimalt-Saanich):**

1. Was a full page, or nearly full page, advertisement placed in mid-March in a number of Canadian newspapers by the Department of Energy, Mines and Resources entitled "Petro-Canada Is Growing To Serve You Better" and with a centrepiece "BP Now, Petro-Canada" and, if so (*a*) what was the total cost (*b*) in which newspapers was it placed and how often in each (*c*) by newspaper, what amount did each placement cost?

2. (*a*) Who designed the advertisement (*b*) what was the design cost (*c*) what was the advertising agency's fee?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. No. However, in March of 1983, Petro-Canada Products Ltd. commissioned a series of advertisements designed to inform the public of the BP re-identification program.

(a) $368,452.45

(b) and (c)

Ontario

Newspaper	No. of Insertions	Cost per Insertion
Barrie Examiner	4	$ 350
The Belleville Intelligencer	4	360
Brampton Daily Times	4	330
Brantford Expositor	4	380
Brockville Recorder and Times	4	290
Cambridge Daily Reporter	4	350
Chatham Daily News	4	355
Cornwall Standard-Freeholder	4	395
Le Droit	4	1,993.17
Guelph Mercury	4	365
Kingston Whig-Standard	4	379
Kirkland Lake Northern Daily News	4	370
Kitchener-Waterloo Record	4	534
London Free Press	4	930
Niagara Falls Review	4	360
North Bay Nugget	4	300
Orillia Packet and Times	4	350
The Oshawa Times	4	375
Owen Sound Sun-Times	4	410
Pembroke Observer	4	370
Peterborough Examiner	4	360
Port Colborne News	2	550
St. Catharines Standard	4	500
St. Thomas Times-Journal	4	345
Sarnia Observer	4	380
Sault Ste. Marie Star	4	413

The Stratford Beacon-Herald	4	355
Sudbury Star	4	385
The Toronto Globe & Mail	3	13,077.53
The Toronto Star	3	15,997.84
The Toronto Sun	3	5,215
Walkerton Herald-Times	2	467.79
Welland-Port Colborne Tribune	4	355
The Windsor Star	4	715
Woodstock-Ingersoll Daily Sentinel Review	4	340
Burlington Post Smiths Falls Record News Strathroy Age-Dispatch	2 2 2	7,825.14 (combined total cost)
Hamilton Spectator The Ottawa Citizen	4 4	30,728.65 (combined total cost)
The Lindsay Post Simcoe Reformer	4 4	7,849.36 (combined total cost)

Quebec

Newspaper	No. of Insertions	Cost per Insertion
Beauce, Nouvelle	2	$ 450
Chicoutimi, Progrès-Dimanche	2	1,460
Courrier Frontenac	2	510
Le Devoir	3	1,799
L'Écho de la Tuque	2	450
Les Échos Abitibiens	2	450
L'Éclaireur Progrès	2	450
La Frontière	2	450
La Gatineau	2	450
Le Guide	2	190
Hull, Le Régional	2	600
Le Journal de Montréal	3	7,320
Lac Saint-Jean	2	450
The Montréal Gazette	3	8,621.90
Le Peuple Courrier	2	450
Le Pharillon	2	450
La Presse	3	7,422.13
Le Radar	2	450
Sherbrooke Record	4	1,071.61
Le Soleil	4	4,735.48
Le Touladi	2	450
La Voix de l'Est	4	1,012.49
La Voix Gaspésienne	2	450
Dimanche-Matin Dimanche Dernière Heure	2 2	7,704 (combined total cost)
Le Quotidien Le Journal de Québec	4 4	16,608 (combined total cost)
Sherbrooke, La Tribune La Nouvelliste	4 4	18,966.52 (combined total cost)

2. (a) Baker Lovick, Calgary, Alberta, (b) approximately $30,000, (c) the advertising agency's fee was a standard agency commission.

GREAT LAKES WATER QUALITY BOARD

Question No. 4,877—**Mr. Mazankowski:**

1. Is there a Great Lakes Water Quality Board under the International Joint Commission and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the government?

2. (a) What are the terms of reference of the Board (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Board publish in the fiscal year 1982-83?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Yes. The Great Lakes Water Quality Board is composed of an equal number of Canadian and American members appointed for a term of three years. At present there is one vacancy on the Canadian side and three appointments pending on the U.S. side. (a)(b)(i)(ii) See below.

(c) Salaries of Board members are not paid by the Board but are the responsibility of their respective employers.

Travel expenses of those members of the Board who are employees of federal, provincial or state Governments are paid by their respective employers. Travel expenses for other members of the Board are paid by the Board. No travel expenses were paid by the Board for members.

(d) No other direct funding is provided; however, certain secretariat costs, such as office supplies, stationery, etc., are covered by the regional office of the International Joint Commission.

2. (a) Pursuant to the 1978 Great Lakes Water Quality Agreement:

(1) The Governments of Canada and the United States on November 22, 1978, entered into an Agreement on Great Lakes Water Quality, herein referred to as the Agreement, a copy ot which is shown below. Said Agreement supersedes the Great Lakes Water Quality Agreement of April 15, 1972.

(2) By the terms of the Agreement, the Governments of Canada and the United States have assigned special responsibilities and functions to the International Joint Commission.

(3) To assist the Commission in the exercise of the functions, powers and responsibilities assigned to it under the Agreement, the Great Lakes Water Quality Board is designated the principal advisor to the Commission with regard to all such functions, powers and responsibilities (other than those functions and responsibilities related to research as set forth in the terms of reference for the Science Advisory Board). In addition, the Board shall carry out such other functions related to water quality within the Great Lakes System.

(b) Matters considered by the Great Lakes Water Quality Board: Drinking water and public health, recreational water quality, drinking water mutagenicity, immunotoxicity, surveillance and monitoring programs, environmental quality of the Great Lakes, phosphorus inputs and controls, pollution from dredging activities, status of the petroleum refinery industry in the Great Lakes basin, U.S. and Canadian abatement programs, effluent limitations, discharge trends, compliance, solid waste disposal, areas of concern in the Great Lakes basin*, toxic and non-conventional pollutants, oil spill prevention, self-monitoring inspection programs.

*Twenty-one areas were so identified: the St. Mary's River (Ontario-Michigan); the Fox River, Southern Green Bay and the Milwaukee Estuary (Wisconsin); Waukegan Harbour (Illinois); The Grant Calumet River and the Indiana Harbour Canal (Indiana); the Saginaw River system, Saginaw Bay (Michigan); the St. Clair River and Detroit River (Ontario-Michigan); Rouge River (Michigan); Raisin River (Michigan); Maumee River (Ohio); Black River (Ohio); Cuyahoga River (Ohio); Ashtabula River (Ohio); Buffalo River; Niagara River, Hamilton Harbour and the St. Lawrence River.

(c) There are no set number of times that the Board must meet in a given year; however, the Board has met five times in fiscal year 1982-83.

(d) In fiscal year 1982-83 the Board published three reports: 1. The Annual Report 2. A report on pollution abatement programs undertaken by the petroleum refinery industry in the Great Lakes region 3. An assessment on human effects on Great Lakes Water Quality.

Great Lakes Water Quality Board—Canadian Members

Mr. Howard L. Ferguson (Canadian Co-Chairman)
Acting Regional Director General
Environment Canada, Ontario Region
Toronto, Ontario
appointed April, 1982

Mr. E.T. Wagner
Regional Director
Inland Waters Directorate, Ontario Region
Burlington, Ontario
appointed December, 1980

Mr. J. R. Hickman
Director, Bureau of Chemical Hazards
Health & Welfare Canada
Ottawa, Ontario
appointed June, 1977

Mr. M. Jean Roy
Director General
Environment-Quebec
Quebec City, Quebec
appointed April 14, 1983

Mr. W. A. Steggles
Environmental & Technical Advisor to the Deputy Minister
Ontario Ministry of the Environment
Toronto, Ontario
appointed July, 1972

Dr. D. P. Dodge
Supervisor, Environmental Dynamics Section
Ontario Ministry of Natural Resources
Toronto, Ontario
appointed December, 1977

Mr. G. H. Mills
Director, West Central Region
Ontario Ministry of the Environment
Hamilton, Ontario
Alternate for D. P. Capli, effective April, 1982

Mr. K. J. Richards
Policy Officer
Secretariat for Resources Development
Toronto, Ontario
appointed December, 1980

Mr. P. S. Chamut
Director General, Ontario Region
Pacific & Fresh Water Fisheries
Burlington, Ontario
appointed Mach, 1983

Great Lakes Water Quality Board—United States Members

Mr. V. V. Adamkus (U.S. Co-Chairman)
Regional Administrator
U.S. EPA
Chicago, Illinois
appointed February, 1981

Mr. L. F. Wible
Administrator
Division of Environmental Standards
Wisconsin Dept. of Natural Resources
Madison, Wisconsin
appointment pending

Great Lakes Water Quality Board—United States Members

Mr. L. E. Richie Deputy Executive Director Minnesota Pollution Control Agency Roseville, Minnesota 55113	appointed July, 1982
Mr. P. W. Berger Admin. Asst. for Environmental Policy Office of the Governor Indianapolis, Indiana 46204	appointed November, 1982
Mr. R. M. Boardman Department of Environmental Resources Harrisburg, Pensylvania	appointment pending
Mr. E. F. Seebald Manager, Division of Pollution Control Illinois EPA Springfield, Illinois 62706	appointed October, 1982
Mr. D. M. Barolo Director, Division of Water NY State Dept. of Environmental Conservation Albany, New York 12233	appointed April, 1982
Mr. W. D. Marks Assistant Deputy Director Environmental Protection Bureau Lansing, Michigan 48909	appointed April, 1982
Mr. E. K. Rotering Chief, Division of Wastewater Pollution Control Ohio EPA Columbus, Ohio	appointment pending
Mr. P. C. Myers Chief, Soil Conservation Service U.S. Department of Agriculture Washington, D.C.	appointed July, 1982

EXPENSES OF PERSONS ON GILSON TASK FORCE

Question No. 4,922—**Mr. Althouse:**

1. With reference to the answer to Question No. 4,712, by individual or company, what was the total amount of (a) per diems, contract payments or fees (b) expenses paid to each person appointed to serve on task forces set up to do follow-up work on the Gilson proposals or to companies contracted to assist in this work?

2. For persons receiving travel expenses only (a) who received assistance (b) at what rate was assistance paid (c) what was the total amount of assistance provided to each individual?

Hon. Lloyd Axworthy (Minister of Transport):

	(a) Per diem or fees	(b) Expenses
1. Howard Falkenberg	$ 2,700.00	$ 3,282.20
Lorne Parker	2,100.00	1,230.85
William Cooper	3,150.00	3,032.67
Ken Stickland	11,400.00	6,000.00
Dr. D. Kraft	Nothing to date	Nothing to date
The IBI Group (Neil Irwin)	25,000.00	5,067.76
United Grain Growers (A. E. Berry)	Nil	2,660.00
Canola Crushers of Western Canada:		
(R. Broeska)	Nil	1,351.80
(M. Rothstein)	Nil	3,233.01

2. (a) United Grain Growers for A. E. Berry and Canola Crushers of Western Canada for R. Broeska and M. Rothstein.

(b) United Grain Growers—reimbursed for airfare only for A. E. Berry. Canola Crushers of Western Canada—reimbursed for travel expenses in accordance with Treasury Board Travel Directive for R. Broeska and M. Rothstein.

(c) See part 1 above.

[*Translation*]

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

[*English*]

Mr. Deputy Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed from Thursday, September 22, consideration of Bill C-110, an Act to amend the Export Development Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motions Nos. 6 and 8 (Mr. Blenkarn).

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I am grateful to have the opportunity today to contribute to the debate on the amendments which have been

proposed by my colleague for Mississauga South (Mr. Blenkarn). All of us in this House recognize the necessity of trade for Canada and the important role that the Export Development Corporation plays. We in this Party have no desire to undermine the EDC or prevent it from making its contribution to Canada's economic wellbeing.

It is difficult to see how several of the provisions in the Bill will substantially improve the ability of EDC to function. Instead, in our opinion the measures in this Bill, which we hope to amend, serve only to thwart Parliament's role.

As Members will recall, the Auditor General stated in his 1982 report that "Parliament is becoming further isolated from an increasing portion of Government activities". He also said that it is Parliament's "fundamental responsibility for overseeing receipts and expenditures of public funds". Most of us in this House take that responsibility very seriously, and this Government is making it increasingly difficult and frustrating for those of us who want to fulfil our responsibilities to the people who sent us here.

Bill C-110 is just another in a series of attempts by this Government to pursue its interventionist policies and philosophies at the expense of Canadians. Members will recall that the Canada Development Investment Corporation, the most dangerous Crown corporation yet, was formed without a single word of debate in the House of Commons. The Government now wants to have access to additional billions of dollars to do with as it sees fit, without having to inform Parliament of its intentions or to ask for our approval.

The measures in this Bill will further subvert Parliament's accountability. The Government is continuing to follow the examples it set with CDIC, Canadair, de Havilland and Consolidated Computer. By introducing measures such as this, the Government is attempting further to thwart the ability of Members of Parliament to control the purse strings. We are being asked to give the Members of the Cabinet and a board of directors, which could conceivably consist of 15 public servants, virtually a free hand to deal with billions of dollars. We have plenty of examples from the past and from other Crown corporations which would make the most charitable person wary of the monetary management abilities of this bunch.

Ironically, the Liberal Government no longer considers Parliament to be the central institution in the parliamentary system of democracy. Rather, it sees it as something to be avoided, a block in the path of its way to having its interventionist policies permeate everything. It looks upon Parliament not as the central institution of our democracy, but as an obstacle, a pain-in-the-neck, something which must be tolerated and, if at all possible, avoided.

A perfect example is the lack of willingness on the part of the Minister to entrench in legislation the need for a board of directors on the EDC to come from the private sector. The problems caused by having Government representatives on the board of directors have been well documented.

In his testimony before the Public Accounts Committee in the Canadair fiasco, former Liberal Cabinet Minister Jean-Pierre Goyer, the Vice-Chairman of Canadair, outlined some of these problems. For example, he pointed out that the public servant is subordinate to the Minister and must deal directly with him. His public servant status does not allow him the leverage he may need in dealing with the Minister in matters concerning the Crown corporation. In the case of EDC, this involves at least six public servants, and usually more. If the board members were more independent of the Cabinet, perhaps their opinion as to high-risk or abnormal transactions would be better respected by the Governor in Council.

● (1230)

It is difficult to understand why the Government is so anxious to increase the amount of outstanding funds available for authorization by the Governor in Council from $3.5 billion to $10 billion for insurance deals. It has as yet used less than half of the current $3.5 billion authorization. Does the Government have any plans in the near future for such a large sum of money? If so, I as one Member of Parliament would certainly be interested in hearing about those plans, as I am sure would everyone else on this side of the House.

Likewise, a jump of $7.5 billion in the funds available to Cabinet for authorizing loans and loan guarantees is quite exorbitant. It is very difficult to imagine the existence of that great an increase in demand for guarantees.

However, Mr. Speaker, all Members of this House are reasonable people. If there is such a demand for loans and guarantees and if providing for them would benefit Canadian exports and our economic position, I am certain we would willingly give our approval. Unfortunately, Bill C-110 would not allow any opportunity for discussion or debate of such decisions in Parliament. Parliament would have no say in the distribution of a possible $20 billion.

The lack of accountability is totally unacceptable, not only to those of us in the Official Opposition but to many others, including the current and past Auditors General, members of the Public Accounts Committee, the Lambert Commission, the Economic Council of Canada and more. It is time for our friends opposite to wake up and recognize that the policies they are following are not welcomed by Canadians.

In 1979 when this Party was in Government, we introduced a solid piece of legislation designed to return control and accountability of Crown corporations to Parliament. That legislation was commended by many, including the Auditor General. Indeed, in the latest Auditor General's report which was issued in December of last year, the Auditor General compared Bill C-27 with the Government's proposals and he found the Government's proposals grossly deficient in comparison.

The Government has chosen to ignore the initiative that was taken by the Conservative Government when it tried to bring some element of control and accountability to Crown corporations. Instead, over the course of the past three years we have seen a steady attempt by the Liberal Government to downgrade the role of Parliament, to avoid parliamentary scrutiny,

and to avoid parliamentary control over the purse strings which belong to the people of Canada.

If the Government will come before us in the House to ask for confidence and to ask for access to more taxpayers' dollars, surely it has the responsibility to us and to the people of Canada to demonstrate that it merits that confidence. It must demonstrate that in its behaviour to date it has deserved to gain access to that sort of money. To date, nothing could be further from the truth. The Government's track record in the economy and its performance with the myriad of Crown corporations it has created over the years has been dismal. The prospects for serious scandals in the future and for great losses of public funds continue to grow.

Let me ask this of you, Mr. Speaker, since I know this is a matter that is of particular concern to you as you are a vigilant observer of the way the Government operates and you are deeply concerned by the need to protect the public purse strings. If you had $100 to invest, Mr. Speaker, which one of these Ministers would you trust to invest that $100 on your behalf? Would it be the Minister of State for International Trade (Mr. Regan)? I think not. You are too prudent to accept a proposal like that, Mr. Speaker. Would it be the Minister of National Defence (Mr. Blais)? Certainly not. Is there anyone who sits on these Treasury benches whom you feel qualified to invest your $100, Mr. Speaker, anyone who would not simply lose your money? I see, Mr. Speaker, from your expression that you would have nothing to do with them, and certainly Hon. Members on this side of the House would agree.

If the Government wants more authority and wants to intervene in the economy further, if it wants to have greater access not only to your money, Mr. Speaker, but to the money of all Canadians, then the time has come for it to demonstrate that it merits that confidence on our part. Its actions and the performance of its Ministers to date indicates that there is no cause for such confidence. I think Canadians have every right to expect that Hon. Members on this side of the House and indeed Hon. Members on all sides would support the motions which were moved by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), so that we may do everything we can to rein the Government in and to restore to the purse some element of parliamentary control.

The Acting Speaker (Mr. Blaker): I think the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) leaned upon our enjoyable personal relationship when he referred to the possibility of my making investments through a Cabinet Minister. In the same generosity of friendship, I might reply to the Hon. Member that I do lean upon one of the Cabinet Ministers for my investments and that is the Minister of National Revenue (Mr. Bussières). Regrettably, I am not happy about that investment at all!

I should indicate that it would be better if the Hon. Member would not imply motives, agreement or disagreement, on the person of the Chair, and he knows this.

Export Development Act

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I certainly intend to listen to your advice by ignoring the Chair entirely during my remarks.

I hope that the hon. gentlemen opposite are in a mood to listen today so that I do not have to get excited and lose my train of thought while I address them.

We are, of course, discussing this Bill within the context of today's economic conditions. The economic conditions of the country today have occurred as a result of the last 20 years of rule by the hon. gentlemen opposite. They might be interested in hearing about some of the statistics that apply to what has been happening in the field of exports during that period of time. They might be interested in knowing that between 1969 and 1979 we suffered a 33 per cent decline in Canada's over-all share of world exports. That 33 per cent decline indicates that we declined in importance in the field of export trade with respect to the rest of the world. Our performance was the worst among industrialized countries during that period of time.

In 1968 our share of world trade was 5.2 per cent. In 1981 it was 3.6 per cent, even though during that period of time the present Minister responsible for external affairs who was then the Minister of Industry, Trade and Commerce went to the private sector in an attempt to boost our exports. Those were the results of the Minister's efforts. Thank God he is not in that area any longer, or perhaps he is back in that area at the moment.

Mr. Pepin: Statistics are wanton forms of lies.

Mr. Crosbie: As the Hon. Minister points out, statistics are closely associated with the field of prevarication. I take that as read because we hear the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Lalonde) and the Minister of State for Finance (Mr. MacLaren) using statistics every day to prove the opposite of what the facts are. As an example of that, Mr. Speaker, this week we saw that the Minister of Finance had the gall and the audacity to make a speech on September 15 in which he said that Canada was leading the world in the rate and pace of its recovery. Every other independent economic forecast during that week was to the opposite effect. Canada is not leading the world in anything but loss of potential, loss of opportunity and loss of the ability to accept the challenges that are offered. Those are the areas in which we are leading the world, not the area of recovery.

As I pointed out to the Hon. Minister in Question Period, if he were to be correct in his statement, my response would be: "Stop the world, I want to get off." If Canada is leading the industrialized world in its recovery, stop the world and let us get off. It is not worth being here any longer.

That is the context in which we can look at statistics. We saw a report by the OECD today. The Government did not want to deal with it. That report points out that the unemployment prospects in Canada are much worse than the Government had forecast in its budget of last April. It forecast a rate of over 12 per cent this year.

During today's Question Period, the question of fisheries came up. The fishery is one of the main exporting industries of the country. A tremendous amount of fish is exported from Newfoundland, for example, to the United States, yet the Government, in the last two or three months, has embarked upon a plan with the Bank of Nova Scotia designed to put the offshore fishing industry of Newfoundland and Nova Scotia into receivership. It has interfered with the exports of fishery products from Newfoundland and Labrador to the United States of America. Today the Government is backing the Bank of Nova Scotia in court in an attempt to have its receivership over the Fishery Products Limited confirmed. During the last several weeks, while this attempt to put that firm into receivership was under way, the export from Fishery Products Limited to the United States has been interfered with to the tune of in excess of $1 million per week. The Government does not appear to be too concerned about the export of fish products or the economy generally.

● (1240)

The motions that are before the House have more to do with control and accountability. In that context I want to bring to the House's attention a point that was made by Don McGillivray in one of his columns in Southam News this week about the share of the Gross National Product now being spent by the federal Government. He said that Governments together, federal, provincial and municipal Governments, are now spending—at least, the statistics show this—for the three months that ended in June, 47.4 per cent of the Gross National Product. Governments between them are taking almost half the GNP in this country.

Mr. Pepin: An every day you are asking for more.

Mr. Crosbie: The Minister says that every day we are asking for more. What we are asking for is less, spent in a more efficient manner.

On January 12, 1980, during the election campaign when he set out his economic platform, the Prime Minister said that he would not increase federal spending as a proportion of the GNP and that he was going to contain Government spending within the growth of the GNP. That promise was made when the federal Government was taking about 15.8 per cent of the GNP under the eight-month Clark administration. Today we discover that the federal Government is taking over 20 per cent of the GNP in taxes and through revenue-gathering measures. The Government is spending this money.

Even during World War II the Government only achieved the level of taking 22 per cent of the GNP, at a time when all levels of Government took only 30 per cent of the GNP. During World War II when taxation in this country was savage, all Governments between them took 30 per cent of the Gross National Product of Canada from the citizens and spent it themselves. Today, when there is no war, over 47 per cent of the GNP is being taken by these same Governments.

I make that point because that is the fundamental error in the Bill. The Government is giving too much authority to the bureaucrats; the Government is giving too much authority to the Crown corporations; the Government is giving too much authority to civil servants generally. There is no accountability by the Export Development Corporation to Parliament nor to the people of Canada. It comes before a parliamentary committee perhaps once a year to be asked questions. Parliamentary committees are parliamentary units in our system of Government; they have no independent powers. Members have ten minutes to ask questions and to be buffaloed around by the persons to whom the questions are addressed, so there is no accountability. The EDC is one of those Crown corporations that is not accountable to the House. If the legislation now before the House is passed, it will be even less accountable for more money than it was before the legislation was passed. That is why we are opposing the Bill.

I would think that a Government should be glad to give Members of the House more power. This is the attitude I would have if I were a Minister, and will have if I am a Minister when the change of Government comes about consequent upon the calling of the next election. We know the next election will not likely be called until March, 1985. We know the nervousness in the Government ranks. We saw them act like a group of burbling school girls in Question Period today. They are so nervous when a question is asked that they have to laugh nervously and applaud any kind of bunkum they hear from the Ministers who are supposed to answer. There has to be an election in 16 months and then there will be a change of Government.

Any wise Government will enlist the help of the House of Commons in the job of controlling the bureaucracy. Ministers' offices do not control the bureauracy. The minister of state for foreign affairs, I think he is called now—

Mr. Pepin: External Relations.

Mr. Crosbie: The Deputy Prime Minister is the Minister in charge of external relations. The Minister here is in charge of foreign affairs. I do not know what the difference is—how foreign affairs differ from external relations. In any event, when he was Minister of Transport he had no control over the bureaucracy. He did not know what was happening in his department.

The Minister who is now Minister of Labour (Mr. Ouellet) and who was in charge of the Post Office was so ignorant this summer that he did not invite me to his ceremonies in honour of producing the Sir Humphrey Gilbert stamp in Newfoundland which I had spent a year and a half writing and asking him to approve. When he had the ceremonies in St. John's at the Arts and Culture Centre this summer, he was too ignorant to invite either of the sitting Members of Parliament. He invited the Hon. Member for Burin-St. George's (Mr. Simmons), since elevated to the heights of Cabinet. Ten days later he descended from the heights to the depths. He knows now about the sharp teeth of the Minister of National Revenue (Mr. Bussières) and what the bureaucracy is like. That is by the by, Mr. Speaker. The Minister showed a pattern of ignorance. I was right in St. John's when the ceremonies took

place, with free drinks and liquor splashed out. He produced the Sir Humphrey Gilbert stamp that I had harassed him for 18 months but he never even asked me to the ceremony. I will tell you, Mr. Speaker, that I would not have gone even if he had asked me. I do not associate with bad company in my own district.

I will come back to the point I wanted to make, Mr. Speaker. Ministers do not control the civil service. They do not really know what is happening in these boards and commissions and Crown corporations. Why would they not welcome Members of the House having some real powers to make independent inquiries about what is happening as long as it was understood that they were not going to topple if they were not personally involved in situations that were uncovered? One would think that Ministers would welcome the assistance of Members of the House and its committees in an attempt to make the bureaucracy more responsive and more responsible. They do not control them, but they do not want anyone else to control them either. That is illustrated in the Bill, Mr. Speaker.

I notice from my extensive file that the Liberal Member for Manicouagan, Mr. Maltais—I am not supposed to use his name in the House but I want to give him adequate publicity—made a pitch to the Catholic bishops. He said he wants them to take leadership in economic affairs. He knows there is no leadership in this Government so he now wants the Roman Catholic bishops to take leadership and to organize a closed-door conference on the economy and to act as moderators. He praises them for playing the role of a catalyst because they attacked the Government last year. Last year they said that Liberal economic policies were immoral, but now the Liberal Member for Manicouagan believes that they should play the role of catalyst. He forgets that the Prime Minister said last year that the bishops were poor economists. In February last year the Hon. Member for Manicouagan wrote to the bishops and told them that they should not have interfered in these matters of public concern.

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Crosbie: They should not engage in politics.

The Acting Speaker (Mr. Blaker): I wonder if the Hon. Member might want to seek the consent of the House to continue his remarks, because his time has expired?

Some Hon. Members: Agreed.

Mr. Fisher: No.

Mr. Crosbie: I thank Hon. Members for giving their unanimous consent, Mr. Speaker. The Member said that the bishops should not interfere in politics, which meant that they should not interfere in Liberal politics.

The Acting Speaker: Order, please. The Chair can only assume that the words used by the Hon. Member for St. John's West were a request for unanimous consent. I am advised that there is not unanimous consent.

Export Development Act

Mr. Walter McLean (Waterloo): Mr. Speaker, in entering the debate on Motions Nos. 6 and 8 to amend Bill C-110, an Act to amend the Export Development Act, I do so not out of any concern that the trading life of our nation is not important, but rather out of a deep concern that is represented across Canada and across southwestern Ontario regarding the finances of the nation and the control of our resources. The Kitchener-Waterloo area depends upon trade. It also has a tradition of frugality and responsibility in the investment of the resources which are available to the people of that area.

• (1250)

I enter this debate, Mr. Speaker, to underline the concern of the Official Opposition, and a concern which is reflected in my area, that trading opportunities for Canadian businesses be enhanced. The issue here, of course, as my colleagues have indicated—and we have now had well over 100 representations on this theme—is parliamentary accountability. The Bill which is before us would permit $62 billion in non-accountable funds for the Export Development Corporation. The EDC, of course, is not required to table an operating budget. It is not required to table a capital budget or information on the size of its payroll, which is something which normal investors would expect.

We are aware, of course, Mr. Speaker, that the EDC has to date borrowing authority of $10 billion. However, as of December 31, 1982 it has used approximately $4.5 billion. The argument is not that we are holding up any export financing whatever in our opposition to this Bill. Rather, we wish to underline the importance of the role that the Canadian taxpayer plays in the procedures followed by the Government of Canada.

There are a large number of reasons, of course, for opposing this action which have been mentioned by my colleagues. It is inefficient, for one, with ten employees per loan and one and one half employees per insurance account.

A second factor is that the board of directors is composed of too many public servants. The exporting in this country is done mainly by private sector companies. The EDC should, therefore, have a strong private sector representation in order to balance the input from the bureaucracy.

A third factor, which is in front of all who are concerned about this issue, is the difficulty which was outlined in a recent article in *The Globe and Mail,* the difficulty in dealing with the agency. Export deals, the article reports, have been lost because of the procrastination of the EDC and its excessive requirements for financial guarantees.

If one needed a fourth reason it would be that when the EDC does arrange loans, they are more often than not to the same companies. Nearly half the 1982 business went to Bombardier and Spar Aerospace. The question must be raised by concerned Canadians, are these subsidies becoming a form of permanent assistance to these companies?

Motions Nos. 6 and 8 which were proposed by the Hon. Member for Mississauga South (Mr. Blenkarn) will limit the amount of money which the Cabinet can commit to bad deals.

With respect to Motion No. 6, under the current EDC Act sometimes the board of directors is not prepared to approve a proposed insurance deal because it would, "if entered into or issued, impose upon the corporation a liability for a term, or in an amount in excess of that which the corporation would normally undertake in relation to any one contract, person, commodity, service or country, or in relation to any particular contract, person or commodity". In other words, it is a bad deal. Under these circumstances, Cabinet can nonetheless approve the transaction. The money comes from the Consolidated Revenue Fund without need for parliamentary consent.

As it stands, Cabinet can commit up to $3.5 billion. This Bill would increase that amount to $10 billion. To date, only $460 million has been used, even under the current Act. The Cabinet, therefore, still has some $3 billion left. Now the Government wants $6.5 billion more.

With respect to Motion No. 8, the same provisions are in place for loans and loan guarantees as are in place for insurance deals. Cabinet can take from the Consolidated Revenue Fund up to $2.5 billion. It wants to increase this now to $10 billion. Again, the corporation has used only about $750 million of its $2.5 billion, and thus has about $1.75 billion left. This is again to be used for suspicious deals which the EDC would not touch with a ten-foot pole.

The two amendments to the Act which we are debating, and which we are seeking to annul, would bring the total amount of money available for these deals to $20 billion from its current already too high level of $6 billion.

As I mentioned, Mr. Speaker, there is concern about the instruments of investment, and of encouragement of the free enterprise system across our country. I hear it from farmers. I hear it from small business people. I hear it from taxpayers. The Auditor General's Annual Report seven years ago underlined that in the majority of Crown corporations management control has been weak and ineffective. Four years ago the Lambert Commission underlined this. Last year the Auditor General underlined this. Therefore, the public as a whole is not unaware of this situation.

The Kitchener Chamber of Commerce last year undertook a review of the Auditor General's Report and in its review it writes:

> —we have continued concern, as does the Auditor General, with the significant waste and inefficiency in the federal government bureaucracy. In particular, we are much concerned with the very apparent use of Crown corporations for political purposes to avoid public scrutiny of government policy and ineptitude.

Motions Nos. 6 and 8 seek to redress this wrong. If the deals which the EDC refuses and Cabinet approves are not inept, or made for political purposes, why did the EDC turn them down? The Kitchener Chamber of Commerce believes it is necessary for Crown corporations to be constantly monitored and scrutinized. Given the horror stories about the abuses and excesses of these corporations, this is not too much to ask. The suggestion by the President of the CNR this past week that there ought not to be an audit of that company only fuels this concern. This Bill, if unamended, will do nothing to allay these fears; hence the motions.

In conclusion, Mr. Speaker, the Kitchener Chamber of Commerce suggests that the purpose and relevance of Crown corporations should be clearly explained to the people of Canada and constantly monitored so that they continue to exist only if their purpose can be properly justified to the taxpayers. I suggest this Bill manifestly does not do this. All in all, the government of Canada can decide to take on unsavoury export transactions by Order in Council, appropriate money from the Consolidated Revenue Fund to do so, and shove the matter through as a statutory advance without any reference to Parliament or its committees whatsoever—no debate, no vote, no questions. This is not good enough for this Party. It is not good enough for the people of Canada who, after all, have their earnings invested through tax dollars in this way.

The Acting Speaker (Mr. Blaker): Is it the wish of the House that I call it one o'clock? Perhaps the Hon. Member who has risen in his place would like me to recognize him so he would be automatically recognized at two o'clock.

Mr. Clark (Brandon-Souris): Thank you, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The Chair then recognizes the Hon. Member for Brandon-Souris and he will begin debate at two o'clock when the House reconvenes after lunch.

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

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.10 p.m.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, perhaps I should begin by welcoming Members across the way back from their extended lunch hour. It is very important that all Members of the House understand the importance of trade to Canada both today and throughout recent Canadian history. We on this side of the House want it to be clearly understood that we recognize the importance of trade since Canada is and has been an exporting nation. It is imperative that we continue in that tradition.

As we know, this country began essentially as a primary producing colony. It was a colony of France, at which time its livelihood was gained by the export of furs to France. It later became a colony of Great Britain and the nature of its economy changed somewhat. It depended upon the export of furs, then timber, potash and subsequently wheat and other agricultural products.

Today, of course, the economy of Canada is much more diversified than it was in the past but it remains, nevertheless, very dependent upon the export trade and upon those nations and neighbours with whom we have developed extensive com-

mercial relationships. We on this side of the House recognize the importance of agencies such as the Export Development Corporation. But we are very disturbed by the changes in legislation which are currently before the House in Bill C-110 because we fear that these changes will make the Export Development Corporation much less accountable to the House than has been the case in the past and much less accountable to the House than either we on this side or the people of Canada would wish.

The point we wish to reiterate is that the Export Development Corporation in a sense is performing a very useful function in strengthening the trading sector and particularly permitting the export of processed goods to countries which have not traditionally been our customers. However, it is extremely important that this corporation operate in a way which is fully accountable to the principles of Government as they have traditionally been developed in Canada. It is extremely important that that corporation remains directly accountable to the Parliament of the land.

It has come to our attention, and hence we hope to the attention of Canadians, that there is provision within the Bill currently before the House which, unless it is amended as we propose it, should be amended, will permit the Export Development Corporation to operate in a way which is essentially non-accountable to Parliament. Furthermore, the Cabinet, by order of executive council, will be able to operate in a way which is even independent of the will of the Export Development Corporation and thus be non-accountable to Parliament.

The amount of money which the Export Development Corporation and Cabinet can spend without being directly accountable to us is mind boggling. As you know, Mr. Speaker, the total is some $62 billion. In fact, the sum of $62 billion is so horrendous that it almost requires repetition in order for the point to be effectively made. The $62 billion which the Export Development Corporation and Cabinet could expend over a period of time without answering to Parliament is such a huge sum that one must compare it to other sums in order to make it meaningful. Of course, the amount of $62 billion even makes the deficit which the Government across the way has accumulated this past year look small. The Export Development Corporation will have the authority under this Act to insure up to ten times the amount of its authorized capital.

This Bill proposes to increase that authorized capital from $1 billion to $2 billion. It will then be able to insure a total of $20 billion. It will then be able to insure a total of $20 billion, again without direct authorization by or accountability in this Parliament. In addition, the Export Development Corporation will have the authority to lend up to ten times the amount of its authorized capital. That is another $20 billion. The Cabinet will have authority by Order in Council to lend up to $2.5 billion without the concurrence of the EDC.

By the way, under this proposal the EDC is essentially managed by those who work on behalf of the Government. This Bill would increase that $2.5 billion to $10 billion. That is another $10 billion which could be spent without direct accountability. The list goes on. Another $10 billion can be spent by Order in Council, without direct accountability, in the field of insurance.

Finally, the Bill proposes to increase equity in the corporation from $1 billion to $2 billion. That is a total of $62 billion, all of which is obtained without honouring the principle of direct accountability.

There is ample evidence throughout Canada that there is a tremendous, growing apprehension on the part of Canadians about the decline in responsible Government as they understand it. As I walked about the lawns at noon hour I recognized that there are statues which heed the contribution in the past of those who worked and fought for responsible government. The essence of that responsible government is the relationship between the Cabinet and the Parliament of this land. The essence of responsible government is that the Cabinet shall be held accountable to Parliament for its actions and hence held directly accountable to the will of the people of this land.

Unfortunately, the powers which are contained within this legislation that would permit this Government to expend the amount of money we have been talking about by Order in Council means that we will have a diminishing of that responsible Government. In fact, it seems to me that we are moving in the direction of the American model where there is, in fact, a separation between the legislative arm of government and the executive arm of government. We in Canada who operate under the British parliamentary tradition have never accepted that model of government and we feel that it is extremely reprehensible that steps are being taken in that direction.

In order to support my contention that Canadians are distressed by what is happening, I would like to quote briefly from a working paper prepared by a committee of the Canada West Foundation. This is a very distinguished body whose activities are well known in western Canada. In this paper we find:

● (1420)

> The Canadian parliament at the moment has a number of obvious and important defects which can be summarized as follows: a growing inability to monitor the financial operations of government; a growing inability to control the regulatory activities of government; virtually no control over the policy initiatives of a majority government and a perceived distance from the real needs of the electorate.

Those who wrote this brief were very well informed of the intentions of those across the way, and their comments are exceedingly well taken. This brief goes on:

> The parliamentary system we inherited at confederation has evolved in a manner that has strengthened the control of the executive branch.

That is the Cabinet. The paragraph continues:

> There is no other truly democratic state in the world where the legislative branch is so supine before the executive. A Canadian Prime Minister or Premier in his own jurisdiction is the absolute ruler. The result is a four year elected dictatorship, should the incumbent choose it to be so, and this is one of the reasons for interest in parliamentary reform.

The words I have quoted are the words of those who wrote this working paper on behalf of the Canada West Foundation. It seems to me that the point which they made is extremely

germane at this time. Legislation which is before the House will enhance the power of the executive arm of government. It will diminish the authority of those of us who are part of the legislative arm of government. It will set back the concept of responsible government as we know it, and it will set back the system of responsible government as known by those who worked so hard for it in the nineteenth century.

It is imperative, Mr. Speaker, that the amendments currently before this House proposed by the Progressive Conservative Party be sustained.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise to participate in the debate on Bill C-110 and in particular on Motions Nos. 6 and 8 moved by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), and seconded by my colleague, the Hon. Member for Provencher (Mr. Epp).

I rise with a great feeling of responsibility toward the proposals put forward by my colleagues to counter the Government's proposals to increase to $10 billion the limits on contingent liabilities and on loan guarantees for the EDC. I say a great feeling of responsibility because the issue here is accountability, and the responsibility of this Chamber. The Government is trying to make the issue in this Bill and in the various amendments into an issue of trade. The issue is accountability and the responsibility of this Chamber.

For more than ten years I have been a member of the Standing Committee on Public Accounts. For the last three and a half years until this week I was chairman of that body. I think it is fair to remind the House that that Committee, like all others, has a majority of members of the Government in its membership.

I have served on that Committee under five different chairmen, including Mr. Hales, a former Member of this House; the present Hon. Member for South Shore (Mr. Crouse); the present Hon. Member for Durham-Northumberland (Mr. Lawrence); the present Hon. Member for Capilano (Mr. Huntington); and the present Minister of State for Economic Development (Mr. Johnston). In all of those years the Public Accounts Committee was striving, along with many other people, whom I will mention in a minute, for accountability to Parliament and accountability to the taxpayers for all branches of government. Today we are dealing particularly with Crown corporations, in this case, the Export Development Corporation. I say we, along with many other agencies here, were working for the same ends. There were many studies initiated by the Government. The Auditor General himself has reported many, many times on the failure of the system to provide proper accountability to the legislators, to this House and to the taxpayers.

I think it is fair to note that many of the reports of the Public Accounts Committee have been concurred in by this House, but not necessarily acted upon by the Government. Many other reports of the Public Accounts Committee sit on the Order Paper right now awaiting only a motion for concurrence. I would not expect the Government to concur in them without some kind of a fight, but I think the Government ought to remind itself that those reports came from a committee which was made up of a majority of Government members.

One might ask why accountability is so important to the House and to the taxpayer. It is simply because of the enormous amounts of money involved.

The total debt of the Government of Canada at the end of the 1982 fiscal year was $134 billion. That is gross debt. The net debt at the end of that fiscal period was $95 billion and projections for the next three or four fiscal years brings that net debt up to $232 billion. That is an increase in the total net debt of the Government over the next four years of about 2.5 times.

Some people say that having a lot of debt is not so bad. After all we have revenues and we can pay off that debt. But debt is not free of charge. It does not come without the attendant interest responsibility. Years ago it might have been fairly easy to pay the rates of interest which, say, 50 years ago were 3 per cent and 25 years ago about 6 per cent or 7 per cent. But in the past few years, Mr. Speaker, we have seen rates of interest exceeding 20 per cent, and the average for the past seven years or so was about 15 per cent. I do not have an actual figure, but it was in the range of 15 per cent.

The costs of that interest are reflected in the estimates of the Government. We can see in the fiscal year ending March 31, 1983 that the federal Government's interest costs were over $16 billion. That amount is just about equal to the total budget of the Government of Canada about 12 years ago in the 1972 fiscal year. Debt is not without its costs. We must emphasize at every possible opportunity what a huge amount of non-productive expenditures is being taken out of our budget every year by the cost of carrying our debt.

The effect of the Crown corporations on the total financial picture of the Government is another very important factor that is frequently overlooked. In the first place we have over 300 Crown corporations; nobody is exactly sure how many. At the last count Crown corporations employed some 263,000 people, which is about half the total number of people who work for the Government of Canada.

Crown corporations have not in general had unfaded reputations. A few come to mind. Atomic Energy of Canada Limited was allowed to get out of control. Now as a matter of government policy, it is borrowing $100 million every year in order to pay for the cost of production of heavy water that no one needs. It is being stored in a field in barrels in Atlantic Canada. Nobody knows why except that it is Government policy. It is an idiotic Government policy when we have enough heavy water on hand to last five years at the projected rate of sales of reactors.

• (1430)

After nearly two years the Government answered a question which I had on the Order Paper concerning the expenditures of Petro-Canada during the period from 1970 to 1980. I asked what shares or other ownership interest Petro-Canada had acquired in any other corporation. I received an answer to my question this week indicating that Petro-Canada acquired a

100 per cent equity in Atlantic Richfield Canada Ltd. at a cost of $342 million. It did not have this money so it had to borrow it. Interestingly enough, the book value of those $342 million worth of shares was less then half, or $126 million.

Then it acquired 100 per cent of the equity of Pacific Petroleums Ltd. at the cost of $1.496 billion, which was nearly three times the book value. Petro-Canada did not have that amount of money to spend so it borrowed almost $1.5 billion for that acquisition. Also it acquired 45 per cent of the common shares of Panarctic Oils for $80 million, and 15 per cent of Syncrude Canada Ltd. for $315 million during the same period of time.

My question was dated in 1981, and I did not request a longer period of time. If I had done so, I would have found out in answer to the question about other acquisitions, one of which was Merit Oil Ltd. of Vancouver. Petro-Canada acquired it in the name of Canadianization, which is quite a laugh because that corporation was already totally Canadian owned.

Other Crown corporations which have been and will be more and more in the news are Canadair and de Havilland. The Government should come clean with its policy intentions with respect to them. The previous Minister of Industry, Trade and Commerce was responsible for issuing loan guarantees for Canadair. He should admit that it was Government policy to follow a certain course of events, rather than let the new Minister from the other place come along and blame management for spending a lot of money leading up to the unprecedented write-off of $1.4 billion. It was clearly Government policy that that course was followed.

I see Mr. Speaker starting to rise, so I will finish with one sentence. The Government claims that EDC is impoverished at the same time as it is clear from the facts before us that there are hundreds of millions of dollars still unexpended in the money already available to EDC. These amendments should be supported by all Hon. Members.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining the debate on the two amendments now before us, I feel it will be helpful if I emphasize that there are really two types of loan activities in which the Export Development Corporation can engage. There is what one might regard as the normal corporate lending activity, and then there is Order in Council or Government type lending activity. The amendments of my colleague touch upon the second type of lending activity. In short, it is the concept that where EDC feels, for reasons presumably known to it, that it does not wish to lend to whatever level is being requested, the Government can step in and give additional money through the clauses we are now considering and attempting to amend.

We must bear in mind that we are not talking about $100 million or $1 billion. We are talking about $10 billion of authorization. If we in our wisdom in this Parliament decided to pass the clauses the Government is asking us to okay, it would mean that these Order in Council or Government type loans of the EDC could go up to a ceiling of approximately $60 billion between insurance and lending activity without any further parliamentary authority. It is extremely important that Hon. Members of the House bear this in mind.

Most of us have probably been pressured by groups which are benefiting from this type of financing. It is lobbying; that is what it is. We are told that we must get on with passing this Bill because the EDC cow may run out of milk, that they are enjoying the milk and the cream very much and would like it to continue. My colleagues have made it abundantly clear that we do not want to see Canada just participating as we have been doing in world trade, just accepting a 3.6 per cent share of world trade, but getting back to the old 5 per cent fair share of world trade. There is no disagreement on that question. In seeking to secure more trade, we must analyse whether we are being prudent in the amount of authority and authorization we are giving to the EDC and, in the specific clauses we are now considering, to the Government.

Let me put it into perspective, if I may. When it comes to the question of whether we are crowding or somehow being unfair to EDC when it requests a $60 billion authorization, let us not forget that as of December 31, 1982 the total corporate and Government lending activities, the total assets of the EDC, were $6.5 billion. That is the total amount it expended as at the end of 1982. It is asking for authorization to make it ten-fold bigger compared with its total assets at the end of last year of roughly $6.5 billion.

What is even more revealing is who has been the benefactor. As we all know, the Export Development Corporation publishes a statistical review every year. In its 1982 review it listed its lending activities under the corporate side and under the Government side. If Hon. Members would take the opportunity to read who are the benefactors, perhaps for the first time, if they have been doubting Thomases, they would see why we are so concerned about what the Government is attempting to do. The fact is that the statistical review of EDC revealed that during 1982, between Government lending activity under the Act and corporate lending activity, Bombardier Inc. of Montreal secured authorizations which will involve future financing from EDC or the Government directly of $957 million. In truth, when we compare that with the total commitments of EDC during 1982, we find that Bombardier, one company alone, received almost 40 per cent of the benefit of its commitments for that year.

Let me put that into perspective. Who is Bombardier Inc.? I invite Hon. Members to take a look at the annual report of Bombardier Inc. There is a familiar name on the board of directors of that company which will perhaps bring it into focus.

Mr. Fisher: Try to talk about its business, its profits and the way it helped the country. It is easy to be sleazy.

Mr. Lang: Take the high road.

● (1440)

Mr. Stevens: Mr. Speaker, is it not rather amusing; I have not even mentioned the name yet. The Grits are so sensitive

that they fear that I might inadvertently mention the name of a Liberal. On this one point, the Hon. Member for Mississauga North (Mr. Fisher) has guessed right. He is beginning to learn what his colleagues are up to.

By sheer coincidence, we find on the board of Bombardier Inc. the Hon. Jean-Pierre Goyer, P.C., Q.C. When I noticed that, it rang a bell. That chap used to sit across the aisle, shoulder to shoulder with many of these fellows who are attempting so poorly to govern the country at the present time. As we know, the same Jean-Pierre Goyer is Vice-Chairman of Canadair Inc. Isn't that rather unique? That company, on the Government's own admission, has blown $1.4 billion of taxpayers' funds. Here we have another company getting the benefit of $970 million worth of financing through the Export Development Corporation, and there is a common Liberal link, Jean-Pierre Goyer.

Mr. Fisher: There is also a billion dollar sale in New York.

Mr. Stevens: I hope the Hon. Member for Mississauga North comes across the country with me because he would be of real assistance. He has reminded me that included in the Bombardier financing through the Export Development Corporation was a sale to the almost defunct New York Transit Authority. If we read the same statistical review, we find that the United States Metropolitan Transportation Authority of New York got two cracks at the Canadian public purse. Directly from EDC it received $294,912,000. The Government stepped in with another $626,688,000. Isn't that nice! Talk about a milk cow! It was so blatant in the United States that the U.S. Commerce Department instituted an action in that country, pointing out that in its opinion the Canadian Government had provided a subsidy amounting to $167,225 for each subway car proposed to be sold to the Transit Authority of New York.

Can you believe that this Government, which denies financing to help commuters get to work in Toronto, Montreal or Vancouver, is willing to subsidize authorities in New York to help workers there get to and from work through a company which happens to have a very friendly director on this board.

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the Hon. Member, but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Hon. David Crombie (Rosedale): Mr. Speaker, it gives me pleasure to intervene with respect to Motions Nos. 6 and 8 put forward by the Hon. Member for Mississauga South (Mr. Blenkarn). I had an opportunity to address the House in this matter when we were dealing with Motions Nos. 3 and 5. At that time I raised two important issues about this Bill generally which many Members have been able to deal with as they indicate clearly why we on this side have stood against the Bill.

First, we were able to point out in those motions with respect to the corporation that for years the Conservative Party has indicated to the Government over and over again the importance of international trade to the future of this country and the need to have the financial facilities necessary for that growth if we are to become world competitive and world class in our economic endeavours. It has taken a long time for the Government to understand that.

When the Government brought forward this Bill, it was gross with respect to the amounts of money involved in it, far beyond the needs of the corporation vis-à-vis our prospects for international trade. A number of people indicated with respect to this corporation that there were clear, honest and sincere complaints from prospective customers about the ability to be able to export, that the corporation has been unable to accomplish those things which many people want to have happen. We raised those issues in order that the Government, particularly the Ministers involved, would pay attention.

Not only was there the question of the corporation, but a second issue was raised at that time, that of Crown corporations. At that time I pointed out that since 1962, 21 years ago, we have gone from 28 Crown corporations to over 300. We now have assets of $74 billion and liabilities of $63 billion. What has happened in those 21 years has been an enormous growth in the size, power and lack of accountability of Crown corporations. That is what scares many people.

Crown corporations are not controllable. They are certainly not being controlled by this Government. There has been a long and honourable tradition of Crown corporations in this country, which has had to grow in a large geographical space with a small number of people. These people had to depend upon public enterprise. The emphasis from the first public enterprise corporations has always been on public scrutiny and public accountability. That is why I complained at that time and I have not heard anyone say nay to it. In the 15 years that this Government has been in power, the honourable Canadian tradition of public accountability of corporations has developed into a situation where billions and billions of dollars of taxpayers' money lie unaccounted for.

Those are the two issues raised in Motions Nos. 3 and 5 and which affect Motions Nos. 6 and 8. Motions Nos. 6 and 8 bring into focus the most important aspect of this Bill. It is true that the question of the usefulness of the corporation to its customers is important. It is true that the question of Crown corporations is an important issue. By far the most important is not those two issues, but the question of the relationship of those corporations to this Parliament. The crucial issue in this Bill is the responsibility and accountability to Parliament, to the people who elect us. It is not possible for the people who elect the Members who sit in this Chamber to hold them accountable for the functioning of those Crown corporations because this Government has taken away the ability of Parliament to hold those corporations accountable.

At the root of it all, the most important issue here, is parliamentary control and parliamentary responsibility. Anyone who understands the history of that issue knows that we in this country enjoy our freedoms and privileges. You, Mr. Speaker, enjoy your privileges on our behalf, and all Members of this House on behalf of their constituents, because of the link between Parliament's control of the public purse and the rights of a free people to be able to control their governments.

• (1450)

There has been warning after warning, year after year, which the Government has ignored. There were warnings from the Lambert Commission, the reports of the Auditors General, the Standing Committee on Public Accounts, the Economic Council of Canada. Over the past 15 years that this Government has been in office, those agencies have warned us year after year that the Government's ability to control public expenditures was beyond control.

My point is that this is not merely an issue of public accounting and it is not merely a question of corporations, however important that may be, as my friend, the Hon. Member for York-Peel (Mr. Stevens) has indicated. It becomes finally a question of how to limit the power of Government.

In 400 years of development, the only way we have been able to do that is to limit the power of Government to raise and spend money. Throughout the whole history of the development of our Parliament and indeed the history beyond these shores, all the historical struggles which established the rights of this Parliament and the rights of the people of the country were related to accountability to the public in the raising and spending of taxes. There can be no taxation without representation. That is pointed out by the rules of this House and was established by the historic fight between the Crown and the Parliament.

It is easy to let this control slip away. One thing that people take for granted, unless they lose it, is freedom, individual liberty. That is easily and best defined as freedom from the power of Government to control. Our ability to control the power of Government lies with our ability to control its expenditure of funds. That is why this issue is not only a question of financial corporations. Ultimately it is a question of the power of the House to control on behalf of the people of the country the power of the Government. That is why we have spoken against this Bill and will continue to speak against this Bill, Mr. Speaker.

It is absolutely essential that the Government, after 15 years, finally understand that we in the Conservative Party will not allow it to continue to drive the public's ability to control expenditures out of the Chamber. When that happens, we embark upon a downhill slide which will include the loss of our ability to control the other actions of the Government.

Hon. Ron Huntington (Capilano): Mr. Speaker, once again I am pleased to speak to the very important principle that is embodied in Bill C-110. We in the House forget, and in fact the Government has forgotten, that governments do not have money. It is the taxpayers who have the money.

As the Hon. Member for Rosedale (Mr. Crombie) has said, the issue at stake in this Bill began with the fundamental birth of a Parliament which exists to control the public purse and to protect the taxpayer. That is because it is the taxpayer and not the Government who has the money. Parliament oversees the spending, the delivery and the effectiveness of that money for the social good of the country.

The federal Government, because of its deficit, takes over 70 per cent of the term savings generated in the country. That means that there is not much left for others to do the work of becoming efficient, creating productivity, creating jobs and searching for world markets. As you know, Sir, the amendments we are now dealing with are Motions Nos. 6 and 8. With these amendments we are trying to prevent the Government from increasing its spending authority and power from around $6 billion to over $20 billion.

The Export Development Corporation is a Crown corporation which has really become a dinosaur. I was very pleased to be present to hear my colleague, the Hon. Member for York-Peel (Mr. Stevens), point out the nature of the favouritism and the narrow channel of delivery that is involved in the spending of these massive sums of money under the control of the Export Development Corporation. As was pointed out, almost one-half of Export Development Corporation business for 1982, $2.46 billion, went to Bombardier and Spar Aerospace. The other half went to de Havilland on 12 contracts, Massey-Ferguson on four contracts, Trico on three contracts and Northern Tel on three contracts. In 1982 EDC served only 62 exporters.

Let me now turn to the issue that really troubles me. The officers who sit at the desks of the Export Development Corporation are not interested in the rest of us. It seems that the creation, management and delivery of the Export Development Corporation is for the benefit of Crown corporations, corporations controlled by Crown corporations and the people within central Canada.

In my riding alone there are eight or nine shipyards. Those shipyards have put consortiums together that allow them to build some of the beautiful ships that are being built and have been built for the North Sea oil development, for the Arctic and for the fishing industry. The Caribbean and South America are markets for these ships. Two or three of these shipyards will get together in a consortium and put together a package for the designing and building of a small fleet of ships which will cost in the order of $1 million to $1.5 million each and offer them for sale to a South American or Caribbean country. It is almost impossible for that application to make its way past the initial desks of the Export Development Corporation.

In the past, Mr. Speaker, I can remember having to intervene on behalf of those consortiums in order to get a $3 million, $6 million or $7 million contract approved or insured through the Export Development Corporation so that those important payrolls in my riding can be met. I think we must wake up and realize that one of the problems with the mindset

and attitude of the Export Development Corporation is that everything must be enlarged for an economy of scale, and that attitude trickles down from the Government.

That is the dilemma that is faced by the country. If we were to return to small, good quality working communities and pay attention to sectors of industry that could put together packages of good technology, we could earn our way back into the world markets. However, that leadership is not coming from the Government.

The Government is concentrating power, sucking from the people of Canada all of their disposable wealth, and it is delivering it in the form of a subgovernment created through these Crown corporations. There is no doubt that you have heard in this debate already, Mr. Speaker, about the growth of Crown corporations since 1962. In 1962, some 20 Crown corporations existed and were put in place to serve the public need with some kind of social sense. Today the growth and proliferation of Crown corporations creates jobs and advancement for people in the civil service. They now exist to further control the purse strings of Parliament and to further remove those purse strings from Parliament.

One of the most dangerous things that is happening today is that non-budgetary powers are being transferred to Crown corporations through the types of legal trickery that are involved in this Bill. If we began to take an inventory of the non-budgetary dollars or dollars that are non-discretionary which have been transferred to equity positions in Crown corporations since 1968, we would be truly startled. Maybe I should try to formulate a question for the Order Paper that would ask how much money, detailed by year, in non-budgetary terms has been transferred from the Consolidated Revenue Fund to the world of subgovernment, which includes the Export Development Corporation.

● (1500)

It has been said many times, and I am going to touch upon it again—and I know that you, Mr. Speaker, have been involved in this—that all we are asking for in this House is for the Government to accept report No. 7 along with the other reports from the Special Standing Committee on Standing Orders and Procedures. That report asks for four basic committees to deal with accountability. One of those would cover Crown corporations and quasi government bodies. We are entitled to an inventory and we are entitled to research expertise so that we can represent the people of this country properly. We must be able to formulate the right questions and demand answers in order to expose and disclose what is going on as a result of the Crown corporation malaise. This is vital because Bills like Bill C-110 remove more and more power from Parliament over the process of supply. We are delivering more and more spending powers and statutory and non-budgetary processes over to Cabinet and Order in Council decree.

We have to review the behavioral problems in this culture that are taking advantage of and abusing every sense of trust, through to the Auditor General's Report. We could list chapter and verse, list after list and page after page of problems. Crown corporations are even guilty of double invoicing in order to transfer profits offshore. Things like this cause great anguish and would end up in the courts if they were done in the private sector.

Crown corporations are given special preserves in terms of law. Being agencies of Her Majesty's gives them special status and protects their behavior and gives them special status when borrowing from the private sector.

These are questions that we want answered, Mr. Speaker. This is why, for the second time in this debate, I stand to protest and appeal to the Government to pull back on this kind of legislation. Give us a breathing spell and bring in some accountability.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I am delighted to follow the Hon. Member for Capilano (Mr. Huntington). He was talking about the basic ingredient of what Parliament is all about. We have the democratic institutions of today because of the people of the world who believed that if moneys were to be extracted from them, they should have something to say about the way they were spent.

We are making an argument that is as old as democracy itself—that there has to be accountability by the Government for the money it extracts from the taxpayers of Canada and then spends.

As we have gone through debate on Bill C-110, speaker after speaker has given us many examples of the tremendous proliferation of Crown corporations and their belief that they are sacred and unassailable and that it is impossible to examine their activities.

Only this week I was shocked to see that the Chairman of the CNR, Jack Horner—a former Member of the House and one who stood on many occasions to talk about accountability and the requirement to have Members on the Treasury benches account to us for the money spent, supposedly on behalf of the taxpayers of Canada—was reported as saying that he did not believe the Auditor General should audit the books of the CNR. That is exactly what we are saying he should do.

Mr. Pepin: Because somebody already does it.

Mr. Stevens: Not on behalf of Parliament.

Mr. Pepin: Yes.

Mr. Coates: The working papers are not available to Parliament and the report of the expenditures of the CNR is not part of the Auditor General's Report.

Mr. Pepin: That is for sure, but the private auditors are responsible to Parliament.

Mr. Coates: It is a private audit for the private information of private people. Whether it is the Export Development Corporation, the CNR or one of the 298 Crown corporations that today employ more people than the Public Service of

Canada, we say that there should be greater accountability to the people of Canada. We are quite willing to be as generous with assistance to the business community and to help them make international trade agreements as any group in the House. What we want to know is where the money they get from taxpayers is being spent, if it is being spent properly and recovered properly. We do not know that. Parliament does not know that. Nobody knows that but the board of directors, and they are basically public servants.

That is another thing that is wrong with the EDC, Mr. Speaker. The people who put most of the roadblocks in the way of the business community in relation to trade deals are the same people who sit on the board, supposedly to assist the business community and negotiate deals that will provide employment.

The Government cannot have it both ways, Mr. Speaker. They cannot have a man sitting in a Department one day, reading regulations and imposing them on the business community, and hours later have the same man sitting on the board of directors of the Export Development Corporation. As a director of the corporation he is supposed to aid and assist the industry, but he has just made the rules and regulations, and will impose them, that will make it almost impossible for the industry to make a deal. Can he say, "Let's look favourably at the type of assistance this company is applying for because I know the problem it is facing, as I manufactured most of them"? Why get into this situation when former corporate individuals, now retired or now not involved or having any vested interest, could be on the board? They would know how difficult it is to operate in the business community of the world and would appreciate the competition a company faces.

• (1510)

These companies claim they need this type of assistance, they need this type of interest rate, they need this type of loan, in order to achieve the end objective, which is a contract. However, what is happening now is that there are too many soft loans being made, and that is what we are concerned about. Too many loans are made which later end up as liabilities to Parliament and to the taxpayers of Canada, and we cannot find out about them. There is no one we can call to give us the reasons why such a loan was made, and that is not right or proper. Every board of directors in this country has a group of shareholders to whom it must explain every expenditure which is carried out. The Government is now asking us to give it between $50 billion and $60 billion so it can pass out loans—to whom? We do not know for sure. For what term? We do not know for sure. Under what conditions? We do not know for sure. If it is a success, that is fine. Let the board of directors come and tell us how useful it has been. However, if it is a failure, let the board of directors appear before us, as the protectors of the tax dollars, which are in fact trust dollars, and explain why such a loan was made which later turns out to be a liability for the taxpayers and the people of Canada.

I do not really understand how a government can stand by, on such a basic issue of parliamentary democracy, and ignore the requests of a legitimate opposition who is demanding that further protection be included in a piece of legislation for the taxpayers of this country, who are the people who put up the money in the first place. It is nothing short of a shocking scandal that this Government will sit by, to a major degree, and not even involve itself in the debate, and by its silence totally ignore the positive, progressive and realistic amendments which will improve the legislation before us and give greater protection to the taxpayers of this nation. More than that, these amendments will strengthen this institution. After all, it was the Boston Tea Party which led to the American Revolution. The Boston Tea Party was all about taxation without representation, and what we have in the piece of legislation which is before us now is taxation without representation.

The Government is taking money from the pockets of the taxpayers and it is unwilling to protect them by allowing the Parliament of Canada to examine the expenditures which are being made. As the Hon. Member for Capilano has pointed out, it is not because this Government has not been warned time and time again by the Auditor General of Canada, a non-partisan individual, that the way it is doing business does not give ultimate protection to the taxpayers of Canada. We, in the Opposition, have said quite clearly to the Government of Canada that this legislation fails in its present form because it does not provide accountability. We have moved amendments to bring about accountability and which would answer some of the concerns and criticisms of the Auditor General. Surely we can expect the Government to act, and react, and say, "Why not accept this amendment? It does not hurt us". As a matter of fact, it improves the piece of legislation. It also puts a new onus on the board of directors of the Export Development Corporation because when it does examine the loan applications which are made, it is going to know that eventually it will have to answer to the people of this country for the decisions it makes. That is what we seek. That is a legitimate requirement, a legitimate request, and I hope the Government will reconsider and amend the legislation, as we suggest, so that the taxpayers of Canada will have the protection which does not exist at the present time.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the other day when I took part in the debate, the subject was the amendments proposed by my colleague for Mississauga South (Mr. Blenkarn), the intent of which was to set limits on the expansion, the doubling of authorized capital of this Crown corporation, because otherwise, the way would be open to almost unlimited increases in the loans the corporation would be able to undertake. Furthermore the amendments to Clause 14 at page 13, and to Clause 18 at page 17, we see amounts totalling $10 billion. At the present time, there is a $3.5 billion ceiling on loan or insurance contracts. Mr. Speaker, we on this side of the House are as concerned as the Auditor General and

the Economic Council of Canada, and frankly, the Government has a responsibility to Parliament.

[*English*]

Actually, what we are seeing happening here, Mr. Speaker, is what was reported in the Auditor General's Report of 1982. The Auditor General noted as follows:

Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities—

The Export Development Corporation has been in business for a long time. It is just part of a pattern.

—has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

How true. Here we have an absolutely galling attempt to take this well beyond any sensible proportion. The Report goes on:

● (1520)

Broad legislation for the accountability of Crown-owned corporations should be developed—

This is totally contrary to that recommendation. It goes on:

—that will include provisions relating to each of the elements of authorizing and mandate, financing, directing, controlling and reporting. Such legislation should provide that these corporations be subject to comprehensive audits.

Parliament should give attention to issues surrounding control and accountability of those mixed enterprises and other entities and associates in which the Crown is a shareholder.

That was on page 47 of the Auditor General's Report for the fiscal year ending March 31, 1982.

There is no accountability, Mr. Speaker. As we pointed out the other day, the corporation files its annual report, and I have the 1982 report before me now. It does somewhere between $1.5 and maybe $2 billion worth of business a year. In 1982 there were loans of one kind or another of $2.5 billion. Then there was export insurance and related guarantees, which brought the total up to just over $4.5 billion. Yet the Government wants to increase the limits to $10 billion in one area and $10 billion in the other. Either the officers of the corporation in their advice to the Government have accepted that there shall be almost unlimited inflation for the next few years, or else they want to keep the corporation away from close examination by Parliament.

Mr. Pepin: To be able to react to demand.

Mr. Lambert: A committee of the House studying this annual report can only give it cursory attention because of the pressure of other work. But a corporation of the Crown is only really accountable when it comes to get its legislation amended. It has to justify it. There are other times when they say, well, we did it and what are you going to say about it? That to me, Mr. Speaker, is totally unacceptable. I do not want to strangle the EDC, but it has to be accountable to Parliament. I want to hear the Hon. Member for Mississauga North (Mr. Fisher) hold forth on what his theories of accountability to Parliament are.

Mr. Pepin: The same as yours.

Mr. Lambert: As far as he is concerned, anything that Government proposes or does is okay by him.

Mr. Pepin: No.

Mr. Fisher: Yes.

Mr. Lambert: That is a most irresponsible attitude. My colleague, the Hon. Member for Mississauga South (Mr. Blenkarn)—

Mr. Fisher: Everything the Government does is okay with him, too.

Mr. Lambert: —has proposed amendments, as I indicated, in order to return to the status quo in so far as the known insurance limits shall be. To say that in addition, of course, and beyond this particular amendment, the Government's share of possible loans shall be up to $10 billion means that Parliament would be required by statute to approve without dissent any loans, describing the estimates as statutory loans made under uneconomic conditions because the corporation has refused to undertake them on its own either because they are unsound or beyond, shall we say, the proper proportion of leverage and that the Government for political interests insists shall be made.

We give the Government, the Minister of Finance (Mr. Lalonde), a blank cheque in this Bill not for $10 million, but $10 billion and we have nothing to say about it. There will be nothing that can be said about it after the event. That is about as useless as the last hairs on the tail of a dog. I should think that, as responsible officials, the workers of the corporation should apologize to the House for asking us to pass such a Bill. There is no way we should accept this Bill.

Mr. Chris Speyer (Cambridge): Mr. Speaker, I am only going to give the House the benefit of a few of the thoughts I have with respect to this Bill. Initially it strikes me that the real issue with respect to this piece of legislation is: what is the issue? How is it best defined?

To listen to the Minister and Members on the Government side who have spoken, they define it in terms of trade. I do not think anyone in the House does not acknowledge the importance of international trade in all of our communities. I certainly am aware that the Hon. Member for Capilano (Mr. Huntington), a colleague of mine on this side of the House, may be the greatest exponent of the need for international trade if we are to survive as a trading nation. Within my own constituency it is extraordinarily important that we have international trade. For example, one company by the name of Babcock & Wilcox, prior to the recession, used to have a payroll in excess of $60 million and employed over 1,800 people. They depend today almost exclusively on trade.

Fairness compels me to say that the EDC has been very good in its relationship with Babcock & Wilcox. I am the first person to acknowledge the fact. I have talked to the president of the company and I know that there has been a good

relationship and we have prospered. It is important particularly from my perspective because my own community has unemployment of close to 20 per cent—the alleged recovery in the economy has yet to occur there—and Babcock & Wilcox now employs less than 800 people.

But I do not see trade as the only issue. I think it is one aspect, but not the paramount issue. I would like to see some Members on the other side at least acknowledge that there are substantial issues with respect to accountability and the choice of who the management ought to be in the interests of the nation as a whole. Considering the length of time this Bill has been before the House, the media attention it has received and the number of people who have listened to us speak—me at this particular moment—it is important that they understand that we are talking about potentially authorizing $62 billion. That $62 billion is the closest thing I can think of to a blank cheque. I ask people to consider if it is possible for one to realize how much money that is. It is not only $1 million, $500 million or $1 billion, but $62 billion. We are pledging the credit of the citizens of Canada potentially to that extent. What concerns me about this staggering sum is that when I read the newspapers every day, as most Members of Parliament do, I do not think enough emphasis is placed on the potential liability of what we are discussing. I repeat that this sum is almost comparable to a blank cheque.

● (1530)

Let us talk about one aspect of the motions. It does not concern the corporate loans but Government projects on a one country to another country basis. According to this legislation, the board has the power to turn down a loan on the basis that it is a bad risk.

Mr. Pepin: Not necessarily bad, just a risk.

Mr. Speyer: They cannot sustain the risk or do not think it wise to sustain the risk in a particular case.

Mr. Pepin: There are other aspects to it.

Mr. Speyer: I hear the Minister, whom I know and respect very much. He has had experience in this field. At the end of my comments I invite him to make a speech and talk about what I hope are his concerns about accountability and the issue of management with which he is intimately familiar.

Frankly, I have acknowledged that trade is one aspect of this Bill and an important one which is of concern to my constituency. I hope that by equal use of reasoning and frankness, he might stand up in his place as a senior and respected Member of the Government and talk about accountability and the prodigious sum of money that we are talking about, namely, $62 billion. I invite him to talk about the lack of control of the Parliament of Canada to deal with the taxpayers' money. If there is one thing that constituents are saying loud and clear from every constituency in this country, it is that they want their Members of Parliament to consider more seriously the expenditures. They want Members of Parliament to have some type of real control over the purse strings.

I say to the Minister, who wants to make a point—I know the Chair will give him every opportunity to do so as soon as I am finished—that I invite him to talk about these issues because they are significant.

Let me expand upon the circumstances where the board of directors of EDC does not think it is worth the risk for this country to make a deal with another country. This concerns the issue of management and who should be on the board of directors. I would feel much more confident, and I expect the Minister responsible for this Bill might feel more confident, according to some of his submissions, if the board of directors were at least controlled by competent people from the private sector. I would have a lot more confidence in a board of directors that had had experience in making decisions in the private sector. This is a circumstance where the board of directors may very well turn down a loan, whether it comes from the private sector or public sector, but the Government still says that it is in the public interest that it lend the money.

I would like to talk about the Bombardier bomb, as far as I am concerned. The Minister is here and I again invite him to make some remarks. We know that on a government to government basis, the Bombardier deal was worth $1 billion. We know that, in spite of the lip service that Americans pay to free trade and free enterprise, they have protectionism just like every other country. The "buy American" projects and advertisements that we see certainly give evidence of this. However, because of the serious economic plight of the City of New York and the fact that the deal was economically advantageous to that city to the tune of over $300 million, the firm of Bombardier and Budd were able to sustain this contract. There can be no doubt that jobs were the prime reason why the Government of Canada acted on behalf of these two particular companies.

However, I think we should closely examine the liabilities, how much work was going to be created and whether or not it was worth the candle. The Bombardier deal was to yield 20,000 to 25,000 man-years of work over the five-year life of the production. The United States would get 40 per cent, and the jobs that would be created would be based mostly in Vermont. Canada was to get 60 per cent. Three thousands jobs were going to be created in Canada over that period of time. The cost would be $325 million. To be conservative, assuming the cost of financing was going to be $300 million, there would be 15,000 man-years of work created at an average cost of $20,000 U.S. per job year. I believe the Government either neglects or fails to come to grips with these prodigious sums of money.

In conclusion, I wish to reiterate that the question is how one defines the issue. Is the issue to be defined with the primacy given to trade, or is the issue really a question of management or mismanagement and, most important the primacy of Parliament and the accountability of this Government to the people of Canada. That is why I stand to oppose

this particular Bill in circumstances where my community needs jobs.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have an opportunity to speak to the amendments to this Bill. Briefly, the intent of the amendments is to simply limit in different ways the borrowing that the Government can undertake according to this Bill. I am fully in support of such amendments.

In short, this Bill appears to take up to $2 billion from our taxpayers upon which to borrow many billions more and use that money to subsidize interest rates for the foreign customers of Canadian exporters of manufactured goods. In other words, they will be helped to borrow money to buy our goods. In effect, our exporters and manufacturers get their price, the banks, which are mainly ours, get their price for the money, and the difference is carried by our taxpayers. Our taxpayers are subsidizing the banks since most working Canadians pay a higher tax rate than the banks effectively pay.

● (1540)

I think this is a very dubious deal for working people in Canada. Therefore, I believe it is a good idea to limit that borrowing. I am happy to support the amendments from the Conservative Party even if its reasons for the amendments might be different from mine.

There is another side to this problem. I believe a growing quantity of our sales are in the Third World countries, for example, the Philippines. I became interested in the Philippines through immigrants in my riding. I was astonished to find that one of the main exports of the Philippines is labour. About one milion people are "exported" from the Philippines as labourers who are compelled, as a condition of going abroad to work, to remit money home. That is a major source of currency for the Philippines. University graduates from the Philippines come here to work as house maids because of the extreme poverty there. I read about the Philippines in a very interesting book called the "Development Debacle". I have even had an opportunity to visit the Philippines very briefly this month. Part of the problem is that Philippinos must buy our capital goods for their industries and for their infrastructures, such as their power supplies to industries. They must borrow. They are in hock to our banks, those in the United States principally. Canada tags along. Even though in the last ten years the real wages of Philippinos have been cut by 50 per cent and the real price of rice produced by their farmers has been cut by 50 per cent and even, according to World Bank figures, people in the Philippines are eating less per capita than ten years ago, they still have great difficulty repaying these loans. According to the daily papers in Manila, they are dodging around the same kind of bankruptcy as we hear from time to time are occurring in Brazil, Mexico, Argentina and South Korea. There has been a growing number of strikes, bitter strikes in the Philippines. Strikes have occurred in the Bataan export processing zone. Now there are the riots in Manila that we have been reading about.

My point is that our borrowing system of asking the banks to subsidize sales by Canada to countries that cannot afford to pay for our goods does not really help those countries; it helps the banks. It does not help the working people or the farmers in the Philippines. It is very doubtful to me that this borrowing system is helping Canadians. Therefore, for that reason as well I am happy to support the sense of the amendments of the Tory Party.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, in this House last night the Minister of Agriculture (Mr. Whelan) rose to speak in defence of Bill C-110. As is the norm, he gave a very entertaining performance. It was so entertaining that the House called him back for two curtain calls in the form of being given unanimous consent twice to continue. I repeat, he gave a very entertaining performance in defence of Bill C-110, an Act to amend the Export Development Act. I think I am safe in saying that the farmers of Canada would be much more impressed if the Minister of Agriculture had used the opportunity to tell Canadians, and in particular Canadians who are engaged in agriculture, just what it is he proposes to do in the form of specific relief for some of the problems that agriculture faces. Perhaps, instead of bearing on the EDC, the Minister of Agriculture might have told us what he proposes to do to expedite stabilization payments, which are now running four or five months behind the norm. Okanagan farmers are struggling to keep ahead of the banks, and at the same time as the Minister talks about how great it is to be able to afford the Export Development Corporation's $62 billion in credits, farmers cannot get their stabilization payments. In the Okanagan the disastrous prices received for the 1982 apple crop have triggered a stabilization payment to Okanagan orchardists, but as yet they are still in the negotiating aspects preparatory to receiving that payment.

The Minister of Agriculture also, instead of concerning himself with the merits of Bill C-110 and what a great thing it is to provide $62 billion through this corporation, might have taken the opportunity to tell us why the Farm Credit Corporation has no funds, why the Farm Credit Corporation must put money out to farmers at a rate considerably in excess of what the EDC can offer to foreign customers of Canadian products. The Minister of Agriculture, who rose so quickly and so enthusiastically to defend the Export Development Corporation and to endorse that tremendous amount of money which that agency of Government would have available to it, could have brought great joy to Canadian farmers by indicating his reponse to their difficulty.

With The Canadian farm economy in a shambles and a spirit of despair and gloom hanging over the agricultural community, the agri-business industries, the Canadian farmers would like to have seen their Minister zero in on the things important to them, the important things which caused them to rally in Penticton on Labour Day and clog the highways with their tractors just to emphasize to Canadians, and the Minister in particular, that they are in a great deal of difficulty.

These orchardists are asking that action be taken right now before they are forced off their farms. They are asking for

tariff protection simply on the basis that you cannot let the tail end of another country's production set the price which Canadian farmers can ask for their product. As much as anything the farmers of Canada are asking for recognition, recognition of their importance to the nation and to the nation's economy and recognition that agriculture in Canada is in crisis.

Bill C-110 gives the recognition of the Government of Canada that export trade is important to Canada. It underlines that by making $62 billion available. That is the degree of recognition which Bill C-110 and the Government of Canada say is important. That is the degree of recognition which measures the amount of importance the Government gives to exports.

This recognition is given substance by the $2 billion capitalization which it permits and by the borrowing authority of the corporation of ten times that amount, that is, $20 billion, by giving authority to accept insurance liabilities to a further $20 billion, by allowing Cabinet to authorize $10 billion in dubious loans, and by allowing Cabinet to accept liabilities in the form of insurance contracts of an additional $10 billion, for a total liability for the taxpayers to assume of a maximum of $62 billion. That is an incredible amount when one considers that the total budget of the Canadian Government is somewhere around $90 billion. Canadian farmers quite rightly ask why similar amounts of money are not available to agriculture through the Farm Credit Corporation. They do not want that much money, but they would like some to be available to them. Why are farmers not given concessionary financing terms, such as those available to offshore customers through the Export Development Corporation? One Okanagan orchardist was forced to take out a loan with the FCC when interest rates were at their highest. He informs me that the has an extra $500 per month burden in interest charges over what he would pay at current rates. Also he told me that the only alternative available to him would be to borrow from a private lender, pay off the FCC and reapply to FCC for a new loan, because private lenders will not provide long-term credit. Of course, the hooker is that the FCC cannot give any assurance that money will be available. If the Government of Canada considers that Canadian exports require the financial commitments contained in Bill C-110, surely it is not too much to suggest that agriculture, the largest job creator in the nation, is deserving of equal treatment.

• (1550)

I mentioned job creation because the obvious objective for providing this amount of money to the EDC is that it may end up in the creation of jobs in Canada in the manufacturing and in other sectors of the economy. We must remember that at the time when we favour one side of the economy we are neglecting agriculture. In the City of Penticton in my constituency, the Canadian Canners operation closed down last year, putting 300 people out of work. We have to look for a more balanced approach to the type of aid we provide industry, farmers or whatever.

Bill C-110 totally discriminates and overlooks the need of the Government of Canada to appear interested in all areas of the economy and the need for the Government of Canada to accept accountability across the spectrum of economic activity in the nation.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, as Hon. Members of my Party continue to rise to express their opposition to Bill C-110, surely it must be clearly evident to Hon. Members on the other side of the House that this is no ordinary piece of legislation. How many times must we on this side of the House rise before Government Members recognize that this is a serious issue? The wealth of Canadian taxpayers is not unlimited. The people of Canada expect and deserve accountability for the expenditure of their tax dollars. Unfortunately it is only Opposition Members and the Auditor General of Canada who show genuine concern for the public purse.

The amendments currently under discussion would go a long way toward making the Export Development Corporation and the Government more responsible. In a portion of the Bill under discussion today, the Government wishes to increase from $3.5 billion to $10 billion the amount of money which Cabinet may have at its disposal to insure export loans which the board of directors of the EDC has decided are too risky.

The Government will be entering into a series of high risk propositions to the tune of billions of dollars in order to support the export sector of the economy. We in this Party are arguing that $3.5 billion, half of which is presently unused, is more than enough to insure a series of what could easily be unsound export deals. Why should we put an additional $6.5 billion at risk? Perhaps the Government is pushing this particular portion of the legislation because it feels there may be some revenue to be generated by competing with insurance companies around the world. Nothing could be further from the truth. Mr. Culham, senior vice-president of finance of the EDC, told the standing committee dealing with Bill C-110 that EDC's $1.1 million profit reported last year was insignificant in relation to the billions of dollars of loan and insurance business the corporation handles each year. The Export Development Corporation should get out of the insurance business. There are private sector interests that could more adequately provide this service.

Unfortunately, the Government continues to believe in the infallibility of the public sector. It has almost no faith in the expertise which is readily available in the private sector. I mention this because it was made absolutely clear during the committee hearings. The Minister responsible for EDC was only vaguely aware of a paper presented to the corporation by the Royal Bank of Canada concerning the financing of Canadian exports. Why did the Minister not seriously consider the proposal of the country's largest bank, an organization which is well represented throughout the world? In the paper it compared the various methods of raising capital on the Euro-bond market, and concluded that it had been able to raise money at a lower cost than had the EDC. Surely this finding should interest the Minister. The Royal Bank plan

called for not only increasing the involvement of our Canadian chartered banks in export financing, but also for the involvement of the 50-odd new foreign banks now operating in Canada.

The Bank Act passed in 1980 allows foreign banks to operate in Canada. These banks represent a host of nations from around the world. Why are they being excluded from helping to finance Canadian trade? Obviously this left leaning Government has a dislike for private sector organizations. Had the Royal Bank's proposal been accepted, it would have ensured that Canadians would become more effective exporters. It would have lessened the risk to Canadian taxpayers, to the extent that the Government would have had to borrow less through the EDC. Unfortunately, these proposals did not receive the attention they warranted and were countered by a 50-page paper from the EDC.

A further problem with this section of the Act is that it will only increase the Government's capacity to service these speculative types of ventures and will ultimately result in an unmandated form of foreign aid. We have foreign aid agencies with a mandate to do precisely that. The role of the EDC is to promote Canadian exports and, by so doing, to improve the Canadian economy. Its mandate should not be to serve as a foreign aid agency. By increasing its capacity to insure poor risks behind the backs of Parliamentarians, we are only increasing the likelihood that hundreds of millions of dollars will be squandered. What guarantees does the House have that insuring high risk export deals will in the end result in permanent jobs for Canadians? There are no guarantees whatsoever to taxpayers in the Bill. What is guaranteed is that the EDC will be unaccountable.

Motion No. 8 is simply a further attempt responsibly to control the Export Development Corporation. In the same manner that the previous motion would limit the amount Cabinet has at its disposal for insuring risky export ventures, this motion is designed to keep a realistic ceiling on the amount the directors of the corporation can use for loan guarantees. To increase the amount of financing available through the Consolidated Revenue Fund from $2.5 billion to $10 billion will have a twofold effect. First, it will of course lead to greater expenditures. Second, it will increase, not diminish, the problem of accountability. While this motion cannot solve the latter problem, it would succeed at least in going some distance toward correcting the former. If the Government has only $2.5 billion in the Consolidated Revenue Fund to use for loan guarantees, perhaps the Export Development Corporation will develop sharper business practices.

● (1600)

Last May, Mr. David Slater, Chairman of the Economic Council of Canada, appeared before the standing committee to comment on Bill C-110. Mr. Slater offered these words of caution:

> It should be noted that export subsidies are far from being the potent instruments governments seem to think they are in achieving their various macro-economic objectives.

As well, Mr. Slater said that it is a myth that loan subsidies from the Export Development Corporation are mostly aimed at giving exports that initial push, or assisting small or medium-size companies. The fact is, he said, large corporations receive most of the resources devoted to export assistance.

Finally, on the subject of private sector participation in the field of export finance, Mr. Slater said that the Export Development Corporation should encourage a greater direct involvement of private sector institutions. This was the advice of the chairman of the Economic Council of Canada, not the chairman of the Royal Bank. Unfortunately, his words appear to have fallen on deaf ears.

In closing, allow me to make one further point. Canada has lost many opportunities to export goods in the international market. Bureaucracies are notorious for inaction. Contracts have been lost because the Export Development Corporation has been slow to act. In many instances, Canada has lost out because of keen foreign private sector competitors. What is wrong with sharing the financing of exporting Canadian goods with the private sector? It has the experience, the knowledge and the investment capital that is so necessary in this field. Why not spread the risks around?

We live in a pluralistic society, but it is becoming increasingly clear that our society is dominated by big government. The record of the Government in the field of export has deteriorated consistently over the past decade. It is time for a new approach, an approach that would utilize all sectors in our society, rather then excluding them from participating.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I rise for the third time in this debate, and I count it a privilege to do just that. I note with interest the empty benches on the other side. Of the six or seven Liberals who are here, one is the Minister of State for External Relations (Mr. Pepin) who has already told us that he is not going to participate in this debate. It seems a little ironic that one of the Ministers accountable to the people of Canada for external relations is not going to take part in a debate dealing with the Export Development Corporation. One would think that was part of the interest, if not the responsibility, that he should have in our foreign relations.

As we have debated Bill C-110, Mr. Speaker, we have talked about the growing number of Crown corporations and the growing freedom they enjoy in borrowing money, expending our indebtedness, and in making Canadians go further and further into debt from the day they are born. Motions Nos. 3 and 5 dealt specifically with the global borrowing capacity of the corporation. Now, on Motions Nos. 6 and 8 we are dealing with one aspect where the Cabinet, on its own initiative, by way of EDC can extend loan guarantees from the present $3.5 billion to $10 billion. It can lend outside of the parameters of EDC from $2.5 billion to $10 billion.

There has been a principle enunciated over and over again, Mr. Speaker, by Members on this side that the Parliament of Canada must assert its authority regarding the spending of the Government. When the Government has open-ended borrow-

ing authority, as it appears to have in this Bill, then the Parliament of Canada must assert itself. That is one of the fundamental principles of parliamentary democracy, the power of the purse. As we were debating that several days ago, I remember that one of my colleagues spoke of that very principle. We as Parliamentarians must have scrutiny over the spending power of the Government. The Minister of State for International Trade (Mr. Regan) sat there and said, "Well, that is what we are doing now." I remember his saying that, and I think he will freely admit that. It is not a big confession to make; he can handle that much. That highlighted the difference in the mindset of the Conservative Party from that of the Liberal Government. The Liberal approach has always been, "Give us global authority, we can do what we want, and that mandate is for anything we want to do." Nothing illustrates that more clearly, Mr. Speaker, than the election campaign in 1980 where the Prime Minister (Mr. Trudeau) went across Canada very quietly, which was uncharacteristic of him. It was almost impossible to get him to say anything. Then he got his mandate, and now he wants to be able to do anything. He did not debate the Constitution, the National Energy Program or any of those things during the election campaign, but now that he is elected, he thinks he can do anything. That is the principle the Government invokes in this kind of debate and in this kind of Bill: "Give us a mandate over $62 billion and then let us do as we wish."

We believe, Mr. Speaker, that there ought to be some strictures placed on this kind of open-ended spending. That is the principle of parliamentary authority. When you give the Cabinet the kind of mandate the clause in this Bill will do, it invariably goes sour because there is not enough of a check. It may be that we have very short memories as Canadians, but I think all of us still remember the kind of investment made in Jamaica on behalf of former Prime Minister Manley. It was for no other reason than to influence the elections of that particular Commonwealth country on behalf of Mr. Manley, because he happened to be a good friend of our Prime Minister and he happened to be of the same kind of political stripe as our Prime Minister. He was able to use the kind of authority this Bill gives to Cabinet to do the many things he did in Jamaica. When they can do that, it invariably is wrong. It is wrong in principle, Mr. Speaker, because it creates the wrong pattern. It shows differences of application between foreign companies and domestic ones.

I can understand the Government wanting to have as sweet a deal as it can to encourage foreign trade. All of us want to facilitate and encourage foreign trade. But when you treat foreign countries better than you treat your own citizens, there is something wrong. As we have noted before, and as my colleague mentioned earlier, there was this deal to build a monument in Algeria. I thought the deal was for 9.9 per cent, but my colleague tells me that the deal to construct the monument was for 7.5 per cent. If we can lend money for that kind of a deal when our people are paying 18 per cent to 24 per cent, then there is something wrong.

I have a company in my riding called Geramatic. It happens to be one of the best companies, not only in Canada but in the world, leaders in the field of hydraulic winches. Here is a company dealing in export, but in the last three months it has given notice that it has to move out of the country because it cannot function here any longer because of the cost of operation. That is the double standard of treatment. Foreign companies get a "sweetheart" deal in interest rates, but domestic companies have to pay the going rate of interest and, because of the cost of operation, have to move away. In this particular case, it affects 110 families in one fell swoop. This has occurred partly because of the National Energy Program, I might add. These companies are driven out of Canada.

• (1610)

If the Government is interested in our proposal, I would certainly invite it to make an arrangement whereby the principles that we have been addressing will be spoken to in the amendments that it brings forward. I would invite it to do so.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this should not be attributed to the Hon. Member's power of persuasion, but I believe that if you seek unanimous consent, you will find that there is unanimous consent for the following motion:

That, with regard to Bill C-110, an Act to amend the Export Development Act:

1. All amendments at the report stage shall be deemed to have been withdrawn.

2. Notwithstanding any Standing Order, the Government or Opposition may propose amendments that are the same or similar except in detail as amendments numbers 2, 3, 5, 6 and 8 as put on notice for the consideration of the House at report stage.

3. The Government shall also introduce an amendment with regard to the reference of the annual report and financial statements of the Export Development Corporation to Committee.

4. All questions necessary for the disposal of the report stage shall be put without further debate no later than 4.59 p.m. this day.

5. That third reading of the Bill will be called for debate as the first item of Government Business on Tuesday, September 27, 1983 and that all questions necessary for the disposal of the third reading stage of the Bill shall be put without further debate or amendment no later than 5.59 p.m. on Tuesday, September 27, 1983.

Mr. Nielsen: Mr. Speaker, that is substantially the arrangements that have been made. I have in my hand copies of the amendments that have been agreed to and which will be introduced, some moved by Government Ministers and others by Members from this side.

I might say that had the Government been as reasonable last week as it has been this week, this measure would have progressed much more quickly than it has by reaching this late stage, because we now have achieved what we always have been saying is the responsibility of the Government, namely, a measure of parliamentary control over the public purse which is achieved by the amendments which will be proposed here this afternoon.

Mr. Nystrom: Mr. Speaker, for the sake of the record, I would also like to confirm that we accept the House order and,

I suppose, that we second what the House Leader of the Conservative Party said about the importance of accountability over Crown corporations. I hope that this will set a precedent in terms of what will happen in the future and I also hope that this will set a precedent in terms of how this Minister and other Ministers will listen to some of the ideas of the Official Opposition on Bills that come before the House in the future.

The Acting Speaker (Mr. Blaker): Order, please. The House has heard the motion proposed by the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Evans) and seconded by the Hon. House Leader for the Official Opposition, the Hon. Member for Yukon (Mr. Nielsen). The motion is found to be in order. Accordingly, do Hon. Members agree to the amendment?

Some Hon. Members: Agreed.

Motion agreed to and Motions Nos. 1, 3, 5, 6 and 8 (Mr. Blenkarn) withdrawn.

Hon. Gerald Regan (Minister of State (International Trade)): Mr. Speaker, inasmuch as the amendments which were before the House are, by virtue of the motion you have just passed, withdrawn, I would propose to make a series of motions for subsequent amendments. I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That Bill C-110, An Act to amend the Export Development Act, be amended by adding immediately after line 34 at page 2 the following new Clause:

"4. Subsection 9(2) of the said Act is repealed and the following substituted therefor:

"(2) The Chairman and, if the President is a person other than the Chairman, the President shall be paid by the Corporation a salary to be fixed by the Governor in Council." "

and by renumbering the subsequent clauses accordingly.

Mr. Nielsen: Mr. Speaker, let us dispose of the motions one by one seriatim.

The Acting Speaker (Mr. Blaker): The Chair is in the position of having heard an amendment proposed by the Hon. Minister of State for International Trade (Mr. Regan) and seconded by the Hon. Member for Mississauga South (Mr. Blenkarn). Is it the wish of the House to debate the amendment, or shall I put the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is the House ready to agree to the amendment?

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Gerald Regan (Minister of State (International Trade)): I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That Bill C-110, An Act to amend the Export Development Act, be amended in Clause 5 by striking out lines 23 to 26 at page 3 and substituting the following therefor:

"11.(1) The authorized capital of the Corporation is one billion five hundred million dollars divided into fifteen million shares of the par value of one hundred dollars each."

The Acting Speaker (Mr. Blaker): I sense that the mood of the House may be to proceed seriatim with amendments made by the Hon. Minister, so I will put the question again assuming that there is no wish on the part of Hon. Members for debate. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise to make another motion. I move, seconded by the Minister of State for International Trade (Mr. Regan):

That Bill C-110 be amended by striking out lines 1 and 2 on page 4 and substituting the following:

"exceed an amount equal to ten times the aggregate of

(a) the paid-in capital of the Corporation from time to time, and

(b) the retained earnings of the Corporation, if any, determined in accordance with the most recent statements of accounts of the Corporation for a financial year which have been audited by the Auditor General of Canada."

May I speak to the amendment for a moment, Mr. Speaker? I would like to say to the House that this Party has, to this point, put up 140 speakers on report stage of the amendments that were before the House. We did that not because we in any way wanted to upset international trade. Indeed, we think it is essential that the trade of the country be promoted with the best efforts of all. However, it is most important for this Party and for the country that the people of the country know that the Parliament of Canada controls the spending of the Government of Canada and that agencies that are responsible to the Government of Canada are controlled by the Parliament of Canada.

This amendment will control the borrowing of the corporation to the actual capital and surplus of the corporation. In that sense, the corporation will not be able to run away with itself. It will be under the strict control of Parliament, and we think that this amendment is exceptionally important and is the kind of thing we as a Party stand for.

Some Hon. Members: Hear, hear!

● (1620)

Mr. Regan: Mr. Speaker, I just want to say I am happy that while we were unable to agree to certain amendments that the Opposition wanted earlier, we have been able to find wording and amendments that apparently suit their purposes and which are acceptable in relation to the operation of the Export Development Corporation. Even though I was well satisfied with the original Bill, I believe it is our responsibility to try to accept constructive amendments, wherever they come from, and to try for a situation in which all Members of the House feel that they can, with good heart, support the efforts of the Export Development Corporation.

Having said that, I guess you will find that both of us are out of order, because the House order calls for no further debate on these amendments.

The Acting Speaker (Mr. Blaker): Perhaps I can assist in that regard by putting the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Gerald Regan (Minister of State (International Trade)) moved:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 14 by striking out line 11 at page 13 and substituting the following therefor:

shall not at any time exceed $7 billion.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Blaker): I have two problems, the first being that I am beginning to sound like a parrot, and the other being that I do not know where the Minister is going next.

Mr. Regan: With great respect, Mr. Speaker, before moving the next motion may I say that you certainly do not resemble a parrot.

Hon. Gerald Regan (Minister of State (International Trade)) moved:

That Bill C-110, an Act to amend the Export Development Act, be amended in Clause 18 by striking out line 38 at page 17 and substituting the following therefor:

shall not at any time exceed $6 billion.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Gerald Regan (Minister of State (International Trade)) moved:

Export Development Act

That Bill C-110, an Act to amend the Export Development Act, be amended

(a) by adding, immediately after line 17, on page 4 the following clause:

9. Section 21 of the said Act is repealed and the following substituted therefor:

21(1) the accounts of the Corporation shall be audited by the Auditor General of Canada

(2) Every annual report and financial statement of the Corporation submitted pursuant to subsection 75(3) of the Financial Administration Act shall, after it is laid before Parliament, be referred to any committee of the House of Commons established for the purpose of reviewing matters relating to finance and trade.

(b) by renumbering the subsequent clauses accordingly.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Regan moved that the Bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Blaker): When shall the Bill be read a third time? In accordance with the House order just passed unanimously the Bill will be read a third time on Tuesday next.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to proceed to the next order of House business?

Mr. Evans: Mr. Speaker, I think you will find that there is unanimous consent to call it five o'clock.

The Acting Speaker (Mr. Blaker): Is there unanimous consent to call it five o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being five o'clock, the House stands adjourned until Monday next at eleven o'clock in the morning, at which time, pursuant to order made Tuesday, September 20, 1983 the House will begin its proceedings with Members' Statements followed by the Question Period. Have a good weekend.

At 4.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, September 26, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXTERNAL AFFAIRS

VISIT OF BRITISH PRIME MINISTER

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, on behalf of all Canadians, Members of the House, and British compatriots, I would like to extend a most sincere welcome to the Right Hon. Margaret Thatcher during her stay here. As you know, Canadian and British parliamentarians have been exchanging views on world, economic, and social needs for quite some time, and this has always been in the better interest of the Canadian and British parliamentary systems.

Today will be an historic day in Parliament. Prime Minister Margaret Thatcher will be the first British Prime Minister to make a joint address to the House of Commons and the Senate in 25 years. One must recall how another British Prime Minister, Winston Churchill, addressed the Canadian Parliament in this Chamber in a time of global war, aimed at returning the world to global peace.

On this occasion we on this side of the House are particularly glad our Leader and Prime Minister (Mr. Trudeau) will be engaging Mrs. Thatcher in important talks relating to economics, bilateral relations, and ways in which our two nations may work together to bring about world peace.

I know as you know, Madam Speaker, that Mrs. Thatcher will be treated with great civility during her visit to our Parliament. During her four-day visit to Canada, I am sure she will come to know the warmth and hospitality of all Canadians. Having had the honour of being received last spring by Mrs. Thatcher at 10 Downing Street, I can assure the House that the Prime Minister is a most gracious and humble leader of her country.

We are also convinced that Mrs. Thatcher's deliberations with Canadian leaders will be fruitful, meaningful, and will benefit all the Commonwealth.

Madam Speaker: Order, please. I must say that the statement on the part of the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) is really a very borderline one. I was hoping that something would come out in the form of a statement, but I should have stopped the Hon. Member sooner.

* * *

NORTHERN AFFAIRS

TAXATION OF NORTHERN ALLOWANCES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the Government must know by now that the most important policy issue affecting Canadians who live and work in the northern part of Canada is that of taxation. Yet, last week at the Mines Ministers' Conference held in Regina, the federal Minister of Energy, Mines and Resources (Mr. Chrétien), to the dismay of his provincial counterparts, stated that the Liberal Government had no intention of moderating in the slightest its plan to tax hitherto non-taxed items such as housing and vacation travel allowances.

On the other hand it comes to light that senior officials in the Department of Transport, and CTC commissioners, have been receiving free airline passes from the airlines they are supposed to regulate, and that they have not paid income tax on those travel benefits.

The men and women who work in our northern mines, thereby creating new wealth for Canada, are tiring of the double standard whereby they are to be taxed on every last nickel of deemed benefits when the Liberal "fat cats" in Ottawa get away scot-free.

* * *

AIR TRANSPORT

BAN ON SMOKING IN AIRCRAFT ADVOCATED

Mr. Maurice Harquail (Restigouche): Madam Speaker, I rise under Standing Order 21 on a question concerning safety for all Canadians who travel as air passengers in this country. On behalf of these Canadians I would like to put forward an additional intervention requesting that the Minister of Transport (Mr. Axworthy) seriously consider within his Ministry banning smoking on all aircraft in Canada.

On June 20, 1983, I raised that question with the Minister's predecessor. As well, the Hon. Member for Welland (Mr. Parent) on June 23 brought this matter to the attention of the House under Standing Order 21 in an attempt to encourage support for the banning of smoking on aircraft. We have a ban on smoking in public places in Canada such as on buses, taxis, and indeed in the House of Commons. This matter is serious enough to warrant the consideration of the Minister of Trans-

port to find ways and means to implement a total ban of smoking on aircraft in Canada.

* * *

EXCISE TAX

INCREASE IN TOBACCO TAXES CONDEMNED

Mr. Ron Stewart (Simcoe South): Madam Speaker, the Grit Government should be fully aware by now of the serious economic situation which has developed as a result of the indexation of federal excise taxes on alcohol and tobacco. Automatic increases in these taxes cause future increases at both federal and provincial levels resulting from past increases. This results in a perpetuation of inflation of consumer prices, even if manufacturers were to stop net price increases altogether.

Tobacco is the nation's third most important cash crop. In 1982 it generated total tax revenue of $2.2 billion, of which $1.15 billion flowed into federal coffers. Tobacco manufacturers employed 8,275 Canadians in 1982, and paid more than $216 million in wages and salaries. Employment in the wholesale and retail segments of the industry is estimated at 31,000. The industry is in the top five in terms of capital expenditures, productivity, and absence of work stoppages. Punitive tax policies directly threaten the vitality of this sector of the economy.

Beer, wine, and liquor tax increases are costing that industry more than 37,000 jobs and will result in an increase in the tourism deficit of $700 million in 1983. The President of the Association of Canadian Distillers estimates a loss of 2,000 jobs in that industry alone.

We have seen what punitive taxes did to the oil industry. The pros and cons of smoking and drinking do not enter into this picture. At stake here are thousands of jobs, millions of dollars, and the economic viability of two important sectors of an already fragile economy. When will the Liberals stop using moralistic motives and stop reaping the profits—

Madam Speaker: Order, please. The Hon. Member's time is up.

* * *

LABOUR CONDITIONS

CALL FOR ALL-PARTY MEETING TO DEVISE SOLUTIONS FOR UNEMPLOYMENT

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, a few months ago, as on other occasions, I raised the extremely important matter of unemployment as it affects not only people in Canada today but the future of life in our country. I welcome the fact that quite a number of Members have risen and made statements on the same matter. I have in mind, in particular, some of the statements made by my colleagues in this Party. But I want to take this moment to emphasize that the problem of unemployment and what it may mean for the life of Canada five years or ten years from now is extremely important. It is something with which all of us as a political issue must be concerned.

One suggestion I make is that the Prime Minister (Mr. Trudeau) consider the possibility of having a meeting of perhaps five or six Liberals, five or six Conservatives, and five or six New Democrats so that we can get together to come up with statements which will really solve the problem of unemployment today. The future of living in Canada depends on winning this issue. I urge very strongly that we now take active action on it.

* * *

• (1110)

SOCIAL SECURITY

PLIGHT OF WOMEN AGED 50 TO 65 YEARS

Mr. Gordon Taylor (Bow River): Madam Speaker, in Canada today we have assistance for those over age 65, we have the spouse's allowance for those between the ages of 60 and 65, and we have the Canada Pension for the disabled under the age of 65, but for thousands of women between the ages of 50 and 65 there is nothing. I submit that this big gap in our social assistance program is a priority item.

Every week women between the ages of 50 and 65 come to me. Some are single who looked after an aging parent or a crippled brother, some are divorcees who were left stranded to raise a family by an uncaring husband, and some are divorced, but all now find it difficult to get work even if their health permits them to work.

My husband left me with three little girls, and instead of going on welfare I scrubbed floors, sold cards, peddled seeds, and did everything I could to keep my children dressed and in school.

Now they are away from home, my health is gone, I have no unemployment insurance, I have no Canada Pension, and I am 60 years of age. Can you help me?

These were the words of a woman who bravely held back her tears when I had to tell her that there is no program in Canada to help her, except welfare. She shuddered at the thought of accepting welfare. This is not the story of just one woman. Thousands of women have similar stories, and they are heartbreaking. In this rich country surely we can provide enough priority to fill this gap in our social assistance program. These women lived in dignity. Surely we are not going to let them die in poverty.

* * *

ENERGY

CAPE BRETON COAL LIQUEFACTION PROJECT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise to make a statement regarding a report in this weekend's newspapers that the federal Government is ready to approve

another $750,000 grant for the controversial Cape Breton coal liquefaction project headed by former Liberal Energy Minister Alastair Gillespie. The Government would be wise to pause here and take stock before going ahead with these grants. To put it mildly, the matter raised quite a furor in the House of Commons for a week the last time the possibility of a grant to Mr. Gillespie and his associates was raised.

The Sharp task force, which was formed on July 7 of this year, is to look into the really difficult matter of conflict of interest guidelines for former Ministers. The Government should wait for its report. It should indeed have looked further into the Gillespie matter and held a special open inquiry.

I also question the consistency of the policy as reflected by the energy policy and some of the statements made this past weekend by the Minister of Energy, Mines and Resources (Mr. Chrétien). Are we going for coal liquefaction, or are we going to stick with the $8 billion which we are giving for petroleum incentive program grants for the Beaufort Sea and other areas? Or are we going to buy, which would be cheaper for the Canadian consumer, offshore oil from Saudi Arabia or Venezuela? The Government is being inconsistent here. Before it gives this grant, it should take pause.

Madam Speaker: The Hon. Member's time is up.

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CUSTOMS AND EXCISE

SEIZURE OF CLAN FRASER CRESTS AND EMBLEMS

Mr. Doug Lewis (Simcoe North): Madam Speaker, on July 15 Douglas Fraser and his wife, American tourists from Georgia, arrived at Canadian customs in Windsor. The purpose of their visit to Canada was to attend a Scottish festival in Orillia, Ontario. Mr. Fraser is the chairman of the Clan Fraser Society of North America. Not being familiar with Canadian customs regulations, they failed to declare $1,200 worth of T-shirts, crests, lapel pins and assorted articles, all designated with Clan Fraser crests which they intended to exhibit and sell at the festival. Rather than acting with understanding and good will, the customs officers seized all the articles and their vehicle, threatened them with jail, and refused to listen to any explanation.

My purpose for raising this on the floor of the House of Commons is this. We are trying to build a tourist industry in Canada. We do that by creating events and attracting tourists to Canada, to Orillia and other parts of this country. All of our efforts go for naught if heavy-handed customs officials at points of entry discourage tourists from coming to Canada by using secret police tactics on innocent people.

CRIMINAL CODE

CALL FOR REVIEW OF PROVISIONS GOVERNING GUN-RELATED CRIMES

Mr. Bill Domm (Peterborough): Madam Speaker, we have all been saddened to see an increasing number of near fatal gunshot wounds inflicted by criminals while in the act of robbing service stations, quick-checks, milk stores, et cetera. I think it is long overdue that all members of the House give serious consideration to having the matter referred by the Minister of Justice (Mr. MacGuigan) to the all-party Committee on Justice and Legal Affairs in order that we can review the facts that are before us today regarding the increased number of murders which occur while in the act of committing a criminal offence. The carrying of a gun is not permissible in Canada. The way some of these offenders are treated is sad.

• (1115)

I would like to see the Government show its responsibility to the Canadian people by referring this matter to the Justice and Legal Affairs all-party Committee in order that we can review the possible necessity of a return to capital punishment for premeditated first-degree murder.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

PLIGHT OF PEOPLE LIVING IN POVERTY

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I appreciate the fact that the Prime Minister is unable to be in the House at the moment so I will direct my question to the Acting Prime Minister.

On Friday of last week official Government statistics proved beyond a shadow of a doubt the magnitude of the social problems that have been created because of the Government's misguided economic policies. Those statistics show that 4.1 million Canadians are living below the poverty line, an increase of half a million since 1981. Almost half of the single-parent families headed by women are living in poverty. Their income has dropped by 11 per cent in the past year. Those are the social problems that have been created by the Government's economic policies. Having created these problems, I would ask the Acting Prime Minister what the Government will do to correct them.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I believe there was a budget that was presented in the House not very long ago which was well received by everyone in Canada as a budget that was coping with the present situation. Of course we are aware of these problems and we are very pre-occupied with them, but

we do not think that there is a quick solution to such problems. We must make sure that Canadian policies are adjusted to the international economic environment.

I believe everything is looking much better at this time. There is a recovery under way in most of the western world and Canada is leading the pack in that recovery because the policies of the Government apply to the present circumstances.

Miss MacDonald: Madam Speaker, obviously the Minister has not looked at the statistics that were released on Friday. Those statistics prove that the poor in Canada are getting poorer and more numerous.

NEEDS OF SINGLE SENIOR CITIZENS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I would like to ask the Minister about the one group in particular that is more likely to be living in poverty, single seniors. Six out of every ten single seniors live in poverty. In order to create a headline in July of this year, the Minister of National Health and Welfare said that she was going to increase the incomes of single seniors next year. Since the Minister and his colleagues have been able to find the money to bail out Maislin, Dome Petroleum, de Havilland, and so many other companies this year, I would like to know why it is that senior citizens have to wait until next year to receive any assistance. Why is it that their needs are not considered as great as the needs of the President of Dome Petroleum?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, dealing with the question of the policy enunciated by the Hon. Member, we are now very happy to know that her position is that the Government should spend more money to cure the problems. Dealing with the other instances mentioned, some of the money, for example, the money for Dome Petroleum, has not been disbursed at this time.

The only point I would like to make is that in helping Dome, Massey-Ferguson and others, perhaps it is only a coincidence, but I think we were helping more by protecting jobs at the same time. If the Hon. Member is arguing at this time that to cope with these problems we should spend more money, we will take notice of that. However, I would like to tell the Hon. Member that, right after the 1980 election, the first thing we did was to give more money to single senior citizens. That was the first measure introduced by the Government when we came back into power in 1980.

● (1120)

Miss MacDonald: Obviously the Minister has not been listening to his colleague, the Minister of National Health and Welfare, who says that senior citizens are living in dire straits now but she will not do anything about it until next year.

GOVERNMENT POLICY

Hon. Flora MacDonald (Kingston and the Islands): I should like the Minister to tell the House who made the decision to postpone the increase for single seniors until next year. Was it made on the basis that the increase would be available to them next year, an election year, in order to try to buy their votes? Is that the kind of cynical policy that the Government is putting forward?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think that if we had been cynical we would not have moved right after the election when there were still four years ahead of us. The first move we made was to increase that type of payment, and now the Minister of National Health and Welfare would like to have another increase on top of the indexation already there. If she succeeds, it will be the second increase in one term. I think that shows our concern. At the same time we know that, if we do that, it will increase Government expenditures. We keep hearing complaints from the other side of the House that we are spending too much and that we should cut expenditures. Hon. Members opposite should make up their minds; if they want us to spend more, then they should not get up the day after saying we should reduce the deficit.

[*Translation*]

REQUEST FOR CHANGE IN PUBLIC SPENDING

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have a question for the Acting Prime Minister—

[*English*]

—in English, the candidate.

Last week a Liberal Cabinet Minister told the Macdonald Royal Commission:

> The more Governments support economic activities that are not viable . . . .the less they are able to maintain generous social security programs and ample social services.

It is not a question of spending more, Madam Speaker; it is a question of spending differently.

I should like to ask the Acting Prime Minister whether the Government is giving urgent consideration to a change in public policy spending. Will the Government consider giving less money to Crown corporations and more money for social benefits?

I would point out to the Minister that the money the Government gave to Canadair alone would increase the guaranteed income supplement to senior citizens by more than 50 per cent.

Madam Speaker: Order.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member says that we should cut the Crown corporations, and he named one. It depends from which Province you come. There were some controversies in the House some months ago because we did

not want to close down the heavy water plants in Cape Breton. While campaigning in the next riding, the Hon. Member's Leader said that the Government was well advised to keep that kind of expenditure on the books. I think there should be communication between members of that Party about whether we should or should not help some of the industries that create jobs and maintain a certain level of employment. If it is good for us to keep the heavy water plants in Cape Breton, why is it not good for us to keep on the 7,000 workers employed by Canadair in Montreal? What is wrong with keeping the employees of de Havilland in Toronto working? We have to make some difficult choices.

I want to say again that the first thing the Government did after the election of 1980 was to increase the GIS for single people. The Minister would like to do it twice. I think it must be recognized that if we had been politically opportunistic we would have kept that increase until this time, but we did it as the first measure right after the election in 1980.

Mr. Hawkes: Given the track record of the Government we can expect it before the next general election, and not when people really need it.

* * *

EDUCATION

REQUEST FOR INCREASED FUNDING

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have a supplementary question for the Minister. The Government has to make difficult choices, and it chose to cut spending on post-secondary education. That is a choice which the Liberal Government made at the same time as it was throwing young people out of work in this country. Those young people want to go to school so they can get training in order to get jobs, but the Government cut the funds. Will the Government reverse that decision, and do it now in order to give us a chance to turn the clock back and put money into education? Young people need it today so they can get the training to get the jobs.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am glad that the Hon. Member has switched subjects. I am happy to reply to his question about post-secondary education.

When we started that program it was a 50-50 program between the Provinces and the federal Government; today in Canada the federal Government pays virtually 60 per cent of all the costs. The Provinces have increased the fees for students, and now the students pay more than 15 per cent while the contribution of the Provinces has gone down from 50 per cent of all the costs to 25 per cent of all the costs. As most of the Provinces are Tory, the Hon. Member would be well advised to tell them that, if they had kept their end of the 50-50 bargain for post-secondary education, the universities would not be in the position they are in today. If anyone is to blame, it is the Tory Governments in all Provinces but one.

THE ECONOMY

REQUEST FOR CHANGE IN EMPLOYMENT POLICIES

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Acting Prime Minister. I find it strange that the Tories are bleeding all over the public parking lot on behalf of the poor when their colleagues at Queen's Park are calling for a leaner and meaner approach to social welfare.

Some Hon. Members: Oh, oh!

• (1125)

Mr. Blackburn: Madam Speaker, one year ago 12 per cent of all Canadian families were living in poverty and today that has gone up to 14 per cent. In other words, 3.5 million Canadians are living in real poverty and we read about it every day; people eating out of garbage cans, kids lining up at soup kitchens, people sleeping out in the streets overnight. This has come about, to a great degree, Madam Speaker, as a result of government policy to raise unemployment in its fight against inflation. Will the Government now reverse its thrust towards creating meaningful employment and get off its hick in fighting inflation, because it is killing the economy of the country?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think that is a repetition of the previous question which we were asked. The economic policies of this Government are presented to Parliament in the form of budgets. The last budget was very well received by all sectors of the Canadian economy.

I feel that some of the rhetoric used by the Hon. Member in relation to garbage cans and so on is a bit exaggerated. I might even call it demagogic. However, I agree with him that through the Tory convention in Toronto last weekend we now know that what they want to do, in the other extreme, is to cut. I believe we are in the middle. In the Liberal way, we are trying to have a proper balance. But I would like to tell the House that Mr. Davis said last week that the opposition parties should have very precise policies, and not the way we see the party of the Official Opposition today, asking for cuts and at the same time asking for increased expenditures. He would like to—

An Hon. Member: Get rid of the Liberals at the trough.

Mr. Chrétien: —have one firm policy. We have some policies. They are working in Canada at this time. The economy is turning around very well and we are very optimistic for the future.

Some Hon. Members: Hear, hear!

Mr. Blackburn: Madam Speaker, I would like to suggest to the Hon. Minister that he need only walk a few paces off Parliament Hill and he will see in action exactly what I just described in my first question, a block and a half south of here.

Oral Questions

REQUEST FOR MEASURES TO STIMULATE CONSUMER SPENDING

Mr. Derek Blackburn (Brant): Madam Speaker, my supplementary question concerns wage restraints. In view of the fact that a great deal of poverty in this country relates to single families headed by females who have been badly hit by wage restraints right across the board from coast to coast, will the Minister assure the House that not only will we not continue with the six and five program, but that he will stop listening to the rich in this country who want to bring in a 4 per cent and 3 per cent program. That is something that some Conservative leaders across this country are advocating at the present time. Will the Minister assure the House that the thrust will be the other way around, to stimulate the economy and consumer spending, to get us out of the recession, which is precisely what the Department of Finance report said—

Madam Speaker: Order, please.

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, there is really no need for me to put up a big defence at this time, since the 6 and 5 policy introduced by our Government has been one of the most successful policies in Canada. The purpose of our policy was to bring down inflation. For 1983, our objective was to keep inflation down to 6 percent, and we therefore gave salary increases not exceeding 6 percent. Last month, the rate of inflation was 5.5 percent, which means that employees who received a 6 percent raised made a net profit in 1983, a considerable change from the situation that prevailed before. The 6 and 5 program has straightened out the economy in Canada, and I think it is one of the best programs we have developed in recent years. As far as what our policy will be when the program expires, this will be announced by the Minister of Finance at the appropriate time.

[*English*]

CANADIAN AND BRITISH POLICIES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the same Minister. In a few hours we are going to be addressed by Prime Minister Thatcher of the United Kingdom, in many ways the soul sister in economic policy terms of this Government—

Some Hon. Members: Oh, oh!

● (1130)

Mr. Waddell: I want to ask the Minister, who is not without ambition himself, whether the economic policies of the Government are the same as Prime Minister Thatcher's policies in that the main fight is against inflation and not jobs, and that the Government intends to rely upon the private sector for providing jobs?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not think the Hon. Member shows great taste at this moment in asking that type of question. But if we were to judge by electoral performance, I think his cousins in England got badly beaten in the elecion there. It is for the people of that country to decide.

I think the Prime Minister of England, Mrs. Thatcher, is most welcome in Canada. I do not think it is proper for the Government to debate here in Canada the policies decided by the electors in other nations, especially when their Prime Minister is in town.

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CANADIAN BROADCASTING CORPORATION

REQUEST FOR RADIO SERVICE IN NORTHERN NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Madam Speaker, in the absence of the Minister of Communications my question is directed to his parliamentary secretary. It concerns the commencement of broadcasting for CBC Radio in northern New Brunswick. Indeed, as I talk today, we have yet to receive this service. We know that there has been a lot of negotiations with respect to television broadcasts in that Province. Can the parliamentary secretary give any assurances as to a possible start-up date and as to what the timetable would be with regard to the installation of the necessary equipment to bring that signal into northern New Brunswick?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, first I want to say that the Hon. Member for Restigouche has worked long and hard on this problem of getting CBC service to northern New Brunswick.

Some Hon. Members: Oh, oh!

Mr. Burghardt: I am pleased to report that the equipment is in place for the service to begin in northern New Brunswick. The exact start-up date is a question mark at the moment, but I can assure the Hon. Member that the CBC is working very diligently on this and that the start-up date should be announced within a matter of days.

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CANADIAN DAIRY COMMISSION

CHAIRMAN'S TRAVELLING EXPENSES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the President of the Treasury Board. How does he justify the Government's spending priorities when the figures that were released to the House of Commons last Friday indicate that the Chairman of the Canadian Dairy Commission ran up travel expenses for international travel in one year of some $66,000? Incidentally, much of this was for chartered aircraft and first-class travel. This was at the very same time as record numbers of Canadian

farmers were being driven from the land because of their inability to secure adequate financing from the Government.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I understand that the Minister of Agriculture will be in the House tomorrow and will be in a position to deal with that question.

USE OF CHARTERED AIRCRAFT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, seeing as the President of the Treasury Board seeks to escape his responsibility for Government spending, let me put my question to the Acting Minister of Agriculture who, I am afraid, is the Minister of Transport. No doubt he is on top of this, though.

In view of the fact that the figures released show that chartered aircraft were used five times for round trips between Paris and Algiers, twice for trips between Ottawa and New York, and once for a trip between Ottawa and Montreal, how did this take place? Was it an example of poor planning on the part of the CDC, or was it a matter that the Chairman simply did not care about the expenditure of public funds?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as the President of the Treasury Board said, it is a matter which the Minister of Agriculture will be in the House to address. I am sure he will provide an explanation to the Hon. Member, even though the Hon. Member will not understand it.

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EXTERNAL AFFAIRS

U.S.S.R.—DOWNING OF KOREAN AIRLINER—COMPENSATION FOR VICTIM'S FAMILIES

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Justice. Last week the Secretary of State for External Affairs indicated in the House that if there were any suggestions made that would help increase the possibility of early compensation for Canadian victims of the Russian atrocity with respect to Korean Airline's Flight 007, he would be happy to hear them.

Would the Minister of Justice indicate whether his Department and its staff might be used for the purpose of providing services to the families and survivors of those ten Canadian victims so that an action might be commenced in the Canadian Courts for punitive damages and loss of support for those ten Canadians, with a view to obtaining writs of execution in Canadian courts that could then be levied against the property of the Soviet Union in Canada and thereby expedite the process? Is that a possibility, and can the Minister indicate to the House whether he is prepared to undertake it?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, there may be ways in which my Department can assist in counselling such people. As the Hon. Member knows, there are legal aid programs across the country which are funded in good part by the federal Government and are there for the purpose of helping people in all of their litigation when they have financial need.

Of course, in a case of this kind, as I understand my hon. friend to be referring to it, the law to be applied would be Canadian law so that these would be normal cases in the Canadian courts. Certainly if there is any general direction or guidance that my Ministry can give within its own guidelines of service, we would be very pleased to do that.

Mr. Gamble: I should not be surprised by that kind of response from this Government. Very clearly, the offer was made last week in the House that if some practical solution would be offered that could help the victims of that disastrous action by the Soviet Union, the Minister would be prepared to listen.

REQUEST THAT DEPARTMENT ASSIST IN PREPARING CLAIMS

Mr. John Gamble (York North): Madam Speaker, I have made a suggestion. It has nothing to do with legal aid, it concerns the responsibility of the Government to extract from that murderous regime in the Kremlin some compensation for Canadians. I ask the Minister to forget about provincial legal aid and deal with his responsibility. Will he now indicate to the House that the services of his Department, the solicitors in the Department of Justice, will begin to assist those Canadian families so that due compensation can be provided to them without delay?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I understand that this is a great occasion for my hon. friend to fulminate, but would he take into account the fact that lawyers in my Department do not give advice even to the Government, by and large, on the legislation of the various Provinces in Canada of the kind he is talking about. It is the mandate not of my Department but of the Department of External Affairs to give advice to the Government on matters of the kind he raises. We are bound by the legislation that determines the kind of advice we can give to the Government. As I indicated in my first answer, we will go to the limit of our responsibility to help Canadians who have the kind of problem of which my hon. friend spoke.

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NATIONAL DEFENCE

CANADIAN FORCES BASE CHATHAM, N.B.

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of National Defence. How does he reconcile his Department's decision along with that of his predecessor to close down CFB Chatham in view of the statement made by the Prime Minister on September 23, 1976, that Chatham is indeed fulfilling a need and there are no plans to close it down? That commitment was made to the members

of the Miramichi Regional Development Corporation in Bathurst.

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I have not seen the statement to which the hon. gentleman refers. I would be pleased to receive that copy from which he quotes. However, there is no doubt that the Government has made the decision to close down Chatham and we are proceeding with that decision.

I point out as well that we are conscious of the impact that that program will have on the region. That is why my Department and other government Departments are reviewing what solutions can be arrived at in order to compensate for any job loss that would be created as the result of closing down the Chatham base.

PRIME MINISTER'S STATEMENT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, we are dealing with approximately 3,200 souls who are losing their jobs and who feel a sense of despair as great as anybody who believes in the great Book of Revelation, who have sinned and feel themselves doomed to the fiery lake.

I ask the Minister what he intends to do in view of the Prime Minister's statement of the same day that, yes, the Chatham air base has a permanent status. In view of the Minister's comment today that that base will be closed down, is that an indication of how much the Prime Minister has lost control of his Party?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I am amazed that the hon. gentleman asks a question in those terms. We have had representations on an ongoing basis on this side of the House from the hon. Member for Northumberland-Miramichi relating to the measures that will be implemented in order to alleviate the negative impact of the closing of the Chatham base. The Hon. Member is a johnny-come-lately on that particular dossier. As a matter of interest, I am meeting with the local MLA this afternoon as well as with the Mayor of Chatham. Undoubtedly, they must be in the galleries and witnessing the shameful performance of the hon. gentleman. In the past, I have not heard his questions being directed in relation to that issue. I want to indicate to you, Madam Speaker—

• (1140)

Some Hon. Members: Oh, oh!

Mr. Blais: I do not want to sit down before I indicate that I am ready and very willing to consider any solutions that the hon. gentleman may advance in order to soften the blow of the closing of the Chatham base.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, the Minister can rest assured that the Hon. Member for Fundy-Royal will not advance any proposals. He will only gripe.

FUTURE OF BASE

Mr. Maurice A. Dionne (Northumberland-Miramichi): In answer to the first question, the Minister said that the decision had indeed been made to close the base. That is news to me.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Where have you been, buddy; where have you been?

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, when the braying donkeys stop, I will continue.

An Hon. Member: You haven't even informed the Member.

Mr. Crosbie: The Member doesn't know.

Mr. Dionne (Northumberland-Miramichi): The Government has made a decision to stand down 416 Squadron, but that is not the only activity connected with CFB Chatham. The other military activities there were not to be affected. If there is any change in the Government's decision, I would like the Minister to explain it, please.

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, the Hon. gentleman is quite right. It is the standing down of the squadron relating to using the CF 101 Voodoo aircraft at the present time.

Some Hon. Members: Incredible.

Mr. Blais: In terms of the military activities that are also within the Chatham area, those activities will be maintained.

* * *

CANADIAN DAIRY COMMISSION

TRAVELLING EXPENSES OF EXECUTIVE DIRECTOR

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Acting Prime Minister. The Canadian Dairy Commission continues to be tarnished by the escapades of its Executive Director, Mr. Choquette. Three official reports have questioned and censored the procedures and actions of the Dairy Commission. The RCMP is presently investigating its marketing procedures. Mr. Choquette and his assistant are spending $53,000 per year on travel alone. What action does the Government intend to take to control this suspicious expenditure of dairy producers' money?

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am glad to be able to answer the Hon. Member's question, because three inquiries were conducted previously, and each inquiry found the administration of the Canadian Dairy Commission to be in accordance with the Regulations. Furthermore, the Chairman of the Canadian Dairy Commission has followed 30 recom-

mendations out of 33, and we feel that the present financial year should show some improvement.

[*English*]

REQUEST FOR SUSPENSION OF EXECUTIVE DIRECTOR

Mr. Stan J. Hovdebo (Prince Albert): My supplementary question is also directed to the Acting Prime Minister, Madam Speaker. Would the Acting Prime Minister not agree that, as a matter of Government principle, Mr. Choquette should be suspended from his position as Executive Director while he is under investigation, so that during that period we can at least keep him out of the dairy producers' pockets?

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I certainly do not agree with the statement just made by my colleague opposite, because the Canadian Dairy Commission is among the best agencies of its kind in the world. Canada, thanks to its dairy policy, happens to be the only country in the world that does not have a milk surplus. All kinds of accusations are now being fired from various sources at the Canadian Dairy Commission. However, these funds were spent by the Commission's Chairman and the executive for the purpose of improving the position of dairy producers in this country, and this is proven by the fact that we have the best policies in the world.

* * *

[*English*]

NATIONAL DEFENCE

RADIATION EXPERIMENTS ON DOGS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Minister of National Defence, who was sitting there just a moment ago, so perhaps I could—

Mr. Crosbie: There he comes.

Mr. Scott (Hamilton-Wentworth): Here he comes. I have given the Minister's Parliamentary Secretary notice of this question.

Millions of Canadian animal lovers, and especially dog owners, will be upset to learn of the University of Ottawa's experiments on dogs, that is, irradiating beagles until they die, to determine the reasons for nausea and vomiting in humans. Will the Minister review this barbaric process now going on at Shirley's Bay, or preferably stop this process, this suffering, which is admitted by University of Ottawa officials?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I thank the hon. gentleman for his interest in the matter. I want to assure him that the experiments that are being carried on relating to radiation and its impact on dogs are a result of the necessity on the part of the Department of National Defence to evaluate the impact of radiation on human beings. The experiments are under very, very tight control. I can assure the hon. gentleman that we have reviewed the methodology with those who seek to protect the impact of such experiments on the animal species. They are satisfied that the methodology is appropriate and is acceptable.

Mr. Scott (Hamilton-Wentworth): Whatever methodology the Minister has reviewed, the fact remains that the animals are still suffering.

SELECTION OF BEAGLES FOR USE IN EXPERIMENTS

Mr. Geoff Scott (Hamilton-Wentworth): How can the Minister be sure that there is any correlation between dogs and humans in this case when tests with thalidomide, for example, proved positive on dogs, and we all know of the human tragedy that resulted, whereas testing with penicillin proved to be lethal to certain animals, including dogs? I am just wondering how the Minister can justify fiddling around with helpless animals which cannot complain, and why beagles? Are German sheperds and Doberman pinschers too dangerous?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I do not think the hon. gentleman should make light of the particular issue. I thought that his initial question was very serious and I know the hon. gentleman is concerned about experimentation of any kind involving animals. In this particular instance the best scientific advice that we received was to the effect that dogs were acceptable in terms of the experimentation that was being conducted, in terms of the relationship that the findings would have to human reaction. That is why the dogs were selected in this instance.

* * *

CANADIAN NATIONAL RAILWAYS

CHAIRMAN'S OPPOSITION TO AUDITING OF BOOKS BY AUDITOR GENERAL

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the President of the Treasury Board. He will know that the Chairman of CN has suggested that the railway's independence would somehow be threatened if the Auditor General were to audit CN's books. He will know that comprehensive audits are performed on government Departments by the Auditor General to determine if the Canadian taxpayer is getting value for money. Is it government policy to refuse to allow the Auditor General to perform comprehensive audits on Crown corporations, or is the Chairman off on a frolic of his own?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I do not think there is an over-all policy in the terms my hon. friend has suggested. The various Crown corporations operate under a range of statutes creating them, which were passed by this Parliament, and the role of the Auditor General with respect to Crown corporations is something that I and others have under study.

Oral Questions

CONCEPT OF COMPREHENSIVE AUDITING

Mr. Doug Lewis (Simcoe North): Madam Speaker, to carry the subject further, I would suggest to the Minister that comprehensive audits are used in Crown corporations to see if the taxpayer is getting value for money. It is a way of determining the bottom line which is used in business. In refusing to allow the Auditor General, on a selective basis, to examine Crown corporations, does the Minister not feel that the Government is not taking into account a method of determining efficiency which would be in the interest of all Canadian taxpayers?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, the concept of a comprehensive audit is still in the process of evolution. I understand that the accounting profession has not yet defined and decreed a generally accepted standard as to what comprehensive auditing means. But certainly in the minds of some people at least, it is proving to be a useful instrument and, as I understand it, the concept, to the extent that it has evolved, has already been used in some Crown corporations. One point at issue is whether any such audit is to be at the request of and for the board of a Crown corporation or for the Government or for Parliament as a whole. Therefore I think that my hon. friend will agree with me that there is a very interesting and important area developing. However, in terms of a generally accepted standard defining comprehensive auditing, the accounting profession itself is still in the process of thinking of a definition.

* * *

● (1150)

EMPLOYMENT

PART-TIME WORKS—COMMISSION RECOMMENDATIONS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is addressed to the Minister of Labour to whom I extend my belated but sincere congratulations on his assumption of new ministerial responsibility. My question relates to the report of the Commission of Inquiry into Part-Time work, dated April but not released until September of this year. The Minister might comment on the five-month delay. In view of the variety of opinions received from the various communities affected, does the Minister intend, as the spokesman for the Government, to reply formally to the recommendations made by the Commission?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I wish to thank the Hon. Member for his question and his congratulations, and I would like to take this opportunity to, in turn, congratulate the Hon. Member on his appointment as official Opposition critic on labour matters.

As for the Hon. Member's question, the delay in publishing the report probably occurred, and perhaps this should be checked, at the translating and subsequently at the printing stage. As far as the possibility of commenting on the report is concerned, it is a matter I am considering at the present time, and as soon as a decision is made, I shall be glad to make a statement to that effect in the House.

[*English*]

REQUEST FOR REFERRAL OF REPORT TO COMMITTEE

Hon. Bill Jarvis (Perth): Madam Speaker, my supplementary question is also for the Minister of Labour. The report is likely one of those which does not conveniently fall within our Standing Orders wherein its tabling results in it being deemed referred to an appropriate Standing Committee. In view of that, and in view of the variety of responses that one has heard from the various sectors affected, would the Minister consider initiating House action where by this report would be referred to the appropriate Standing Committee in order that that committee might not only study its recommendations but hear witnesses?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I should be happy to discuss the matter with the Government House Leader, and I am sure that he will be able to report to the House Leader for the Progressive Conservative Party on the appropriate way of answering the Hon. Member's question, either affirmatively or negatively.

* * *

[*English*]

FISHERIES

CASSIAR PACKING COMPANY—PAYMENTS OWED TO FISHERMEN

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Parliamentary Secretary to the Minister of Fisheries and Oceans. Cassiar Packing Company was recently placed into receivership by the Royal Bank of Canada, jeopardizing the jobs of 1,000 shore workers and fishermen. The action came only after the end of the season, about the time fishermen were to draw on their accounts with the company at the bank. As a consequence fishermen stand to lose up to $1 million in payments owing to them if this matter is not resolved satisfactorily.

What action has the Minister taken to intervene in this procedure taken by the Royal Bank? Would the Parliamentary Secretary assure the fishermen they will get the full value of their season's fishing? Will the Parliamentary Secretary also indicate whether this Government has a growing concern about the concentration of power the banks are getting at the expense of the fishing industry?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I cannot respond in detail to each of the two or three questions raised by the Hon. Member opposite because I am not fully aware of all the details surrounding this particular matter. What I can assure

the Hon. Member of is that we are concerned about the fishermen and about the industry, that it be a viable one and that any action taken by any group that impacts upon that industry, which has a negative effect upon its primary participants, the people who make a living from the sea, is of great concern to us. I will, on behalf of the Minister, be examining this question.

* * *

ROYAL CANADIAN MOUNTED POLICE

PENSIONS OF SURVIVORS OF OFFICERS KILLED ON DUTY

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have a supplementary question for the Solicitor General. This summer the Minister received an important report from the RCMP Commissioner which was very critical of the pension plan for widows and children of RCMP officers killed in the line of duty. These individuals are clearly disadvantaged by comparison with survivors under all other police force plans, not only in Canada but elsewhere. What action does the Minister intend to take to put a very early end to this second class treatment of members of the RCMP and their survivors?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, as the Hon. Member knows, I have been very involved in this issue of getting better treatment for the survivors of RCMP officers and, indeed, correctional officers as well—

Miss MacDonald: Correctional officers?

Mr. Kaplan: —slain on duty. Several years ago, shortly after I became Solicitor General, we did introduce a new program to provide increased benefits for them. The Hon. Member is pointing to the fact that some police forces in the country had still better arrangements for survivors in circumstances like that, and I asked to have a study done. The Hon. Member refers to it as if it were completed. It is not completed in final form. Work is still under way to assess exactly where the new plan that I have introduced, which moves so much further ahead, is in relation to other existing plans.

I can assure the Hon. Member that when I do have a final report I will look at it and consult with my colleagues from Treasury Board to be sure we give the RCMP and the Correctional Service of Canada the kind of assurances to their families—who see them leave every morning, putting their lives on the line for fellow Canadians—the kind of assurances that the backup we have for them is adequate.

* * *

ENERGY

PETROLEUM INCENTIVES PROGRAM—ALLEGATIONS OF FRAUD

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Solicitor General. Is the RCMP investigating possible fraud in connection with the Petroleum Incentives Program introduced by this Government as part of the National Energy Program?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, in the normal course we do not make announcements about RCMP investigations under way.

Mr. Nielsen: It is in the public press.

Mr. Kaplan: It is a very well established tradition, and one which is based on very sound reasons, that investigations take place off the record and that, when they reach a point where charges should be laid, that is the moment at which the fact that people are under investigation is made known. I would ask the House to respect that position and not to press me in every case, where you read in the papers that there are suspicions of an investigation under way, that that fact be confirmed or denied.

GRANTS TO EXPLORATION COMPANIES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Is the Minister concerned at all about the possible abuse of the Petroleum Incentives Program in light of the fact that we taxpayers have spent some $2.2 billion to the end of the last fiscal year in giving grants to exploration companies? In light of the Minister's own concern about reviewing every drilling program over $50 million, which is essentially every offshore well, can the Minister tell this House whether he feels there may have been abuse?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not know of any specific instances where there have been obvious abuses. If the Hon. Member has some cases, she should refer them to me and I will certainly investigate. Of course it is a very expensive program. We have reviewed the administration since I have been Minister to speed up the program so that the industry would not wait too long before having a decision about Canadianization or the amount of money to be received. If there is some fraud, I would like to be informed of it and we will make sure that it is corrected.

In the case of the administration, if there are some specific problems I would like to look into them, but I have not myself received any complaints to that effect. However, I would ask the group working on that and satisfy myself that the administration is being carried out according to the law passed by Parliament.

IMPACT OF PROGRAM ON SHIPYARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, may I direct a supplementary, a very directly related question with respect to the PIP grants, to the Minister? The Minister of Energy, Mines and Resources will be aware that under the grants not only is the cost of leasing from offshore

included under the qualifying arrangements for such grants but, as well, the bringing into Canada on a temporary basis of offshore ships. In order to recover some of the 7,000 jobs we have lost in the Canadian shipyards over the last year, would the Minister join with the Minister of Finance and review this situation, if for no other reason than to maximize the level or to set a minimum level of Canadian content with respect to the ships, so we will not be importing offshore service and drilling rigs?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, shipyards in Canada have built many rigs. Some have been operating in Canadian waters, some have been utilized in the North Sea and elsewhere. I guess at this time one of the preoccupations of the Government is the level of PIP grants that we have to face. As the Hon. Member's colleague from Vancouver mentioned, there are some people who are preoccupied by the level of these expenditures. We try to control the costs. To force the industry always to buy new ships from Canada will increase the costs even more, especially at this time when there is a large surplus of available rigs around the world. The industry is trying to get the best price possible. As the Minister I have to ensure that the cost of every one of these drilling operations is minimum, otherwise the PIP grants will increase accordingly.

• (1200)

LEASING OF OFFSHORE DRILLING RIGS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I wonder whether the Minister would look very closely at the situation as it in fact currently exists. The Canadian entrepreneur has been forced offshore. Petro-Canada, Bow Valley and other companies have built in Canada, sold their vessels offshore, and leased them back in order to obtain the 80 per cent qualification. Will the Minister look at the specifics of that effect of PIP?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I will certainly look at all aspects. I do not think the system described by the Hon. Member makes a big difference. The fact that one is leasing either from a Canadian or a foreign company does not increase the cost of leasing.

* * *

[Translation]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, September 23, 1983, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[English]

TRANSPORT

PRESENTATION OF SEVENTEENTH REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I have the honour to present the seventeenth report of the Standing Committee on Transport. This report contains some 89 amendments.

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

Mr. Benjamin: Madam Speaker, this is nothing more than a further extension of the black day in western Canada—

Some Hon. Members: Order, order.

Madam Speaker: Order, please.

* * *

BRETTON WOODS AGREEMENTS ACT (NO. 2)

AMENDMENT TO INCREASE SUBSCRIPTIONS TO INTERNATIONAL MONETARY FUND

Hon. Roy MacLaren (Minister of State (Finance)) moved for leave to introduce Bill C-168, to amend the Bretton Woods Agreements Act (No. 2).

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,633 and 4,907.

[Text]

DESTRUCTION OF RCMP FILES

Question No. 4,633—**Mr. Mitges:**

1. Did the McDonald Royal Commission into RCMP wrongdoing state that 800,000 files held on individual Canadians should be destroyed?

2. Did the Solicitor General give orders to the RCMP to destroy the files and, if not, on what date will he do so?

Hon. Bob Kaplan (Solicitor General of Canada): In so far as the Royal Canadian Mounted Police are concerned:

1. No.

2. A new destruction policy for RCMP Security Service files on individuals was authorized by the Solicitor General on February 11, 1983. A review of personal files is well under way to designate those which are to be destroyed pursuant to

this policy. All files on individuals identified for disposal according to the principles laid out in the policy, will be destroyed as soon as certain matters currently before the courts have been dealt with.

MARXIST STUDY CONFERENCE

Question No. 4,907—**Mr. Epp:**

1. Did the Canada Council contribute to organizers of the Marxist Study Conference held at the University of Manitoba from March 12 to 15, 1983 and, if so, what amount?

2. Did any other departments, agencies or commissions contribute any funds to the Conference and, if so, which ones and in what amount were the contributions?

3. What was the purpose of the Canada Council contribution to the Conference?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows: 1. To be answered elsewhere. 2. No. 3. To be answered elsewhere.

In so far as the Canada Council is concerned, the reply to the above question is as follows: 1. No. 2. To be answered elsewhere. 3. Not applicable.

I am informed by the Social Sciences and Humanities Research Council of Canada as follows: 1. To be answered elsewhere. 2. Yes. A grant of $6,000 was made by the Social Sciences and Humanities Research Council under its program of aid to Occasional Scholarly Conferences held in Canada as a partial contribution to the travel costs entailed in the Conference. 3. To be answered elsewhere.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANKRUPTCY ACT, 1980

MEASURE RESPECTING BANKRUPTCY AND INSOLVENCY

The House resumed from Friday, November 26, 1982, consideration of the motion of Mrs. Erola that Bill C-12, respecting bankruptcy and insolvency, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Kempling (Burlington): Mr. Speaker, I wish to make some observations about Bill C-12 before we pass it along to the Standing Committee. This Bill has been around for more than eight years. It has had a variety of Bill numbers. It was first introduced in 1975 as Bill C-60. After introduction and by negotiated agreement it was sent on to the Senate Committee on Banking, Trade and Commerce. That Committee recommended 139 changes to the Bill. It was withdrawn and resubmitted as Bill S-11 and introduced again in the Senate on March 21, 1978. It did not move forward for debate but was reintroduced as Bill S-14 on February 27, 1979. Again it was introduced in the House on April 16, 1980, and three years and five months after this present session commenced we have it before us again for debate.

The Bill has had about one and a half days of debate, and we now have it again for debate and reference to the Standing Committee. We might ask why this Bill, which is so vital to the conduct of good business practice, has been left on the back burner for so many years. It could be said that the tremendous increase in business and personal bankruptcies over the past five years made the Bill a focal point for an attack on Government economic policies. To put it another way, it was a good debating Bill but could be very embarrassing to the Government. It chose to keep it down the list of legislation.

But why bring it forward now, we might ask? The answer is quite simple: pressure from the business community, a good and valid reason. Business bankruptcies have risen from 3,700 in 1979 to 6,897 in the first eight months of 1983. Farm bankruptcies in that same period in 1979 amounted to 77 for the first eight months and 287 for the first eight months of 1983. The losses suffered were quite substantial—$585 million in 1979 and $1,390 million in that same eight-month period in 1983. If we add to that personal bankruptcies, sometimes called consumer bankruptcies, we see that they increased from 11,670 in the first eight months of 1979 to 18,476 in the January-August period of 1983, an increase of 58 per cent in four years.

The real reason the Bill is being brought forward is the Maislin Transport bankruptcy. Pay cheques were bounced in an operation into which the Government poured several hundred million dollars. The bail-out money did not help; it was just too close to home. Too many Ministers and Liberal Members were feeling the heat, and now we have the Minister saying that she will amend the Bill to give some priority to wages of employees caught in a bankruptcy. It was only when a large Quebec-based company went under and its employees, friends and creditors put sufficient heat on Quebec Members to cause them to worry about their electoral base that the Bill was given priority and brought forward.

The statistical record is shocking. Just going back four years and picking the January to August period of eight months from 1979 to 1983, there were 77,547 personal bankruptcies and 26,981 business bankruptcies with losses of $4,270 million. That was the 1979 to 1983 period, the January to August eight-month figures. But only when Maislin Transport was in

difficulty, some employees had payroll cheques bounced and the heat was applied to Quebec Members of Parliament, did we see some movement on the Government legislative list. So much for the background and history of the Bill.

I have not mentioned the businesses which have been put into receivership or chose voluntary liquidation. We have no statistics for that group, but I have heard figures of from 6,000 to 18,000 per year. I accept the lower figure in the absence of some proof of the higher number. When we see the dimensions of this economic tragedy, we understand why there are almost two million unemployed people in Canada and the gloomy forecast for employment down the road. We cannot eliminate 26,981 businesses and have another 30,000 going into receivership in four years without expecting to have massive job dislocations and personal bankruptcies. You cannot wipe out $4 billion or $5 billion in losses as the result of bankruptcies and probably a similar amount from businesses placed into receivership and not have disastrous waves in the economy.

● (1210)

The human tragedy is the biggest loss. Thousands of entrepreneurs closed their doors forever. Using the full year's comparison for 1979 to 1982, the number of businesses forced to close their doors increased by 91 per cent. In 1982 alone, over the 12-month period, 10,763 businesses were forced to close their doors forever.

Rather than take action to repair the economy, the Government has chosen to throw massive amounts of money at selected companies. To date Canadair has cost the taxpayers of Canada $2 billion. That sum of money is almost equal to the total liabilities of all the businesses that were declared bankrupt in 1982.

I know we have the commercial Galahads with us who say that only the strong survive or should survive. Others will tell you that the businesses were poorly managed. They will also tell you that most small and medium-sized businesses are undercapitalized. A few go under due to fraud. You may be surprised to learn that in the retail trade more losses are recorded by employee theft than by bankruptcy. I suspect there is a bit of truth in all the excuses or reasons for bankruptcy or receiver-trustee arrangements.

The bankruptcy legislation first passed in 1949 has not kept pace with the times. It was amended once in 1966 and has seen nothing more until this Bill in its various forms was introduced. In the intervening years much has changed in commercial practice. The employees and unsecured creditors have been abused by the major creditors and by autocratic receivers.

We are aware of deals between unethical receivers who dispose of assets at distressed prices through the economic vultures. These vultures are known to the receivers. They offer ready cash for good, saleable merchandise and raw materials. In many cases no competitive bids are received. A lot of arranged sales are made to the detriment of the unsecured creditors. Our objective should be to amend this legislation to see more justice, honesty and equity in these tragedies.

Today in Canada we have the most illogical, ambiguous, contradictory and grossly unfair income tax system of all the western democracies. We have bankruptcy legislation that has gone unamended since 1966. In that period of time our economy has exploded and we have been ravaged by inflation and bankruptcies. Survivors of the current recession are standing with their balance sheets stripped bare of capital assets. If there is a bump of any significance in the current recovery, many of the survivors will join the tens of thousands who have gone under.

Do we find many objectors to any amendments to this legislation? Not many have raised their heads to date, but I am sure there will be some. I note in the April 18 issue of *The Financial Times* that mention is made of a new Ontario law on liens and there is the comment that it worries the developers. The article states that the new legislation in Ontario that affects the assets of a bankrupt developer changes the rules under which major lenders extend financing. It further comments that it will raise the cost of borrowing for developers. I find that concept of financing rather disgusting. The article states in effect that should a developer become insolvent, the lender who finances the developer must have the assets of the suppliers and the subcontractors free from and unencumbered by liens at his disposal. The lender must have his free ride or he will raise the cost of money to the developer.

The Province of Ontario has moved, quite properly, to give some measure of protection through a lien to subcontractors and suppliers to a developer. One bank commented that this lien protection given by the new act in Ontario is a serious impairment to any lender. This recent change in Ontario legislation is a step in the right direction. It should cause us to look at the plight of the unsecured creditor and employees of a company in bankruptcy or receivership when we consider this legislation.

Many businesses with stripped balance sheets are at the mercy of the receiver-trustee who is petitioned to take over the business that is in difficulty. The receiver can, upon direction of the largest creditor, usually a bank, seize and sell the assets to satisfy the bank's liability. Inventory and good fixed assets are sold at distressed prices. Anything that is left is dispersed to the unsecured creditors. The bank and National Revenue are usually first on the list of those who are secured creditors and receive their outstanding accounts.

The power in the hands of the receiver is awesome. Some unsecured developers have developed a defence against the all-powerful receiver. I can recall a particular instance in my own business: a company ordered several thousands of dollars worth of material from my company. The credit information indicated the customer was in good financial condition. After 45 days passed, we called for our outstanding receivable only to be advised that the cheque was prepared and was awaiting signature. That is a favoured excuse. After 60 days we called again, accepted apologies, and were assured that the cheque would go forward within a week.

We heard a rumble in the trade that suggested our customer had a cash flow problem. We called again and offered to take

back some or all of our merchandise. The customer declined and said our cheque was on top of those cheques awaiting signature. Further commercial credit investigation did not indicate any serious financial problem beyond a slow-pay rating. We heard another rumble in the trade, called our customer again and asked if we could borrow back some of our merchandise as we had a large order to fill and did not have enough products on the shelf to fill the order. Our customer agreed to "loan" us our own merchandise and we despatched our truck to bring it to our warehouse. Within 48 hours the company was in receivership. Within 60 hours the receiver called and demanded that we return our merchandise. He fretted, he fumed, he used numerous unparliamentary words and expressions when I told him we would not return the merchandise. He quoted me the law, said he would get a court order and force me to return the merchandise and further threatened to bring the sheriff with him and seize the merchandise. The more enraged he became, the more secure I felt. I thold him where to go, how to get there and hung up the phone.

After several more phone calls with threats of court action, I invited him to proceed and said that we were prepared to meet him in court. My position was that he had taken every precaution possible in a normal commercial transaction. We had offered to take back the merchandise to relieve the cash flow problem we heard they were experiencing, albeit unofficially. We know what we did was unlawful. However, after you have been stung a number of times in bankruptcies, you get hardened to a law that is out of date with the realities of the commercial marketplace.

I could tell you more about experiences, Mr. Speaker, such as going to the final meeting of an unsecured creditor to find that I was the only one of more than 300 creditors who turned up. In fact, the meeting was held in the receiver's 12 by 12 office. He laughed when I asked for a statement of the final disposition of accounts. I did not laugh, but he thought it was strange that anyone would show up for the meeting. I was struck by the arrogant, callous and flippant attitude of the receiver. You get more respect from a slot machine. We must see that the unsecured creditors have a security mechanism available to them.

We must amend this legislation as well to protect the employees' wages. We must remove potential conflict of interest between receiver-trustee functions and manager-creditor functions. Unsecured creditors must be kept informed by the receiver-trustee of the amount received on the disposition of assets. More important, they should have some input into the decision to sell or dispose of assets by auction.

I would like to see an amendment put in the statute that would protect the businessman from the Government when that Government is party to his going into bankruptcy. I am sure all of us at one time or another have had a call from a businessman informing us that National Revenue is closing in because he did not remit his employee payroll deductions, income tax, UIC, CPP or whatever. It should be a requirement that those funds be placed in a trust account and not be attachable by the bank. That should get the Government out of its preferred position in a bankruptcy. However, I refer to more serious matters.

• (1220)

There are many reasons for bankruptcies. Clarkson Company Limited, the oldest trustee in bankruptcy in Canada, estimates that 70 per cent of all business failures can be attributed to poor management. But what about the case of Mr. Lorne Shields, a man who perhaps knows more about the bicycle business than anyone in Canada? Mr. Shields had an excellent business and earned about $400,000 annually in bottom line profits. He was an importer of bicycles who, for market and tariff reasons, decided to begin to manufacture his requirements in Canada. He set up a manufacturing facility, hired about 200 people, and pre-sold a year's production at a profit.

One day, Sir, Mr. Shields had a visit from a dominion customs appraiser named John Peillard who told Lorne Shields that he was not a manufacturer of bicycles but was an assembler, and as such that he must pay duty on the imported components he used in his production. Mr. Shields said: "All my competitors import duty free". "No matter," said the dominion customs appraiser, "you are classified as an assembler and therefore you are not entitled to duty-free status; and furthermore, we demand payment of $310,000 duty which we have assessed your company".

Well, Sir, Lorne Shields was devastated. He came to Ottawa, he bumped around National Revenue and finally, after numerous trips to the capital, the Minister of National Revenue agreed to see him. Now, the Minister with a smiling, shining face agreed that Mr. Shields had been badly done by. He said he would have the ruling changed right away and Mr. Shields left happy.

About two weeks later, Mr. Shields received a letter from the Minister saying that the Minister was very sorry but he could not change the ruling laid down by his officials, that the $310,000 levy must stand, that he was indeed an assembler and not a manufacturer and National Revenue must have its money now.

What Mr. Shields did not know was that a deal had been struck by the Enterprise Development Board. It had received an application from CCM for another bundle of money to bail it out of another financial mess. The Board turned that application down, but the Minister did not want to see CCM go into bankruptcy because an election was on the horizon. So they cut a deal, as they say in the trade. Somehow they had to get rid of Lorne Shields' operation because, as the CCM people said, he had such a share of the market that CCM could not become profitable unless Shields was out of the market and they had his chunk of the market. So a method was found to put Lorne Shields to the wall. All this had been cooked up before the dominion customs appraiser came to Lorne Shields' place of business. He was only the messenger.

Mr. Shields was petitioned into bankruptcy by his bank. He had paid $230,000 of the $310,000 invoice for the duty to

National Revenue in the sure understanding that the Minister of National Revenue would have the classification of his business changed and the funds paid would be returned. Meanwhile, Mr. Shields' lawyer took the matter to the Tariff Appeal Board. It heard the case about 24 months later.

Mr. Shields and his lawyer had a discussion with the dominion customs appraiser. They questioned the definition of the terms "manufacturer" and "assembler". They asked to see the statute or the regulations that described a manufacturer and an assembler. The customs appraiser told them it was not written in the statute or the regulations but was contained in an interdepartmental memo between Deputy Ministers. In orther words, they had assessed a duty upon Lorne Shields for imported components in his product and did not have the statutory or regulatory authority to back it up. They told him that interdepartmental memos were confidential and that he could not see them. The Tariff Board confirmed this fact 24 months later and ordered the return of Mr. Shields' $230,000 duty payment and the cancellation of the $80,000 outstanding balance being demanded by National Revenue.

Well, Mr. Speaker, I want to tell you about the fairness, justice and equity of the situation, so here is what happened to the major players in this sordid game. Mr. Lorne Shields went into bankruptcy and lost everything. The dominion customs appraiser, Mr. John Peillard, was given a lateral promotion and was moved to the electrical section as an appraiser.

The National Revenue officials, the Assistant Deputy Minister and the Deputy Minister to whom Mr. Piellard reported and took direction went on their merry way collecting their rewards as usual, protected from the commercial world they regulate.

The Minister of National Revenue went to his just reward in the other place, where he sits saying even less today than he said when he was a Member of the House of Commons. His face is still smiling and shining, especially when his monthly pay cheque arrives.

Did Mr. Shields, the victim of this undercover crime, have an MP? Mr. Speaker, I see that you are ready to rise. I would ask the indulgence of the House to allow me to continue. I have just a few more words to say, if you would put that question, Sir.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member to conclude his remarks?

Some Hon. Members: Agreed.

Mr. Kempling: Thank you, Mr. Speaker, and I thank Hon. Members for their courtesy.

You might ask, Sir, did Mr. Shields, the victim of this undercover crime, have an MP? In this representative democracy, was he represented in Parliament? Did Mr. Shields' MP try to do something or anything for him? Well, yes, he met Mr. Shields at a social function and said: "Sorry, there is nothing I can do for you". There was no measure of justice, equity or fairness that could be applied to the case of Mr. Shields.

What is Mr. Shields' MP doing today? Well, Sir, he is the Solicitor General of Canada (Mr. Kaplan). What happened to the Minister of Industry, Trade and Commerce who was the real mover and shaker behind this sordid economic tragedy? Well, he was defeated in the 1979 election, as he should have been.

Oh, yes, what happened to CCM? They were to benefit from the demise of Lorne Shields' enterprise. Well, they finally bit the dust after consuming almost half a billion dollars in grants and guarantees over a period of years.

As horrible as all that sounds, Sir, it is a true story. I have to ask myself, should not Lorne Shields get some redress? The Government of Canada, through its Ministers and officials, caused a thriving business to go into bankruptcy. Those Ministers and officials knew they did not have the statutory or regulatory authority to levy a tariff bill against him. Regardless, he was put to the wall and thrown into bankruptcy. He was a successful, profitable employer of 200 people, contributing to the GNP and the tax base of the country. Yet through behind-scenes manoeuvring, he was thrown into bankruptcy.

Almost three years from the time Mr. Shields gave the Government a $230,000 cheque, he received a rebate from National Revenue. It went to the receiver to try and pay some of his unsecured creditors.

Again, Mr. Speaker, National Revenue put the knife into Mr. Shields. After using his $230,000 for nearly three years, it did not even pay him interest on the money it illegally took from him. So much for fairness, equity and justice.

I do not know if we can protect people from devious and deceitful public servants. I have received a number of painful phone calls recently, and I know other Hon. Members have as well, from retail clothing store owners who told me that a special inspection was being put in place for textile products that they were importing. This was done without warning. Suddenly shipments were being held at the border, demurrage charges were mounting and fall retail sales were curtailed because the Government had only a handful of specially trained people to do the inspections. Had the situation continued much longer, many retailers would have gone bankrupt. As it now stands, many of them will have reduced earnings because of demurrage charges by the carrier of the goods and because of many lost sales. We need some protection from the Government, perhaps in the way of a court injunction or some other device. I hope that we can deal with this aspect at committee. Let us agree to have a full and thorough hearing before the standing committee so that these matters may be aired.

Let me conclude, Sir, by making a plea. People watching the House of Commons proceedings sometimes comment that our proceedings are irrelevant. They do not understand that this House is a debating forum and that it is the nature of a representative democracy that members bring forward their views on a variety of matters offered for debate and state them as forcefully as allowed.

One of the hallmarks of a democratic society is the measure of fairness, equity and justice written into its statutes. We have an opportunity to repair a statute that is short on those qualities.

Our economy is improving, but any slight bump or hesitation will cause it to fall back. Investors are looking for marks of confidence, indications that someone is seriously looking at the defects in our economic process. We have an opportunity to place a mark that says we have repaired the inequities in our bankruptcy statute and made it fair, equitable and just so that some of those businesses that find themselves financially strapped may have a reprieve or a second chance. If that is not possible, then the distribution of the assets must be done in such a way as to yield the greatest dollar value for distribution to all the creditors.

● (1230)

I want to thank you, Mr. Speaker, and Members of the House for allowing me to have extra time to place those comments on the record. When the Bill goes to committee I hope we will have wide-ranging hearings so that we may repair some of the inequities that are present in our economy today.

Mr. Robinson (Burnaby): Mr. Speaker, I want to commend the Hon. Member for Burlington (Mr. Kempling) on his speech. Obviously he draws upon a wealth of personal experience in this area of the law. I look forward to hearing from the Hon. Member in committee. He would obviously strike terror into the heart of any receiver who dared come near any of his constituents. I commend him for the tenacity with which he has approached the question.

The Hon. Member referred to the glaring inequities in the legislation. One of the most glaring inequities, and I am sure he would agree, is the present status of wage earners who are often consigned to the bottom of the totem pole when it comes to distributing the assets of a bankrupt firm. I should like to ask the Hon. Member what the position of his Party is with respect to the establishment in Canada of a wage earner protection fund, an insurance scheme, which would be financed by contributions from employers. I do not mean from small employers of less than six people, but, rather, from large employers. What is the position of the Hon. Member for Burlington and his Party on the establishment of such a wage protection scheme as recommended by the Senate committee and the Landry Commission?

Mr. Kempling: Mr. Speaker, as I said, the legislation has been around for eight years. It was brought forward in April, 1980 but we have not seen it since in any forum of debate. We intend to look at that question in detail when the Bill comes before committee. At that time we will examine what remedies and protections we can put in for employees.

From 1980 until April 26, 1983 there has been a massive disruption in our economy. What may have been adequate at the time of the Senate hearings is not adequate today. I think the wisest thing would be to take the matter to committee where it can be discussed in full detail. The Hon. Member can attend those meetings and make his contribution.

Mr. Robinson (Burnaby): Mr. Speaker, I would like to ask the Hon. Member a supplementary question. In the course of debate on this Bill his colleagues have taken a number of positions. One Member indicated that it is his view that the appropriate means of resolving this question is to establish a super priority for wage earners. The Hon. Member for Burlington is obviously knowledgeable and experienced in this area. Is he prepared to indicate whether he agrees with his colleagues on the establishment of a super priority, or does he agree with his colleagues in the other place that a wage insurance scheme should be established?

Mr. Kempling: I have to repeat, Mr. Speaker, that the legislation has been around for eight years but it has not been before the House for three years and five months. Much has changed in the economy in that time. I think we should hear the witnesses and representatives who come before the standing committee and then make our decisions, based on the realities of today.

My colleagues have commented on this in the past but much has happened since then. Many bankruptcies have occurred and I think it would be best to let the matter go to committee where we can discuss it.

Mr. Speyer: Mr. Speaker, I rise on a point of order. If the Hon. Member for Burnaby (Mr. Robinson) is sincere in his inquiries of the Hon. Member for Burlington (Mr. Kempling), he should read my speech of May 19, 1981, which outlines the position of the Conservative Party. This was the only Party to say that wage earners will have a super priority. That was our position then and it is our position today. All I ask the Hon. Member to do is read the speech as he was not the critic at that time.

Mr. Deputy Speaker: Are other Hon. Members rising to ask questions or make short comments? If not, the Chair will recognize the Hon. Member for Burnaby.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to make a few comments with respect to this important legislation which, as has been indicated by previous speakers, has been before the House in one form or another for the past eight years. I note that we finally have a reply from the Hon. Member for Cambridge (Mr. Speyer) about the position his Party takes with respect to the question of the protection of the status of wage earners. The Hon. Member indicated—and other positions on that may be taken by Members of the same Party in the other place, that he does not support the establishment of a wage insurance scheme, as was recommended by all of those who have looked at this issue.

During second reading debate my colleagues have dealt with a number of important issues which arise during any discussion of bankruptcy legislation. The Hon. Member for Kamloops-Shuswap (Mr. Riis) and the Hon. Member for Comox-Powell River (Mr. Skelly) and others dealt with many of the

key economic questions which arise in this important area of bankruptcy. They have noted, and I reiterate, that there has been an explosion in the granting of credit in Canada, there being some $30 billion outstanding in credit.

The Liberal Government's economic policy has not only failed but has resulted in high interest rates and the collapse of consumer demand. Small businesses have been particularly hard hit by this and the level of bankruptcies in Canada has reached historic high. Last year, for example, bankruptcies left behind some $3.6 billion in debts. As well, in 1982 there were over 40,000 corporate and personal bankruptcies in Canada. Many of these resulted in tragic personal losses to the individuals involved as well as to the communities. In the case of corporations which go bankrupt, the spin-off effect can be devastating to a small community.

I must also comment on what in my view is the serious failure of the Federal Business Development Bank to take a tough but fair look at requests for financing, particularly by small businesses, in these difficult economic times. While the Government is prepared to bail out the big boys, the Domes, the Chryslers and the Maislins, for too many small businesses go under when, with a little bridge financing by the Federal Business Development Bank, they would survive. A restaurant in my constituency of Burnaby is a prime example of this. The Federal Business Development Bank turned the owner down flat but he was able to borrow funds from other sources and, fortunately, his operation is thriving today. Had he not been in the position to borrow elsewhere, he might have gone under. That kind of attitude on the part of the FBDB in the face of Government largesse to the big corporations is unacceptable.

Credit is granted far too easily today. Many individuals have accumulated debts which they cannot possibly repay, whether they be credit card or other forms of consumer debt. The advertising which is used to promote credit is, in many instances, overwhelming, and when an individual loses his job he is often completely stranded.

These are some of the serious questions which arise in this difficult area of bankruptcy. I look forward to a careful study of the key issues which arise as a result of the tabling of the legislation. I believe that the committee hearings must be comprehensive and must afford an opportunity to all individuals to make representations as to the impact of this legislation.

● (1240)

At the same time I would note that clearly the time to move forward on changes to this area of the law is now. We have waited far too long for amendments to this archaic legislation. Certainly, as long as the Government is prepared to respond sensibly and with some concern, particularly in one or two of the areas I will be touching upon shortly, I am confident that finally we will see some changes in this area of the law.

By far the most contentious provision of this legislation is the provisions which deal with the priority which is to be accorded to workers who are owed money in the event of a bankruptcy. This is the issue, Mr. Speaker, which has dominated all of the discussions surrounding this legislation from the time that the first Bill, Bill C-60, was tabled in this House in 1975. This Bill was tabled in response to the Tassé report, which was issued by the Government in 1970. This report very clearly documented that there are major flaws in bankruptcy legislation as it presently exists.

The Senate committee which looked into the provisions and studied the subject matter of Bill C-60 heard representations from a broad cross-section of the community. Following its study, it came to the conclusion that the recommendations of the Government in Bill C-60 were fundamentally flawed. That Bill recommended a $2,000 super priority for wage earners over and above secured and preferred creditors. The Senate committee unanimously rejected that approach and, in my view, its reasons for doing so are as sound today as they were when it came forward with its report in 1978.

I would note that again in 1980, following the tabling by the Government of Bill C-12, the Senate committee studied the whole question and paid particular attention to the arguments which had been made in support of a super priority. I note that the Bill which is now before the House, however, contains no super priority whatsoever for wage earners. Rather, it would place wage earners in the same category in which they are presently placed. The only change would be an increase in the overall amount. However, in virtually all instances that would have no impact whatsoever. Obviously changes must be made and made very soon, because far too many working people are left out when it comes to a bankruptcy or receivership.

The two fundamental approaches in this area are either super priority or the establishment of a wage earners' insurance fund. The Conservative Party has indicated that it supports a super priority and is opposed to the establishment of a wage earners' insurance fund, despite the evidence before the Senate committee and despite the unanimous report of the Landry Commission which very carefully examined this whole area.

Before looking at the relative merits of those two solutions, Mr. Speaker, I might indicate the dimensions of this problem. It is very easy to talk in global terms about the devastating impact of a bankruptcy on working men and women in terms of their inability to continue to pay their rent, buy food and pay for the ongoing expenses which they face in these difficult times. This point was dramatically driven home to me when I received a letter from one of my constituents, a young man who graduated from Burnaby Central Senior High School in 1982. I can do no better, Mr. Speaker, that quote from the letter which he sent to me, which very eloquently points to the difficulties facing working people in this area. He said the following:

> During the summer months I entered the work force in hopes of obtaining sufficient funds to attend Simon Fraser University this spring semester. I was able to receive employment with Truwall Construction (Alberta) Limited of Calgary. Truwall met with some financial difficulties and was forced into receivership. I obviously felt bad for all those involved, but felt that reimbursement of wages to employees would most definitely be top priority. Today after several months of correspondence—

That was with the employment standards people in the Alberta employment standards branch.

—I was rudely awakened to the fact that it was not me, the employee, whose concerns were met with first, but those of the Royal Bank of Canada.

I find this to be a gross injustice to all those employees, including myself, who were affected in this manner.

I ask you, my Parliamentary representative, to assist me with this matter and to explain to me why those least able to defend themselves are hardest hit.

My hopes of paying my own way through university, at least for this year, are futile. My only recourse is to burden my more than willing parents with this.

Please consider my complaint.

The letter is signed by Brad Gilmour of Amberwood Place in Burnaby, British Columbia. What more graphic evidence does the Government need of the importance to move quickly to ensure a realistic priority for working people?

As well, my colleague, the Hon. Member for Brant (Mr. Blackburn), has been most diligent in pursuing the question of the rights of working men and women at the White Farm Equipment Company of Canada in Brantford, Ontario. I would note that if this company were forced into bankruptcy, the employees there stand to lose over $6 million in fringe benefits and severance pay. We are talking here, Mr. Speaker, of over 1,000 employees. Imagine the devastating impact this would have not only on the employees and their families but on the entire community of Brantford, which is so dependent on this major employer. Once again I want to commend my colleague, the Hon. Member for Brant, for his diligence in pursuing efforts to keep this company alive and thriving in order that this bankruptcy will not in fact have this impact.

There are many other examples of bankruptcies in other parts of Canada, including the Maislin bankruptcy, where workers have been left completely out in the cold. The banks have swooped in and taken what assets do remain and have left the employees with nothing. In January of 1982 four building supply companies which were owned by a Vancouver chartered accountant were put into receivership when they could not keep up with their loan payments. The companies had stores in eight different British Columbia communities, many of them small communities. Most of their employees were laid off without any notice whatsoever. Because the companies filed for bankruptcy and the secured creditors swooped in, these employees were once again denied any back pay whatsoever.

As I have indicated, the problem is a real one. It is a growing one at a time of economic crisis and of record bankruptcies in this country.

The question is, then, having recognized the depth of this problem, what is the appropriate response to it? I have noted that there are effectively two alternatives: super priority, as proposed initially in Bill C-60, and the establishment of a wage insurance scheme.

The Senate Committee on Banking, Trade and Commerce unanimously rejected the proposal for super priority. I would like to outline its reasons for rejecting this proposal. I remind Hon. Members of this House and those persons who are viewing these proceedings today that this was a unanimous report with both Conservative and Liberal senators concurring strongly. The report stated that super priority, as proposed in Bill C-60, does not achieve the objectives of certainty of payment to the wage earner; promptness of payment to the wage earner; ease and simplicity of administration; and the maintenance of the ability of a borrower to obtain financing for his business operations.

I will deal briefly with each of these points because on each count, Mr. Speaker, super priority does not answer the needs of working men and women. First with respect to certainty of payment to the wage earner, as the committee indicated there is no certainty whatsoever that wages owing by the bankrupt will be paid. In many instances, the assets of the bankrupt will be completely insufficient even to meet the top priority of wages, and often sophisticated lenders might stipulate that their loans will be made to an associated holding company which owns all of the valuable assets, once again leaving workers out in the cold, even in the face of a super priority.

A second and very important point is that the Committee noted that there is no guarantee whatsoever that the payment to the wage earner will be made promptly. Surely Hon. Members of this House will recognize the importance of promptness in making such payments because wage earners must pay their bills on a day to day basis and cannot afford to have significant delays—weeks, months, possibly even longer—in the payment of their claims. So once again, even though they may have super priority on paper, they will, in practice, not receive the funds for many, many months in many instances. Often the assets of the bankrupt company will not be readily convertible into cash and the lender might be very reluctant to borrow money.

● (1250)

Yet another difficulty with the concept of super priority which the Conservative Party supports is the serious difficulties in administration of this proposal. Most significant would be allocation of the burden of this super priority among the secured creditors of the bankrupt. The courts would be clogged with bitter disputes over the relative burden to be shared by creditors, and while the courts are clogged and lawyers are arguing, workers will receive nothing whatsoever.

Finally, I would note that super priority may very well very impair or reduce the credit which is available in a labour-intensive industry. Surely this cannot be an objective which would be sought by Members of the House. The final conclusion of the Senate Committee was that super priority is not the proper method for granting wage earners the protection they deserve.

In the face of that conclusion it is most surprising to hear that the Conservative Party and apparently the new Minister of Consumer and Corporate Affairs (Mrs. Erola) are prepared to accept a proposal for super priority which has been soundly rejected by a detailed study of the Senate Committee.

Not only did the Senate Committee look into this question, but following the Senate report the former Minister of Consumer and Corporate Affairs established a special committee to examine this whole question of super priority versus a wage insurance scheme. That was an outstanding committee with representatives including the chairman of the committee, who was a former superintendent of bankruptcy and dean of law at

the University of Ottawa; Ron Lang, who was a member of the Canadian Congress staff; George Hitchman, who is the deputy chairman of the Bank of Nova Scotia; and Raymond Dufour, vice-president of a major bankruptcy firm. This committee, with broad representation from business, labour, the academic community and bankruptcy trustees, once again examined the relative merits of super priority versus a wage insurance scheme.

What was their conclusion? To no one's surprise, they said that super priority was clearly not the answer and that workers would not be protected by super priority. Instead, this committee again recommended the establishment of a wage earners' insurance scheme.

It is very rare that a committee with representatives from the CLC and the banking community agree on anything, but in this instance the committee was unanimous in saying that working people will be left out in the cold by super priority and that the only answer to giving equity in this area is the establishment of a wage insurance scheme. They recognize that some time would be needed in order to implement this recommendation and they suggested a three-year period in which the Consolidated Revenue Fund should ensure a super priority up to a maximum of $1,000.

We in this Party would be prepared to look at the possibility of some other interim solution, even including the possibility of a super priority for that limited period of time. How the Minister of Consumer and Corporate Affairs or the Members of the Conservative Party in the House can possibly support a super priority which has been utterly discredited not only by their colleagues in the other place but by a non-partisan committee looking into this question certainly escapes me and, I am sure, those persons who are looking at this area of the law.

I will certainly look forward to the respresentations before the committee hopefully by Mr. Landry, who chaired the committee, by the CLC and many others who will graphically demonstrate that super priority is not in fact the answer. The answer must be the establishment of a wage insurance scheme such as those which have been in existence for some time in France, Germany and the United Kindgom. They have been operating successfully, I might add.

The other major area I would like to touch upon in conclusion is the question of the very difficult times which are facing farmers and the suggestion by the Government that it wishes to insert a provision in Bill C-12 to deal with the Farmers' Creditors Arrangement Act. My Party and particularly the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), who has been in the forefront of efforts to ensure the passage of Bill C-653 as amended where necessary, are prepared to have that Bill passed forthwith. To suggest that farmers and workers should played off against one another in Bill C-12 is obviously completely unsatisfactory.

In conclusion, I look forward to the very serious concerns of the farming community and particularly the working people being brought before the committee for a very thorough and comprehensive study. Change is certainly long overdue but we must ensure that that change is not merely cosmetic.

Mr. Speyer: Mr. Speaker, I wish to ask a question of the Hon. Member for Burnaby (Mr. Robinson). I am somewhat fascinated by the association which he and his Party has with banks and insurance companies with respect to the question of super priority and insurance schemes. Does he appreciate that under an insurance scheme the workers in a potentially bankrupt company would have to contribute toward payments to an employer that ultimately went into receivership? Does he appreciate the fact that workers would have to contribute money to a firm that might go bankrupt?

Mr. Robinson (Burnaby): Mr. Speaker, I am afraid it is the Hon. Member who does not understand the proposal for a wage insurance scheme. I would be pleased to quote for the Hon. Member's edification from the Senate Committee recommendations in this area which stated:

> The Wage Earners Protection Fund would be self-sustaining and maintained by monthly contributions from all employers in Canada, based on the number of employees. Contributions from such a large number of employers would result in modest amounts being paid per employee. The only exception to this universal rule would be that no contributions would be required from employers with fewer than six employees.

That was the recommendation of the Senate Committee, that it should in fact be funded by employers. I also suggest that the Hon. Member might want to read the report of the Landry Commission which again looked into this whole question very carefully and also recommended that the wage insurance scheme should in fact be funded by employers.

Therefore, the suggestion by the Hon. Member that workers would somehow have to contribute is not based upon any recommendation that has come from either the Senate or the Landry Commission. This would be a scheme financed by employers, as are all of the similar schemes in Europe.

Mr. Hawkes: Mr. Speaker, in the same vein, I would point out to the Hon. Member that one of the contributing causes to the increase in bankruptcies are employer costs of one kind or another. He is suggesting to the House that we should increase costs for employers which might, in turn, increase bankruptcies. I think that is predictable.

After 18 years of domination of this House by the NDP-Liberal alliance, is the Hon. Member signalling that there is a willingness on their part to reconsider spending priorities? Specifically, I am wondering if he believes there should be a public sector contribution to this wage scheme and whether he is willing to consider reducing the grants to Crown corporations such as Petro-Canada in order to have the money to make contributions to what I would consider more socially useful purposes which, in this case, would be the protection of wage earners in the country.

Mr. Berger: Mr. Speaker, I rise on a point of order. Undoubtedly, the Hon. Member for Burnaby (Mr. Robinson) would like to reply to that question. He will have ample opportunity to make his position known and we will all have ample opportunity to do the same at committee stage. I

thought that we had an agreement to end the debate at this time and refer the Bill to the committee. With the indulgence of Hon. Members of the House, I suggest that we do that at this time.

Mr. Speyer: Mr. Speaker, on the same point of order, I think the Hon. Member's point is well taken. He has accurately stated what the agreement is. If the Hon. Member for Burnaby (Mr. Robinson) will defer answering the question posed to him until a later time, I suggest that this Bill be referred to committee.

Mr. Robinson (Burnaby): Mr. Speaker, that was in fact the understanding and certainly I will comment on the coalition between the Liberal Party and the Conservative Party on this Bill on another occasion. We are prepared to see the Bill go to committee.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Robinson (Burnaby): On division.

Mr. Deputy Speaker: I declare the motion carried on division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: It being 1 p.m., pursuant to an order of the House made on Tuesday, September 20, 1983, this House stands adjourned until eleven o'clock tomorrow morning.

At 1 p.m. the House adjourned, without question put, pursuant to Special Order.

APPENDIX

ADDRESS

of

THE RIGHT HON. MARGARET THATCHER
Prime Minister of Britain

to

Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Monday, September 26, 1983

The Right Hon. Prime Minister was welcomed by the Right Hon. P. E. Trudeau, Prime Minister of Canada, and thanked by the Hon. Jean Marchand, Speaker of the Senate and the Hon. Jeanne Sauvé, Speaker of the House of Commons.

[*Translation*]

Hon. Jeanne Sauvé (Speaker of the House of Commons): May I call this session to order?

Prime Minister, it is a great honour for us to have you address this joint session of the Senate and the House of Commons. I would ask the Right Hon. Prime Minister to introduce our distinguished guest.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker of the Senate, Madam Speaker of the House of Commons, Madam Prime Minister and Mr. Thatcher, Hon. Members of the Senate and House of Commons, rarely in the history of the Parliament of Canada have its Members issued an invitation to a visitor to address a joint session of the Senate and the House of Commons. Never have we had a more welcome and distinguished visitor than the Prime Minister of the United Kingdom, the Right Hon. Margaret Thatcher.

Some Hon. Members: Hear, hear!

Mr. Trudeau: Her visit honours this institution and all of us. It calls to mind the two separate threads which have gone into the weaving of the relationship of our two countries in modern times. I am referring to Great Britain's role in the evolution of Canada as an independent parliamentary democracy, and to the growth of a partnership as strong friends and allies.

Centuries of British parliamentary achievement have fundamentally influenced the quality of Canadian life and liberty. We owe an eternal debt to those whose monumental struggles ended in victories for the British common people, victories which redounded to the advantage of Canadians with much less effort.

One need only recall that when representative government first appeared in Nova Scotia in 1758, and responsible self-government there in 1848, it was as a direct result of parliamentary freedoms won with great difficulty by the Mother of Parliaments at Westminster. Thus it was that the doctrines of parliamentary supremacy and independence took root in eastern Canada and spread across the land, and now constitute the unspoken first statement of every speech in this Parliament and in our provincial legislatures.

The symbols and the reality of Britain's influence upon the Parliament of Canada are everywhere around us. They include the rights and privileges of Members, the very design of this Chamber and the fact, as you know, Madam Speaker, that your chair was a gift to this institution from the Parliament of the United Kingdom.

It is most appropriate to pay public tribute in this place to Prime Minister Thatcher for the crucial role she played in the final achievement of Canada's complete constitutional independence.

Some Hon. Members: Hear, hear!

Mr. Trudeau: The people of Canada owe her a very heavy debt of gratitude. We presented her with an extremely difficult problem, a political and diplomatic minefield. But despite an avalanche of contrary advice from Canadian and British sources, she stood resolute in her determination that Westminster would do what this Parliament requested. Thus did she demonstrate her deep and constant respect for the Parliament of Canada as the legitimate voice of the people of Canada.

In a spirit of generosity, understanding and true friendship, she cleared the agenda at Westminster and made sure that Canada's Constitution Act passed through all legislative stages with dispatch. To the long list of the Fathers of Confederation, Madam Speaker, we must certainly now add the name of one Mother.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: The respect and admiration enjoyed by Prime Minister Thatcher in Canada and the rest of the world are essentially due to the strength of character and leadership she has shown in the course of governing her country and in conducting international affairs.

Beyond party or ideological differences, she is universally recognized as a leader whose courage and integrity are equalled only by the strength of her convictions.

Forty-two years ago, her famous predecessor, Sir Winston Churchill, spoke in this House words that inspired Canada and the free world in wartime. Today, now we are about to listen to Prime Minister Thatcher, the real challenge is to inspire the world to support the cause of peace. This, together with the need to guarantee economic recovery, is the most formidable challenge of our time. The external and defence policies of East and West will either lead us to a durable peace or a devastating war. There is no alternative.

The North Atlantic Treaty Organization has been the basis on which successive governments in this country have built our defence policy.

The performance of Canada and of the Atlantic Alliance as a whole has proved beyond a doubt that NATO is a sound, united and extremely effective organization, and Canada is proud to have been one of the founding members, together with Great Britain. Thanks to NATO, Europe has enjoyed 34 years of peace. Indeed, this organization offers the West the best guarantees for avoiding a terrible war and creating a durable peace.

This morning, Prime Minister Thatcher and I discussed ways of utilizing this force and solidarity, not only to safeguard our present security but also to increase future security through arms reduction.

Confident in our strength and in the enduring ties of friendship we have created in war and peacetime, we must find the energy and the courage to work even harder at reducing tensions in the world and thus diminish the threat of nuclear war that haunts our nations. There is no other alternative.

Madam Prime Minister, at the Williamsburg Summit, you and I declared, together with our colleagues, and I quote: "We undertake to devote all our political resources to reducing the threat of war. Our vision is that of a world from which the spectre of war will have disappeared for all mankind, and we are determined to see this objective become a reality."

Today, this vision seems even less attainable than it was three months ago. The threat of a nuclear holocaust which hovers over the entire world has taken increasingly frightening forms. Our nations are therefore demanding that we, their governments and leaders, honour our commitment to the cause of peace.

As far as I am concerned, no personal enterprise and no priority other than the pursuit of peace is important enough to take up all my time and energy.

Today, more than ever before in the history of mankind, the survival of our species depends on the courage and wisdom of nations and their leaders.

• (1610)

[*English*]

At such a time, the peoples of the NATO countries expect more than familiar nostrums from their leaders. They demand vision, resolve and greatness of spirit. It is at such a time, such a time of critical global challenges, that our most distinguished guest has honoured us with her presence. Madam Speaker, I am pleased and proud to present to the Parliament of Canada the Prime Minister of the United Kingdom, the Right Hon. Margaret Thatcher.

Some Hon. Members: Hear, hear!

Right Hon. Margaret Thatcher (Prime Minister of Great Britain): Madam Speaker, Mr. Speaker of the Senate, Mr. Prime Minister, Hon. Members of the Senate, Members of the House of Commons:

[*Translation*]

On this first day of my visit to Canada, it is a great honour for me to speak to you, and especially to do so in this historic Chamber.

Madam Speaker, you and my host, the Prime Minister, are both members of the Francophone community that has contributed so much towards making Canada the great country it has become today.

[*English*]

Half your title, Madam Speaker, has a familiar ring. If the other half does not, that is because Canada has set a trend of emancipation in Speakers which we have now established with Prime Ministers.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. Thatcher: The last time we met was when, as Minister of Science and Technology in Canada, you came to see me as Minister of Education and Science in Britain. That was 11 years ago. Who would have predicted then that together we would achieve this double first?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. Thatcher: I know that some of your parliamentary practices differ from ours. Question time is clearly a different experience for the Prime Minister of Canada if, as I believe, he can pass any question he likes to another Minister for answer.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. Thatcher: That must keep the Cabinet up to the mark. My colleagues do not even have to be in the Chamber. Last year in the British Parliament we had Canada very much on our mind and, I heard, vice versa.

Some Hon. Members: Oh, oh!

Mrs. Thatcher: You referred to this very generously, Prime Minister. And I am proud that my administration was so closely associated with a successful outcome to the process of patriation of the Canadian Constitution. Together we have successfully stored our last piece of colonial furniture in the museum of history.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: A constitutional link has, quite properly, been severed. The effect of that is not to weaken but to strengthen our common heritage. We can look freely to the future. For there will be much for Canada and Britain to do together. We are linked in so many important ways. We believe in the same high and honourable ideals. We stand ready to defend our free and independent way of life. We agree on the great purposes which we must pursue in the wider world.

If I may say something about each of these three things, first I will speak about our common ideals. Madam Speaker, people of my generation lived through a period when the fundamental values of western civilization were questioned. The doubters sought to portray them as moribund. They claimed to find more vigorous, more progressive ideas in the communist world. Constantly seeking utopia, they fastened on one false creed after another, avoiding always that least fashionable solution, the reassertion of traditional values.

We have been told that the West has no ideology, that Britain, in a famous phrase, has lost an empire and failed to find a role, that the young lack a sense of purpose and the old cannot provide them with one.

Madam Speaker, it is not true. The ideals which our two countries share are the answer to all the doubters. For centuries we have striven first to win, then to preserve, that freedom and justice without which life has neither dignity nor meaning.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have learned by experience that the only political system which protects and perpetuates these values is parliamentary democracy. It does so because it allows thought and expression to flower and because the good sense of a mature people is brought to bear on the excesses of governments and of individuals.

These are not the panaceas of political theorists. They are ideas that have worked. Overwhelmingly, our electorates wish to preserve them. Wherever people have been free to choose, they have chosen the path of freedom. The crowded island of Britain and the wide open spaces of Canada are traditional havens for refugees from political persecution and for those seeking a new start in a land of liberty. The number of Canadians from central Europe bear witness to Canada's generosity toward the oppressed.

The western democracies are not short of ideals. We have values and a way of life which are the envy of those who have never known them. I wonder whether we take them too much for granted, for the preservation of freedom and justice needs constant unremitting effort. As Goethe wrote in "Faust":

> He only earns his freedom and existence who daily conquers them anew.

There is a battle of ideas to be won, a battle in which we are better equipped than our adversaries, for our ideas are better. The propaganda campaign to sap the morale of the democracies is relentless. We must meet it by puncturing each spurious argument and by destroying every myth that emerges. We must constantly proclaim our ideals, to our own people at home, to young countries that have yet to choose, to those who live in the shadow of tyranny. It is time for freedom to take the offensive.

Some Hon. Members: Hear, hear!

• (1620)

Mrs. Thatcher: Canada and Britain, Madam Speaker, share not only common ideals but also, as you have said, Prime Minister, the will and capacity to defend them. At home we recall with gratitude the valour and sacrifice of Canadian troops in two world wars; we remember their achievements and their courage with thanksgiving and admiration. We stood together. We prevailed.

Last year, during the Falklands' crisis, Canada was staunch in her support. We were deeply grateful for your resolve to uphold the rule of law, for the good wishes and encouragement which we received from so many individual Canadians, for the wonderful generosity you showed to our wounded servicemen, widows and families in your many contributions to the South Atlantic Fund.

Canada realized, as we did, that there was a fundamental principle at stake, with application far wider than the South Atlantic—that aggression must never be allowed to pay.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: It did not. And today I thank you for helping to ensure that it did not. Democracies by their nature long for peace, for a world free from conflict and threats. But the reality is that our way of life is threatened. As fellow members of NATO our clear duty is to assess that threat accurately and to ensure that we are able, if necessary, to resist it.

The threat is not one of superior ideas. We have nothing to fear from the bankrupt ideology of the Soviet Union. The combination of political repression and economic failure is plain for all the world to see. The threat comes from the proclaimed goal of Soviet communism to spread its system throughout the world, from the fact that the Soviet Union is engaged in a remorseless military build-up going far beyond the needs of defence, and from the evidence that that country is prepared to advance its aim by the use of force or by the threat of force beyond its borders, as in East Germany in 1953, in Hungary in 1956, in Czechoslovakia in 1968, and recently in Afghanistan and in Poland. More widely, it is seeking by proxy to further its aims in Africa, in the Middle East, in Asia and in Central America.

For anyone who doubted the nature of the Soviet system, its willingness to resort to force careless of the human consequences, the shooting down of the Korean airliner has come as a most terrible and tragic reminder. Our policy must be based on a clear understanding of the people we are dealing with and the system they have shaped. Otherwise, we shall get it wrong. That system was founded and sustained by force. It is structured to resist all political change. We have to live with it not as we would wish it to be but as it is. The task of members of NATO is to ensure that our way of life is never compromised.

That means that we must be strong, strong in capacity—there must never be an imbalance in any range of armament

that leads to the conclusion that aggression against us might succeed—and strong in will—the other side must never be tempted to believe that it could win a war against the West. We in NATO threaten no one. We come together not to attack others but to defend our own. We shall engage in the battle of ideas. We intend freedom and justice to conquer. Yes, we do have a creed and we wish others to share it. But it is no part of our policy to impose our beliefs by force or the threat of force. That, Madam Speaker, is the great distinction. And that is where the facile comparisons which we sometimes hear made between the two superpowers founder. There is no comparison between the United States, that great citadel of freedom and justice, and the Soviet Union.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: The United States long possessed overwhelming military superiority over its rival. History will show that no country in that position has ever used power so responsibly. Democracy itself curbs the irresponsible use of power. But, when democracy is absent, when an unfettered executive lives in isolation from the free world and from most of its own people, when this is combined with enormous military strength, there is the real danger to peace.

But, Madam Speaker, we must constantly seek ways of making the world a better and a safer place. The task of reaching genuine agreements on arms control and disarmament is long and painstaking. Nevertheless we must persevere in the hope that we can secure reductions which are balanced and can be verified. Then our defence would still be secure but at a lower level of armaments and expenditure.

In this task in which Canada and Britain are honestly engaged with our NATO allies, we are constantly faced with misleading Soviet propaganda. In the last year or two we have seen a massive attempt to bend the will of western governments by working on the minds of our electorates with bogus arguments. In country after country that attempt has failed. Yet the propaganda continues. Every few weeks there is a further statement from Moscow designed to give an appearance of flexibility. But so far, when these public statements are checked at the negotiating table—the real test of truth—flexibility disappears.

The question, Madam Speaker, is: are the current generation of Soviet leaders ready to negotiate as earnestly as NATO to make the world a safer place? Or, are they so much the prisoners of their system and their history, so wedded to military might that they are unable to rise to the opportunity? Even now, as the moment for Cruise and Pershing deployment in Europe draws near, it is in Moscow's power to ensure, by accepting the zero option, that not a single missile of this kind is put in place. Otherwise, to restore the balance on which our security depends, deployment will begin at the end of this year. Our nerve is being tested. To falter now would be fatal.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: But that is not the end of the story. NATO has made other radical proposals for reducing the number of these weapons. We await a serious Soviet response. Now, and for as far as we can see, it must be plain to Moscow that the western democracies will not be seduced by propaganda and will not be cowed by threats.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Our desire for disarmament is profound. But it is matched by the unshakeable resolve that our way of life shall be secure.

In the wider world there are other great tasks for Canada and Britain in the years to come. Our shared values and traditions and the close and living links between us promise continued co-operation for our own benefit and the benefit of others.

Those living links are strong. Tens of thousands of British families have close relatives in Canada. Around a million British and Canadian visitors cross the Atlantic each year. There are Canadian assets in Britain of over a billion dollars, and Britain is the second largest investor in Canada. Canada has provided a host of distinguished names in British public life and commerce. It has sometimes seemed that half our press is run by Canadians and the other half by Australians.

• (1630)

I head a Government which is deeply interested in Canada. We are both open societies with a world vision born of a special historical experience. The keen interest Canada has taken in the problems of the Third World and the United Nations is proof of a nation with wide horizons.

One of the most valuable legacies of the Empire to Britain has been a world-wide network of interests and of human links so that we could not, even if we wished, become an inward-looking nation preoccupied with our own problems.

At home Britain is changing. Five years ago there was a widespread feeling that our problems were insoluble. That was before we tackled them so vigorously. Now, there is a spreading sense of realism. People are beginning to lose their fear of change. British industry is more confident, more efficient and more productive. The new technologies are flourishing. Jobs have been created in industries which did not exist ten years ago. We have reason to hope that our inventive genius will increasingly be turned to industrial profit. With greater robustness, vigour and enterprise in our society we shall be an even stronger friend and ally.

As you reminded us, Prime Minister, it is over 40 years since another British Prime Minister—and I do not have to tell you which one—stood here and spoke about a chicken which refused to have its neck wrung. I am happy to report that that same chicken is alive and well and as resolved as ever to preserve inviolate that selfsame area of its anatomy.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: In 1983 we are better able than we were to work with you to pursue our common aims in the wider world. As founder members of the Commonwealth we have a special opportunity to join with that unique gathering of nations to preserve and extend the heritage of ideals which are the essence of the Commonwealth—freedom based on the rule of

law, always under assault somewhere, even in the Commonwealth, but essential to the survival of the civilized world.

As members of the economic Summit, to which you referred, Mr. Prime Minister, Canada and Britain again share a distinctive responsibility to apply the energy and experience of the world's most advanced and successful economies to the serious economic and financial problems which face so many countries, to preserve and extend the world's free trading system, to bring to the developing countries aid, advice and help as they tackle their own formidable difficulties.

As founder members of the United Nations—that organization which has so often disappointed expectation but without which the world would be a worse place—we shall both continue to take a special interest in world security, and in peacekeeping and the work of its specialized agencies.

You on this side of the Atlantic, we in Europe, each have our own special relationships. Just as we rejoice in and welcome the strength of the friendship between Canada and the United States, so we ask you to see the vital importance of the European Community. The process of making a community causes problems not just to its members but to its friends like Canada, and some of its policies have led to sharp disputes. But the Community has an enormous contribution to make to the maintenance of international free trade and to the promotion of our common ideals. In a dangerous world it is a vital area of democracy and stability which Britain is firmly committed to maintain and extend.

Madam Speaker, Canada and Britain seek a better, safer, freer and more prosperous world. We do so because we are protagonists of the timeless values of freedom and justice, because we are both great western democracies, because we are the privileged beneficiaries of a political, social and economic system which is the best man has ever devised and which has incomparably more to offer to the human spirit than the false ideologies of the unfree world.

But let us then proclaim that truth together. Let us tell the world that freedom is on the march. The democracies have the duty to lead. We are strong in belief. We glory in our freedom. We hear the voices of the oppressed and seek for them the justice and the liberty which are our own.

Should future generations have cause to remember us, let it be not only because we helped to stop the spread of tyranny, but also because we left the human race one step closer to its greatest hope—that one day men the world over shall be free.

Some Hon. Members: Hear, hear!

Hon. Jean Marchand (Speaker of the Senate): Prime Minister Thatcher, Prime Minister Trudeau, Madam Speaker, when you were first elected Prime Minister of Great Britain, I was very impressed. A mighty, powerful country like Great Britain electing a woman as Prime Minister is something which is quite new. However, I was much more impressed when you were re-elected.

Some Hon. Members: Hear, hear!

Mr. Marchand: After watching you on television this morning, after reading an interview which you gave to a Toronto newspaper, and after listening to your words this afternoon, I understand why your are Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

Mr. Marchand: If I were a woman sitting in this Parliament, I would be very optimistic about my future because you know how closely we follow the British tradition.

Thank you for coming to our country and our Parliament. Thank you for your enlightening address and the wisdom and warmth contained therein. I am confident that your words will not quickly fade from the minds of all here assembled. I hope that others during your continuing visit will have even a brief opportunity to share our appreciation of your experience and the depth of your personality.

[*Translation*]

We have not forgotten that Great Britain is the world power that made it possible for us to achieve autonomy and subsequently full independence without bloodshed and without suffering the aftermath of forced or violent secession.

Some people believe that the latest step taken has isolated us once and for all from your great country. They are wrong. The heritage we have received from your country, and I am thinking of the parliamentary and legal system, and our social and even our cultural heritage, is among the values we cherish most and which are an integral part of our national fabric.

• (1640)

[*English*]

Few nations can wear the mantle of mother country as comfortably as yours. It has nurtured this nation through more than two centuries of infancy, often painful adolescence and maturity. If Canada has reached adulthood, it is because it has been given its lead by an understanding, not suffocating, parent. Even our minorities will be hard pressed to point to another nation, another system of government, which grants so much freedom to progress, freedom to dissent, and freedom to be unique.

There is no doubt in my mind that there will always be a special relationship between our two countries notwithstanding their distance and their necessary differences.

[*Translation*]

On behalf of the Senate of Canada, I wish to thank you, Right Hon. Lady, for accepting the invitation extended by our Prime Minister (Mr. Trudeau), and I hope that you will remember your visit here as one of the high points of your distinguished political career.

[*English*]

Some Hon. Members: Hear, hear!

Madam Speaker: Prime Minister, in expressing the appreciation of Members of the House of Commons and myself for the wisdom and eloquence of your words, I feel compelled to go beyond the traditional dictums in order to reflect with greater accuracy the depth of our admiration. We are greatly honoured by your presence here today, Prime Minister, and hope that our expressions of gratitude and

esteem will convey to you in some small way the warmth and sincerity of our sentiments.

You have personified, Madam Prime Minister, as I sensed very strongly when I first met you, the ideal of the rigorous, dedicated, and resolute leader. In your determination to further the collective wellbeing of those you represent, you have demonstrated only the highest degree of commitment, conviction and tenacity in the face of all adversity. You have established a standard of leadership which no doubt serves as an inspiration and example to leaders of the democratic world.

[*Translation*]

History has created strong ties between Great Britain and Canada, and although various constitutional changes may have modified the nature of those ties, they have not weakened them. With you, we have learned about democracy and tolerance. Witness our institutions, which bear the imprint of the age-old wisdom of your own, which were the result of experience and not merely a philosophical creation. It has given them a pragmatic quality that is particularly suited to moderating the enthusiasm of inexperience. Our law, for instance, attuned to custom and usage, has in the course of time been able to adapt to the conditions created by our constantly evolving political, economic and social life.

It is part of our debt to your country, and we wish to emphasize that, since the traditions that were brought here by the two founding peoples are mutually enriching. Together with the values of our native peoples and those of our immigrants, they have created a very special attitude, philosophy and way of life. It is a heritage to which your country has contributed very generously, a heritage we cherish and of which we are proud.

[*English*]

We have learned many lessons from what you have told us today, Prime Minister, and we are reassured that your country is determined to safeguard the peace of all citizens who live in fear of the menaces which are upon us. It could not be otherwise since your country remains a beacon and a fortress of moral values in a world plagued by uncertainties. We stand here today with a consciousness heightened by the experiences of the past several decades, acutely aware of the need for a continued spirit of complicity among the free nations of the planet in their concern over the world's precarious balance of power.

As the prominent leader of one of the greatest of these nations, Prime Minister, with the utmost respect and the warmest affection and gratitude, we welcome you today and thank you for having addressed us.

Some Hon. Members: Hear, hear!

Madam Speaker: The session is now adjourned.

HOUSE OF COMMONS

Tuesday, September 27, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of State (International Trade)) moved that Bill C-110, an Act to amend the Export Development Act, be read the third time and do pass.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this Bill was before this House at report stage until last Friday when after seven days of report stage debate, a debate which did not involve the question of exports and the need for financing and assistance to our exports but involved the issue of parliamentary accountability, the Government to some extent saw some reason and consented to the amendments which are now part of the Bill as presented to the House at this stage. Briefly, Mr. Speaker, those amendments reduced the gross limit of the Bill from a demand for the right to deal with $62 billion to a demand for the right to deal with $44.5 billion, a $17.5 billion reduction in demand.

• (1110)

Second, those amendments require an automatic reference of the Export Development Corporation's performance to standing committees of the House so that the committees will be able to review annually the performance of this corporation as it works to assist the exporters of our country.

Last, Mr. Speaker, perhaps the most dramatic amendment is the change in terms of the borrowing arrangement for the corporation. You will recall, Mr. Speaker, that under the Bill presented to Parliament and under the previous Export Development Act, the corporation was entitled to borrow in relation to its authorized capital. That borrowing is now limited to ten times the paid-in capital and retained earnings of the corporation. That in itself is a very dramatic form of parliamentary accountability.

We are not quite sure what the retained earnings of the corporation are at this point, but the corporation can borrow approximately $7 billion because that would be approximately ten times its paid-in capital and retained earnings. That is a far cry from the automatic right to borrow $20 billion without having the Government put any money into the corporation at all.

This has, therefore, been a dramatic action largely led by this Party to make sure that Parliament again would have control over the public purse and would have some element of control over the activities of the corporation. The result of the debate that we have engaged in over the past weeks is proof, Sir, that Parliament can work, proof that if Members of Parliament are prepared to demand that the Crown be accountable, the Crown can be forced to be accountable. I think that is a tribute to the House and, indeed, it is a tribute to the Government that it finally saw the wisdom of the statements made and positions taken by members of this Party in requiring accountability to Parliament.

There are serious problems with the Export Development Corporation. Those problems were, to some extent, referred to by the many speakers who spoke at report stage on the various amendments. Before we finish this debate which, by House order, should finish today, I think it is essential that those particular positions be put to the House again for the record so that the officials of the Export Development Corporation may know where we stand, what we would like done with the corporation and how we would like to see that corporation run to the benefit of the trade of Canada.

There were serious allegations made about the efficiency of the Export Development Corporation in a study done by the Economic Council of Canada. I want to refer to that study first because I think it made a number of references to how the corporation should work. The Economic Council of Canada made a number of recommendations, Sir. I would like to go over those recommendations very briefly with Members of the House so that we can come to some type of consensus and formulate some type of direction from the House to the corporation as to how the corporation might better promote the exports of the country.

At one time, Sir, the corporation was essentially an insurance corporation for an exporter with a receivable from a foreign country or receivables from purchasers or consignees of Canadian goods in foreign countries. That exporter would purchase from the Export Development Corporation insurance coverage to cover all his world-wide export contracts with various countries and consignees. The corporation's basic business interests remained in the insurance field until 1970. It was only after 1970 that the corporation moved into the field of lending money.

• (1115)

A lot of the discussion on this Bill has been about the lending function of the corporation. Perhaps the most impor-

tant thing the corporation could be engaged in is the insurance field. The Economic Council of Canada dealt with that aspect and said that in its view the corporation should be more involved in the export credit reinsurance and the insurance aspect—in other words, it should get back to where it was before, insuring and reinsuring of exports so that when they give credit on the sale of goods and services they are going to wind up with accounts that are collectable. When goods are shipped to a foreign consignee first of all, it is very difficult to get them back; second, in many cases there is an opportunity to sue in a foreign court; and third, in the process the company's working capital requirements have to be financed. The sale of goods to a purchaser in a foreign country represents risks that are entirely different from those involved in selling goods domestically. It is for that reason that exporters and their bankers demand insurance coverage. We must have a more aggressive insurance and reinsurance coverage.

The Economic Council of Canada talks about developing private markets for insurance, and reinsurance of those private insurers, so that exporters get paid for their goods.

The corporation had better examine the references regarding insurance made by the Economic Council of Canada. I say that because many exporters come to me complaining that they cannot get along with the Export Development Corporation. They say it is too fussy, it does not check credits, it gives small coverage on insurance and it is hard to get along with. One company claimed that the Export Development Corporation is a waste of time and it deals with the American Credit Indemnity Company of New York where they can get insurance at one-third or one-fifth of the cost of the Export Development Corporation's coverage.

Reference was made to the sale of a food conveyor system for an airport in Singapore. Apparently the negotiations with the Export Development Corporation became so cumbersome that they placed the business with the American Credit Indemnity Company where the premium was less. They got the coverage and were paid without any problem. But where was the Export Development Corporation's insurance program? It was working in a very bureaucratic and backward fashion with an attitude that it was not appropriate to the development of the trade.

The Economic Council of Canada suggested that the corporation should withdraw bit by bit from the lending field because there seems to be a limited number of borrowers who get assistance, and almost always it is the same group. For example, Atomic Energy of Canada Limited has borrowed about 25 per cent of the money the corporation has lent. Is this financing export or is it financing Atomic Energy of Canada Limited under another heading? I think it is the latter. If we are going to sell atomic reactors, perhaps the Government of Canada should finance the sales but let us recognize it for what it is: it is financing Atomic Energy of Canada Limited, not export sales. Therefore, to a large extent, one begins to wonder whether this is not an implicit subsidy to a relatively few number of corporations which are receiving a subsidy and which perhaps should be designated to them. If they need a subsidy they should have the subsidy, but it should not be buried under the glowing cloak of export assistance when in fact it is corporate assistance to businesses which may or may not be entitled to receive assistance year after year just because of foreign sales.

● (1120)

We must look at what the cost to Canada is for these particular businesses which seem continually to rely on the Export Development Corporation somehow as their banker at low interest cost. That low interest cost is a huge subsidy to these corporations. It does not appear anywhere in the estimates. That is something which we as a nation must look at. This is the kind of thing which the corporation must look at. Is the Export Development Corporation here to finance exports, or is it here to be a source of credit to a limited few which have, for one reason or another, the right to access money at very significantly subsidized rates?

Further, the Economic Council of Canada looks at the question of subsidizing rates, a concessionary financing. There is no question that what we have to do is struggle with our trading partners, with other countries which are leading exporters, and get rid of this business of subsidizing interest rates. That is not a question of fair trade; that is a question of subsidized trade. When we are looking at our tariff policy and at our dumping arrangements, our other trade arrangements, we ought very carefully to examine those countries which give concessionary financing for goods purchased by Canadians from those foreign countries. That type of assistance is non-tariff assistance and should be treated as a form of dumping, a form of subsidizing exports, the kind of thing which, if it is going to continue, will seriously mar international trade. We had better get tough about the matter. It does not do the foreign country in balance any good. It does not do us any good to do it. It is expensive for all of us. We ought to get tough with those who do it by treating the goods which they export to Canada in a fashion different from what they claim to be a fair market basis. We ought to treat them as being pariahs in world trade and penalize them accordingly.

We might well be better off, Sir, as the Economic Council says, when we have a situation where it is a question of exporting goods or of reducing the need for imports, to spend more of our money reducing the need for imports, because that is the other aspect of trade. It is all very well to buy and sell goods all over the world, but sometimes one is just as well off to sell fewer goods and make more of the things and do more of those things at home that one can do at home. I wonder about the airplane business, for example. Are we all that bright in financing airplanes at concessionary rates to foreign purchasers but not to Canadians? Are we all that bright in financing ships for export to foreign countries but not for Canadians? In effect, the Canadian goes offshore to buy his ship because he can get concessionary financing. We sell ships to a foreigner with concessionary financing but not to Canadians. Where are we getting lost? It is not too bright, Mr. Speaker, and it is about time the EDC and the Minister started looking at the situation and saying somewhere along

the line that we have to do the business like, bottom line type of thing.

● (1125)

A lot has been said about the New York subway deal whereby we supplied the best part of $1 billion in concessionary rates. Even today they are concessionary rates, Sir. When the loan was committed to the City of New York it represented a subsidy of between 6 per cent and 7 per cent, an enormous subsidy on a per annum basis. Today rates have fallen and it does not represent that kind of subsidy at all, but it still is a small subsidy. The loan was justified on the basis of creating employment, but 40 per cent of the employment is American. The loan was justified on the basis of the export of our technology, and so on, to that great market in New York. At the same time we have cities in Canada which need commuter service, subway cars and so on, so should we not be offering that kind of financial assistance to our own people before we offer it to those around the world? When do the people of the City of New York have the right to assistance from Canada before the people of Montreal, Toronto or Vancouver?

Mr. Nystrom: Or Yorkton.

Mr. Blenkarn: My friend says Yorkton.

I would like to move, Mr. Speaker, to the question of other types of financing that we might look at. We have before the Committee on Finance, Trade and Economic Affairs a reference with respect to foreign banks. You will know, Sir, that under the Bank Act we have allowed some 58 foreign banks to operate in Canada. The reason for this is that our banks, which were certainly not large in terms of foreign business 15 or 20 years ago, have now become quite dominant in some foreign markets. Indeed, they rank high in a list of international banks doing business around the world. What we have to look at is the extent to which we can use our own Canadian bank network to promote and finance our trade and the extent to which foreign banks operating in Canada can help us with financing our foreign trade. After all, one of the reasons for bringing in a foreign bank to the country, presumably, is to finance trade activities. By and large they are not there to look after the ordinary citizens' deposit or chequing accounts or that type of thing; they are interested in commercial activity, and what we ought to look at in licensing foreign banks is their willingness to assist in financing Canada's export trade.

During the debate a great deal was made of the efficiency of the operation itself. The corporation's executives have probably heard to the full the fact that in their last year's report they indicated they had 613 employees, approximately ten employees for every loan customers. The fact is that they made about 120 loan transactions but with only 62 separate customers. Therefore, that corporation had ten employees for every loan transaction.

● (1130)

Then one goes on to the insurance account and finds that it wrote about 900 new insurance policies. It has about 1,320 insurance accounts, but it wrote 900 new insurance accounts, amounting to one and a half insurance accounts for every employee.

When one finds that the corporation has offices in Vancouver, Toronto, Montreal, Halifax and, of course, here in Ottawa, one begins to wonder, in view of the size of the corporation and the kinds of things it is doing, why it needs all this help and all these offices. After all, if it is only involved in 900 new guarantee deals in a year and if it has only 62 customers to whom to lend money, why does it need over 600 employees? The answer is that it does not.

No reasonable person could ever suggest that the corporation is efficiently and effectively managed. I say that because of the straight statistics produced by the corporation. The corporation may say that it must be very careful when it gives a credit line to a foreign country, that it must check out the economy of the country and ensure that the credit is worth while, and that it is necessary to employ economists and so on. I ask why? We do have a Department of External Affairs. We do have embassies and consulates around the world. Surely we do not need a duplicate arrangement involving the Export Development Corporation.

I therefore say to Your Honour that there is a great deal of room for fat trimming in the corporation. It is my hope that with the promise of the Minister that his new board of directors, which will now total 15, will have a significant private majority, this directorship will be comprised of people who will not be yes men or yes women. I hope these people will take a hard-nosed look at the activities of the Corporation, its employees, its expenses such as travelling costs, and, if necessary, contract out some of the work of the corporation. Is there any reason the corporation's insurance should not be available in major insurance offices around the country? Is there any reason the banks of the country should not be directly capable of dealing with the Export Development Corporation on their own, placing the paper, receiving the guarantee, much the same as they do under the Small Businesses Loans Act, for example? There is no reason at all.

I say to Your Honour that a great deal of overhead being carried and a great deal of bureaucracy could easily be eliminated. I hope that the private sector appointees will very quickly turn around this image created by 613 employees handling 62 loan accounts and 900 new insurance policies. We must have a bottom line board of directors, and the Minister had better appoint a bottom line board of directors. Perhaps there have been further additions as of this year, and I am not exactly sure what the paid-in capital of the corporation is at this point, but as of the end of December, 1982 the corporation had $651 million in subscribed capital and retained earnings. On the $651 million, it earned $1 million. This is perhaps less than one-tenth of 1 per cent; I am not very good at mathematics. However, the return was $1 million on $651 million. That is a pathetic return. That return represents an implicit subsidy to those persons and corporations who received export concessionary financing. Bearing in mind the fact that during 1982 the Government of Canada was paying on the average 15 per

cent for its money, the $651 million really cost us 15 per cent, or very close to $100 million. For the $100 million we received back $1 million. The subsidy then was very close to $99 million.

When we are paying out that kind of subsidy, and that is what we did, we had better make sure that Canada is getting value for the subsidies. A new, hard-nosed private board of directors had better be appointed to review the situation, because the matter will be coming back to the House of Commons next year. As soon as the corporation's next annual report is through, it is required that the report be referred back to the House's Standing Committee on Finance, Trade and Economic Affairs. That is one of the amendments that was put through on Friday. I am sure the committee will be asking those very questions, and I am now drawing the amendment to the attention of the Government and to the directors of the corporation.

There are a great number of things that we need to do concerning trade in Canada. We rely on foreign trade. We are a country that produces some basic commodities in huge amounts. They must be sold to the world. We are a country that has some of the most highly educated young people in the world, probably a higher percentage than anywhere else. Those young people are learning skills and trade in highly technical fields. Our exports of technological equipment can beat down doors of the world markets. We need an export corporation and we need financial assistance and the drive and the enthusiasm of people out there to encourage our producers to produce and to sell our goods. The challenge of the corporation is to move Canada ahead in trade.

Unfortunately, over the years we, as a country, have slipped in the percentage of world trade. At one time we had very close to 6 per cent of the world's trade. We are now down to well less than 4 per cent of the world's trade. We have gone down about 50 per cent from our former position, and that cannot continue. We in this nation rely on trading with others for our prosperity. The corporation is one of our front line tools for trade. It had better start acting efficiently, effectively and dramatically to encourage and build our trade, or we in this House of Commons will want to know why.

• (1140)

Mr. Peterson: Mr. Speaker, I would like to ask the Hon. Member for Mississauga South (Mr. Blenkarn), who has declared that he is strongly in favour of added incentives for exporters in Canada, if this debate being conducted by the Official Opposition is a filibuster. I would ask him how many speakers he has put up on behalf of that Party in an attempt to stop us from coming forward with the increased funding that is necessary to do the job on behalf of Canadian exporters.

Mr. Blenkarn: Mr. Speaker, I am surprised that the Hon. Member was not here on Friday but he can be excused. The issue in the debate was that of parliamentary accountability. It had nothing at all to do with trade.

Mr. Thomson: He does not understand.

Mr. Blenkarn: That is right. He does not understand that. He does not understand because at some point he has taken the attitude that the Government knows best and he believes anything the bureaucracy tells him.

If he could read financial statements he would know that there was no need for this Bill to be passed in a mad rush. If there was any urgency the Government would have introduced the Bill for debate much sooner than last week. Even last week, with the most optimistic trade possibilities, the Government had enough credit on hand to finance Canada's exports without any additional capital requirements, or borrowing limit requirements, without any additional money toward order in council awards or order in council insurance appointments.

If the Hon. Member cares to examine the financial statement, he would find that at ten times the subscribed capital and earned surplus in the corporation it could borrow roughly $7 billion. He would also find that the corporation only owes the marketplace $4.5 billion. Therefore he would know that the corporation had the right to borrow well over $2 billion without this Bill ever coming before Parliament.

The Hon. Member does not understand the Bill yet he stands here and asks questions. He asks how many speakers we have put up. While I do not have the exact number, there are about 153. He asks why they were speaking. It is so that Parliament and Members of Parliament could ensure that this corporation and the Government which that Hon. Member represents is accountable to Parliament and not the bureaucracy.

The Acting Speaker (Mr. Corbin): Order. The Chair ought to remind Hon. Members that questions, comments and replies should be brief and to the point. Is the Hon. Member standing to be recognized for a further question?

Mr. Peterson: Mr. Speaker, it is obvious that they cannot oppose the substance of what we are attempting to do, which is to facilitate the efforts of the Export Development Corporation in doing its job in a much expanded way on behalf of the private sector in this country. But what have they done? They got on the high horse of parliamentary accountability.

If the Opposition intends to adopt this practice not only with a Bill through which we are attempting to help those people who can really make our economy move in the days ahead but with every Bill we introduce, I simply want the Canadian people to know that that is obstruction and not constructive criticism.

Mr. Nickerson: What is your question?

The Acting Speaker (Mr. Corbin): I have heard other Hon. Members ask what the question was. Standing Order 35(1) provides for questions or comments and replies thereto.

Mr. Blenkarn: Mr. Speaker, the reply is clear. This Party will stand up for Canadians, talk in the House and put forward constructive amendments. We will make sure that the agencies of the Government and the Government itself are accountable

to Parliament. We will make every effort and speak as long and often as necessary to make sure that that occurs. For the Hon. Member to say that this is a Bill with respect to trade and that our debate concerns trade is not to understand what occurred here for the past two and a half weeks.

Mr. Peterson: Mr. Speaker, I am delighted that the Opposition is supportive of our efforts to aid the private sector to do its job of increasing our share of world trade. I am glad that they have come to that admission lately, however reluctantly.

If the issue is credibility, I would invite the Hon. Member to review the speeches which have been made in the House by Hon. Members from this side, including myself, dealing with the ways in which the Export Development Corporation is accountable to the people of Canada through our institution of Parliament. Let me summarize some of the ways in which that corporation is accountable. It is accountable to the Auditor General, the Comptroller General, the Committee on Miscellaneous Estimates when additional borrowings must be approved, and to the Minister who is answerable in the House. He is an excellent Minister of State for International Trade (Mr. Regan) who has been making great efforts on behalf of Canadian exporters to make their goods known and better recognized in the marketplace of the world. It is through that approach that we have accountability.

The Opposition may not want that exact approach and prefer to have an opportunity to approve every single additional issue when the Export Development Corporation has to go to the marketplace. Surely that is an unreasonable constraint to impose on any operation which has to be flexible in meeting the needs of Canada's exporters. The House does not sit all year long and it must also deal with many other issues that come before us. Imagine what would happen if every new issue that the EDC wanted to bring out had to be brought before the House.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member has gone on for an additional two minutes. I think he has made his point.

Mr. Blenkarn: Mr. Speaker, it is unfortunate that the Hon. Member did not read the Bill. He will find that under the existing Act, and as it was amended on Friday, borrowing by the Export Development Corporation can take place without the corporation ever coming to the House and without ever having the approval of any committee of the House.

Mr. Forrestall: Or without the Minister's approval.

Mr. Blenkarn: Indeed, without the Minister. Though it may have some problems with the Minister of Finance (Mr. Lalonde). He will know that the controls which we wanted were ones which the Minister finally gave us. They demanded that there be some equity capital relationship between borrowing and debt. We would then have some element of control over what the corporation in fact borrows so that it cannot get itself into some of the problem situations such as companies like Canadair and de Havilland were allowed to get into by the Government. We have been very responsible by forcing the corporation to have a relationship in borrowing ten times the paid-in capital and retained earnings of the corporation. That kind of change, which the Government finally accepted on Friday after resisting it for seven days of debate, makes quite a difference in the control that Parliament and the people have over this corporation and its actions.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to be fairly brief this morning but I wish to continue the comments made by the Parliamentary Secretary about the amendments that passed through the House on Friday. I also wish to talk about the Bill itself in general.

● (1150)

There were two significant points about the amendments which were passed on Friday with all-Party support. The first was that there will now be more accountability to Parliament and its committees by the Export Development Corporation. I think that is a very good and positive step. It is the kind of step which should be taken with other Crown corporations in this national Parliament.

The Province of Saskatchewan, under the premiership of Tommy Douglas back in the 1940s, established a special Crown corporations committee of the legislature on which sat Members of all Parties. The annual reports of the provincial Crown corporations are referred automatically to that committee each and every year. Also, every year the officers of the Crown corporations must go before the committee, talk about their plans and justify what they have done in the year gone by. That is a very good step. It is the kind of thing we should have in this Parliament where automatically the reports of Crown corporations are referred to the relevant committee for cross-examination and discussion by Parliamentarians. I think that is very important.

I am a very strong supporter of Crown corporations. I suppose that is true of all Parties, including the Conservative Party. I can look at Peter Lougheed in Alberta with PWA and his investments in the oil industry, or Bill Davis in Ontario with the purchase of part of Suncor and other Crown corporations. I can look at the federal Crown corporations and the ones we have established in the three Provinces which we have governed in the last number of years. It is very important that they be more accountable and more responsive to the wishes of Canadians. That is the message we tried to get across in this debate, and we have succeeded to a certain degree by the amendments that were accepted last Friday.

The second important point about the amendments is that Parliament finally has a little say over what a Bill should contain or what the EDC should look like, rather than the Cabinet or the executive exercising an almost autocratic say in a situation where we have a majority Parliament. I think that is a good step as well. Where we have a majority Parliament in our system, all too often because of the hang-up on the confidence vote, the lack of free votes or things of that sort and the lack of clout of committees, the executive, the Prime Minister's office or the Minister's office, has much too much

power and Parliament itself has much too little power. Those were the two very significant points about the amendments which all three Parties supported last Friday to Bill C-110 respecting the Export Development Corporation.

Another point I want to make is that this is only a beginning. We have to move more and more toward a system of economic democracy where ordinary citizens, workers, farmers, consumers, producers and business people have more say over the economic direction of the country. For years we have talked about and exercised political democracy and voted every two to five years. The time has come in the twentieth century to start talking about the ways and means of achieving real economic democracy so that the ordinary citizen, regardless of one's income, has more influence upon the direction of society. I believe we can do that as well in the Crown corporations of this land.

World trade is very important for Canada. In fact, it is more important in our country than in most other countries of the world.

[*Translation*]

International trade has always been very important to Canada, because we do not have a large population, compared with the United States, France, Japan and other countries. In Canada, international trade represents about 25 per cent of our gross national product. In the United States, it is 12 or 13 per cent of GNP, the same in France and Germany, and perhaps less than 10 per cent in Japan. Export development is very important for creating jobs for Canadians, more 80 for us than for other countries, with the exception, for instance, of New Zealand, Australia and other countries with a small population. Mr. Speaker, the Member for Mississauga South (Mr. Blenkarn) said earlier that our share of international trade has shrunk considerably in the last twenty years. For instance, between 1972 and 1979, it dropped from 4.9 per cent to 3.4 per cent. In only seven years we had this substantial drop in our share of world trade, notwithstanding the Export Development Corporation, the Government of Canada and all the speeches made by the Prime Minister and other Ministers during that time. Another interesting figure shows that between 1969 and 1979, the market share of Canadian exports dropped 33 per cent. That is a lot.

[*English*]

With those kinds of statistics it is easy to see that, despite the fact trade is so important, our share of world trade is falling. This is one reason more and more people in the country are unemployed each and every year.

World trade is becoming more and more aggressive. We can look at the French, Germans, Japanese, Americans, British and even the Third World. Despite the fact that we in Canada have increased our exports dramatically, in the last ten years or 15 years our share of world trade has fallen.

I would like to indicate one more specific which I think puts into perspective the need for being more aggressive and ensuring that we are more competitive with the French, Germans and Japanese. Between 1969 and 1979 we increased our trade at an annual rate by some 15.1 per cent. We may say that that is a tremendous increase or growth in our trade, but developing countries increased their trade at an annual rate of 23.1 per cent, or 8 per cent faster than Canada. My feeling is that we will go more and more slowly in terms of our increase in trade in comparison with the rest of the world.

I want to spend a minute or two on other matters which are very relevant to the Export Development Corporation and to trade in general. I do this because of the tremendously high unemployment rate in the country. I refer to our failure as a nation in expanding our manufacturing base. I see the Hon. Member for Winnipeg North (Mr. Orlikow) in the House. He has often mentioned our failure as a country to develop, protect, expand, modernize and make competitive our manaufacturing base with the Europeans, Japanese and Americans.

Back in 1970 our deficit in manufactured goods was $2.5 billion. In 1981 our deficit in finished goods had risen from $2.5 billion to $21 billion—a tremendous deficit in finished products. In finished products we have many skilled jobs with which to put people to work. The EDC must do a much better job in terms of financing, insuring and promoting in every way it can under the Act the export of Canadian manufactured goods around the globe. Perhaps it is one of the sad commentaries in our country that since its inception, or even earlier, we have been an exporter of raw materials and an importer of finished goods. If we go back to Samuel de Champlain in 1608, the French exported beaver pelts from Canada and purchased finished goods in return. We are no longer exporting great quantities of beaver pelts, but we are still following the same philosophy of exporting raw material and importing finished goods. The EDC has to do something to try to change that trend.

• (1200)

The other point that disturbs me about the Export Development Corporation and our trade in general is that too much of the export financing done by the EDC, and I think the Hon. Member for Mississauga South (Mr. Blenkarn) will agree with this, is going to a few large companies and much too little is going to small business.

I believe that the large multinational corporations are powerful. They can look after themselves. They have a lot of funds, resources and contacts around the world. The EDC does not have to worry about financing many of these big corporations in different parts of the world. Instead, it should be concerned about helping the small business people across this country.

A couple of years ago a special committee of this House studied the possibility of establishing a national trading corporation. In its report, it stated that 37 per cent of businesses in Canada did not know the Export Development Corporation even existed and only 29 per cent of businesses in this country ever used the EDC. It shows there is something missing when only 29 per cent use EDC and only 62 per cent know it exists. The Hon. Member for Ottawa Centre (Mr. Evans) may want to comment on this later.

In its statement of May 24 last, the Economic Council of Canada said to us that between 1969 and 1980 only 16 companies had availed themselves of over 50 per cent of the loans from the Export Development Corporation. One company had a loan on 40 different occasions between 1969 and 1980. Some 138 companies used EDC loan financing between 1969 and 1980. There were 415 loans, and 16 companies accounted for well over half of the loans from the Export Development Corporation. That is another point that is very important. If the EDC is to be seen to be working and efficient, it should put more emphasis on aiding and assisting small business in this country, which employs 60 per cent or more of the Canadian population.

Those are some of the important matters that we should look at. There are a number of other points on trade and the EDC that I have mentioned at other times. One is that we must ensure that our trade policy jibes with our foreign policy, that we not just try to make a buck for the sake of a buck, but that there be some moral purpose to the kind of trade we are trying to develop. As I mentioned, we should try to push more manufactured goods.

I have often tried to point out to the House that before we can have a proper trade policy, we need a proper economic and industrial policy so that we know where we are going. We need a more planned economy. We should specialize in a few areas that are natural to our country. We should modernize our industry so that we can preserve some jobs and create others. These are some points the EDC should be working on as well.

In conclusion, I am pleased that last Friday afternoon we reached an all-Party agreement to make the Export Development Corporation more accountable to this House. A number of people worked on this for quite some time. I hope the Government will look on this as a precedent and automatically refer the annual reports of all Crown corporations to the relevant committees from here on in. This is very important because of the number of Crown corporations that we have. Most of us in this House support Crown corporations. We must ensure that they are accountable and are in step with the policies and wishes of the Parliament of Canada.

The last point I want to make is that this Parliament should have more say over Government policy when we have a majority Parliament. All too often it is the executive or the Prime Minister who run the show and want to use us as a rubber stamp. In a healthy democracy in the twentieth century we need to have more legislative input and clout from the ordinary Member of Parliament. It is time we had some radical parliamentary reform so that we can move in that direction. I do not see why the Prime Minister should have the right in our system to appoint heads of Crown corporations and to appoint unilaterally heads of regulatory agencies and national boards. If we are to have a truly democratic parliamentary system, the Prime Minister should only nominate. That nomination should go before the relevant committee of this House. The committee would cross-examine the nominee and either ratify or reject the nomination of the Prime Minister. That would be true parliamentary democracy. I hope that is the direction this Parliament will go in the years that lie ahead.

The Acting Speaker (Mr. Corbin): Question, comments, debate?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I first want to indicate to the Members why the Minister responsible, the Minister of State for International Trade (Mr. Regan), is not here today. The Minister is attending the quadralateral meetings at Meach Lake which Canada is hosting on questions of international trade. He has asked me expressly to thank the Members of the House for the co-operation they have given, especially on Friday when we were able to reach a rather monumental agreement and come to a House Order to pass this through third reading today.

I would like especially, with the Minister's admonition to me, to thank the Hon. Members for Mississauga South (Mr. Blenkarn), Calgary South (Mr. Thomson), Yorkton-Melville (Mr. Nystrom) and the Members on this side of the House who have been instrumental in bringing concerns to the attention of the Minister which ultimately resulted in the amendments that were made at report stage on Friday and which are now part of the Bill that will receive third reading today.

In my role almost as a mediator between sides, I found it a very exciting prospect to find ways to accommodate the valid expressions of concern of the Opposition and the very valid need for moving forward with necessary legislation on the part of the Government. I can assure Members on both sides of the House that I intend to play that role as actively as I possibly can in the future to see whether we can make Parliament work the way all of us want it to make it work—much more effectively, moving forward with legislation on which all of us can agree.

There is no doubt that the legislation was necessary. The Export Development Corporation has a very vital function in our economy. The way our economy is structured, certainly international trade cannot be anything but seen by this House as being of the utmost importance, and the Export Development Corporation facilitates that greatly. I was interested in some of the comments made by the Members for Mississauga South and Yorkton-Melville. I am sure some of those comments will be reiterated by other Members as the debate continues.

Through the amendment process we have emphasized the notion of accountability of Crown corporations to Parliament, although I would say that accountability to Parliament on a less frequent basis was certainly part of the legislation as it was brought before us. Parliamentary accountability through the reference of the annual report, should we continue with the provisional rules now before the House, would have been the case in any event. The amendment brought forward by the Hon. Member for Mississauga South ensures that should the provisional House rule not continue beyond the deadline that we have set for ourselves in the trial period, automatically that annual report will be referred to committee, should there be

changes to the Standing Orders away from what we now have. It was always our intention that these changes to the Standing Orders would continue and, therefore, the annual report of the Export Development Corporation would have automatically been referred to a committee for scrutiny. We have a different form of parliamentary accountability perhaps from the point of view of the Hon. Member for Mississauga South and others, and that accountability has been strengthened. Certainly I was always of the opinion that the Export Development Corporation would have to be accountable to Parliament in a very meaningful way even as the Bill was originally introduced.

● (1210)

I was interested to hear the comments made by the Hon. Member for Mississauga South with regard to the Economic Council report. That was a report we in committee looked at with great care. Indeed, representatives of the Economic Council came before the committee to make representations about the Export Development Corporation and to present their report on export financing. I too share the concerns of the Hon. Member for Mississauga South and others with regard to the role of the Export Development Corporation vis-à-vis the role of other private sector intermediaries in financing foreign trade.

During those committee hearings we heard a great deal with regard to how other countries come to joint arrangements between private sector financial intermediaries and state controlled export financing arms. I would hope that in the future we in Canada would indeed see some movement toward more joint ventures and more loan guarantees made by the Export Development Corporation to ensure not only the widest possible range of export financing mechanisms available but that the market penetration of sound export financing can be as deep as possible without having to depend solely on one agency.

My hon. friend referred to the 613 employees of the Export Development Corporation. Contrary to his views, when one is talking about penetrating a massive market with tens of billions of dollars worth of export, 613 is really quite a small number of employees to do the kind of job that we would like to see done in the export financing field. I would hope that those 613 employees could be used more intensively through the use of joint ventures with private sector financial intermediaries.

Expanded coverage and the presence of export development financing through the Export Development Corporation to a wider range of firms are ideas that we in the Finance Committee were very concerned about and we probed quite deeply into those matters. I would certainly be of the view that the facilities of the Export Development Corporation should first be made known and then made available to a much wider range of firms, and I refer both to the nature of export business as well as to the size of firms.

Obviously, given the size of the Export Development Corporation, export financing through the corporation will be more favourably disposed toward export financing for very large deals through very large firms. I believe it was the original intention of the Export Development Corporation to finance the very large deals that the private sector would be reluctant to finance. I can certainly see a role, however, for the Export Development Corporation, through loan guarantees and other kinds of joint arrangements, in making its facilities available to the smaller firms that have a very important role to play in the export future of the country.

With regard to the area of co-operation, I might, Mr. Speaker, just as an aside, say a few things about the structure of our private financial intermediation system. At the moment, as you know, Mr. Speaker, there are certain restrictions on our financial institutions with regard to the nature of business that they can undertake in the marketplace. The chartered banks, the Canadian owned and operated banks, the Schedule A banks, have restrictions on the kinds of things that they can do. Subsidiaries of foreign-owned and controlled banks, our Schedule B banks, have very serious restrictions on the kinds of business that they can undertake. That matter is currently before the Finance Committee and we are about to make recommendations with regard to how we should look at the question of Schedule B banks, what the nature of their presence should be and whether or not some of the restrictions, in particular the 8 per cent ceiling, should be changed or not.

Certainly these institutions, the chartered banks, the Schedule A and B banks, the trust companies, credit unions, co-ops, caisses populaires and insurance companies have in the past been separated into specific sectors of financial intermediation. My own personal view is that as a result of this we have precluded a great many innovative and creative arrangements that are now being undertaken in other countries to facilitate the financing of domestic and export operations that we could enjoy here in Canada.

I would hope to see the Export Development Corporation form part of the renewed, reinvigorated and renovated system of financial intermediation that I see evolving in the minds of many parliamentarians here. This new system of financial intermediation could create the framework that would facilitate the kinds of changes that we have all been talking about with regard to trust company legislation and the kinds of changes that have been asked for with regard to life insurance and general insurance legislation as well as legislation with regard to caisses populaires, credit unions and other forms of financial intermediaries.

A more flexible and broader based set of financial institutions in the country could certainly compete in many different markets outside of those which are currently available to them. The Export Development Corporation then could play a very major catalytic role by ensuring that export financing was made widely available in the country, not only to large firms but to small firms and to a wider array of economic and commercial activities.

In conclusion, Mr. Speaker, I would like to refer to the comment made by the Hon. Member for Yorkton-Melville who said that he was a great advocate of a planned economy. The only thing that I could say about that is that "planned"

has a tendency to become obsolete, which is why we have the phrase "planned obsolescence".

I am very much opposed to the notion that the state somehow has the kind of insight and intuition that would make it possible for it to plan the future from the centre. I do not think we can do so, and certainly the view of the Government is that we should not even try to do so.

The essence of what I have been saying, Mr. Speaker, is that we need to try to make our economic system, and especially in this case our system of financial intermediation and arrangement of financing, more flexible, more adaptable and more driven by the real needs and demands for services in the marketplace. It certainly is not my view that we can somehow plan and direct where financing should take place and what kinds of businesses certain financial intermediaries should engage in. Perhaps in the 1940s and 1950s when things were so much simpler, it was possible for governments to say: "This is an area of business that you as a financial intermediary can get into and this is an area that another financial intermediary can get into but you cannot compete with one another."

If our intermediaries are going to be able to compete in today's world, if they are to be first-rate and provide the best and cheapest services to Canadians for the purposes we all want to see, then we will have to have financial intermediaries that are capable of adapting and changing and working together by coming to joint arrangements and finding ways of providing those financial services at the cheapest possible cost in the most efficient ways. That means more flexibility, more adaptability and that we need to have a bottom-up type of financial system as opposed to a top-down, centrally planned financial system. I think that that kind of a view toward financial intermediation and financial institutions in the country is precisely the same kind of view that we will have to take toward an industrial policy, because an industrial policy that is top-down directed will be just as inflexible and prove over time to be just as obsolete and ineffective as would a financial system that is top-down directed. It has to be bottom-up, market-oriented and responsive to changing needs.

• (1220)

If anything is certain in the future of this country, it is that change will occur as fast as it has in the past, not slower. There is no time for bureaucratic adjustment to change; it has to be bottom-up. What the Government has to do is to ensure that it can remove the barriers and restrictions that may hold up the development and growth of the economy and our financial institutions. They must provide the kind of flexibility that will facilitate change so that we can create the jobs and wealth that the country needs in the future.

The Export Development Corporation has a vital role to play because it is oriented toward megaproject financing. As many Hon. Members have said, it needs to take into consideration how it can work as a catalyst with private financial institutions in the future to get financing from them as opposed to depending on parliamentary approval for major infusions of new capital. We are talking about a maximum of $15 billion in lending from the Export Development Corporation. I cannot see a situation where Parliament would be willing to expand that base greatly. We must find ways to get the maximum leverage out of that $15 billion and the other facilities available to the Export Development Corporation in order to improve ways that our Schedule B banks, our Schedule A banks and other financial institutions can expand export financing and Canada's presence in export markets.

Hon. Members opposite have put forward very good ideas on this subject. The Export Development Corporation should not see itself as a "stand alone" agency doing most of its financing out of its own coffers; it should be a catalytic agent to ensure that financing for megaprojects is done but also that, through loan guarantees and other mechanisms, smaller firms have access to export financing.

I should like to thank Hon. Members for their co-operation. The Minister is grateful for the co-operation that has resulted in the House order that will see the legislation pass third reading this afternoon. In my role with the Government House Leader, I look forward to seeing that kind of co-operation in the future to ensure that we move the nation's business ahead as the people expect.

Mr. Thacker: Mr. Speaker, I wonder if the Parliamentary Secretary could advise us whether the international trade meeting is dealing with concessional financing, which is implicit in this Bill?

Mr. Evans: Mr. Speaker, I am not aware of the full agenda that is before the Minister. I know that he is having discussions with other ministers of international trade and I believe that later today he will make a full announcement about the agenda and the agreements reached. I understand that great progress is being made and, like the Hon. Member, I look forward to the Minister's statement.

Mrs. Mitchell: Mr. Speaker, I should like the Hon. Member to clarify some of the statements he made which I believe referred to his philosophy of planning. Do I understand him to say that he does not believe the federal Government should be involved in planning, that there should be no federal planning, that it should be a laissez-faire country and that the federal Government has no responsibility to lead in this area? That is really what he said—that he does not believe in federal planning.

Then he talked about bottom-up planning. As a Liberal, how does he think he is going to relate to any bottom-up planning in western Canada where there is absolutely no representation in the Liberal Party?

He also referred to planning by financial institutions. The last group I would want to leave planning to in my part of the country is the financial institutions. It seems to me that sound planning must involve regions, communities, labour groups and management. It should not be left to the financial institutions. Is the Hon. Member's philosophy the Liberal Government's philosophy? It seems to me that it is, at least the laissez-faire aspect of it.

This Party believes in co-operative planning. We believe in planning with regions, with different sectors of the economy, but we certainly believe that the federal Government has the responsibility to take leadership in economic matters.

Mr. Evans: Mr. Speaker, I think the difference between what the Hon. Member is talking about and what I am talking about is that I was expresssing the point of view that the best planning comes from the people and not from organizations of people, as the Hon. Member might suggest. Community groups are not the community, and governments are not the people and often do not have consistent views of what the people want. I did not mention planning by financial institutions; I was talking about—

Mrs. Mitchell: Leave it to the banks.

Mr. Evans: The Hon. Member says leave it to the banks. In western Canada major financial institutions are called credit unions and are supposedly owned by all members of the credit unions. I was talking about an expanded horizon for all financial institutions. Those with the smallest horizons at the present time are trust companies, credit unions and caisses populaires. They have an ability to compete and take on these other financial institutions in head to head competition. The people will decide where the best financial intermediation takes place and who is providing the best services. If the institutions that the Hon. Member and her Party dislike so violently do not provide the services that the people want, then there will be massive growth in credit unions, caisses populaires, small trust companies and other forms of financial intermediaries.

That is the view of the world that I have—let the financial institutions compete. The average, individual Canadian will then decide the structure of our financial institutions because they will choose the one that provides the best service at the lowest price, which meets their needs in the best way. That is bottom-up planning—let the people decide through head to head competition those who want their money. That is bottom-up planning, not having a—

The Acting Speaker (Mr. Corbin): Order, order.

Mr. Thomson: Mr. Speaker, after hearing that dissertation I think the Hon. Member opposite should move across the floor. He says he does not approve of the central planning operation and he wants our economy to be market oriented. I totally agree with him on that. Why is it that in Canada 50 per cent of the Gross National Product is controlled by Crown corporations, federally and provincially? We are running toward state capitalism as fast as we can and the Government is at the head of the parade. I do not understand the Hon. Member's remarks in this context.

Mr. Evans: Mr. Speaker, the Hon. Member should look at the facts over the last 15 or 17 years and ask where the greatest growth of Government has occurred. It occurred not at the federal level, but at the provincial and municipal levels. If the Hon. Member does not understand the philosophy of the Government and how my philosophy is consistent with that, then I certainly cannot understand that his philosophy is consistent with the action taken by every Conservative provincial government in the country. I do not think free enterprise is inconsistent with Liberalism.

• (1230)

If the kind of things which myself and this Government are being accused of are so inconsistent, or if I do not fit into this Party because I hold these views, then I certainly feel the shoe fits on the other foot as well, because it has been the provincial governments, and the municipal governments under the control of the provincial governments, which have shown the largest insurgence into all areas of our economy in the past 15 to 20 years. It has not been the federal Government.

It has been in the provincial governments, and the municipal governments under the control of the provincial governments, where the greatest incursions into individual freedoms and actions have occurred. I find nothing inconsistent, Mr. Speaker, with what I am saying. I feel my beliefs are totally consistent with those of my Party, and I will continue to profess them.

Mr. Kristiansen: Mr. Speaker, in the remarks of the Hon. Member for Ottawa Centre (Mr. Evans), directed to the Hon. Member for Yorkton-Melville (Mr. Nystrom) who spoke earlier on behalf of the New Democratic Party, he seemed to express the opinion that Government planning necessarily implied planned obsolescence. Perhaps there is something lacking in my education, but I would have assumed that anyone would consider that planned obsolescence, as much as anything could be, is an invention of the marketplace, whether one talks about light bulbs, automobiles or vacuum cleaners which are geared to break down in a matter of two or three years in order to keep the market going. To support my argument on that point, and asking him to comment, I would point out that according to most Canadians this Government is obsolete, and I am sure it was not planned that way.

Mr. Evans: What I meant by the comment "planned obsolescence" was that any central planning structure tends to create for itself the conditions for its own obsolescence. The problem with central planning bureaucracies, whether they be corporate, government or institutional of any kind, is that they do not change. As change occurs inevitably in our society and in our world they, by their very nature, become obsolete. Their planning function becomes obstructionist as opposed to creating and promoting the kind of change which the future demands. What I am saying, therefore, Mr. Speaker, is that all the good intentions which are behind the establishment of major planning functions lead directly to the establishment of a bureaucracy which, instead of planning for the future, starts to deal with planning to maintain its own existence, which in fact is counter to the notion of change in the future. That is the kind of thing I was talking about. Central planning leads to its own destruction by its very nature.

Mr. John Thomson (Calgary South): Mr. Speaker, first of all I would like to question the reply of the Parliamentary Secretary with respect to the growth of Crown corporations by the provincial governments. I do not have the figures here to refute his argument, but I do not seem to recall that provincial Crown corporations have grown to anything of the magnitude of the corporations of the federal Government. The number of Crown corporations which existed federally just after the Second World War were, I believe, something in the neighbourhood of 36 or 40. Today there are approximately 400 Crown corporations. I doubt that there is any Province in Canada which can match that growth, so I would like to question that remark of the Parliamentary Secretary.

I was, however, delighted with his willingness to co-operate, as expressed at the beginning of his speech, because it is something I certainly have not witnessed in the four and a half years I have been a Member of Parliament.

Mr. Evans: Where were you on Friday, John?

Mr. Thomson: The Parliamentary Secretary asks where I was on Friday. I have a small job to do and it is called "Crown corporations". I was spending a bit of my time at that.

I was pleased by the comments of the Hon. Member for Yorkton-Melville (Mr. Nystrom) in concluding his remarks when he talked about the appointment of the chief executive officer. I could not agree with the Hon. Member more on this particular point. It is absolutely vital, in terms of the accountability and control of Crown corporations, that the chief executive officer of that corporation be appointed by the board of directors. I would have to think a little bit about whether or not every chief executive officer should come before a parliamentary committee. I feel that is perhaps somewhat onerous. However, it may be necessary because as long as we have the current situation where directors are simply a cosmetic appointment by the Prime Minister (Mr. Trudeau), we really have no way of effectively causing the chief executive officer to be accountable to the board. And that is at the heart of the control of a Crown corporation. If you have a chief executive officer who is appointed, as presently, by the Prime Minister, to whom does he account? He accounts to the Prime Minister. The board is simply there to go through the motions. Therefore, I totally agree with the thrust of the comments of the Hon. Member for Yorkton-Melville. It may very well be necessary for Parliament to set up a process whereby the chief executive officer is screened and approved by a committee of Parliament.

The Hon. Member for Yorkton-Melville, my hon. friend from Mississauga South and the Parliamentary Secretary have already referred to the fact that we have reached a milestone because we have finally agreed on a few insignificant amendments. I would like to compare that to rearranging the deck chairs on the *Titanic*. That is about the size of it. The Liberal Government has moved only one millimetre in those terms.

The Hon. Member for Willowdale (Mr. Peterson) was asking whether we were filibustering this Bill. He is darned right, we did filibuster the Bill for a very good reason. The Hon. Member for Willowdale completely missed the point of the debate. If he does not understand that the people of Canada care about the Canadian Dairy Commission and the $1.4 billion which Canadair has thrown down the drain, about the waste and extravagance and the uncontrolled operations of the Crown corporations of Canada, then he has missed the entire point of the debate. He has the nerve to stand up in this House and ask if we were filibustering. Yes, we filibustered the Bill and as far as I am concerned we would still be here carrying on that filibuster if I had my way, because the amendments we were given in the Bill are nothing. It is just simply going through the motions.

Mr. McKenzie: Let him read Friday's *Hansard* and then he will learn what happened.

Mr. Thomson: We are trying to represent our constituents. Apparently the Hon. Member for Willowdale does not seem to be concerned. Does he think that his constituents are not concerned about the $200,000 worth of extravagance indulged in by the head of the Canadian Dairy Commission? How does he feel about that? What we are debating in this House, and what we were debating in this House, are the principles involved in controlling Crown corporations. The EDC legislation happened to be a Bill on which the Members on this side of the House and the New Democratic Party could put forward their views about the lack of control over Crown corporations.

● (1240)

As you might gather, Mr. Speaker, my concerns with respect to Crown corporations are two-fold. First of all, all 282 of us in this institution have done a lot of work over the last 18 months on parliamentary reform. There is a willingness on all sides of the House to come to grips with this important issue because what is at stake is the credibility of this institution and every Member. The same is true as it relates to Crown corporations. If we do not come to grips with this issue, Mr. Speaker, every Member of this House suffers and the institution itself will suffer. Look at the things happening in the Canada Dairy Commission. What do you think the Canadian people think of this man who heads the commission? Abuse of public trust, that is what it is. You know that, Members opposite know it, in fact every Member of this House knows it, and we all cringe a little bit.

Secondly, my concern is the proliferation of Crown corporations. One cannot keep up with them. I had from the Treasury Board a list showing 319 Crown corporations. It spelled out the subsidiaries and their classification. I said to my secretary that I would like to get that list updated or make sure it is up-to-date because the list was published last December. Do you know how many more we have today? Twelve new ones. They are just growing like weeds and no one on the other side wants to get their arms around the issue.

We in this House all know how important this issue is. Crown corporations represent 50 per cent of the Gross National Product, employ 263,000 people with $67 billion in assets.

Federal Government appropriations on their behalf amounted to $6.5 billion last year. I cannot even comprehend $1 billion, let alone $6.5 billion.

I am concerned, Mr. Speaker, about the reckless abandon with which we are creating these Crown corporations. Every time we create one we deprive Canadians of a little bit more of their freedom, the freedom to innovate. We take away their motivation. If we are to be internationally competitive, Mr. Speaker, the solution to our problem lies with Crown corporations because their very thrust is not to be competitive. They are not bottom-line oriented. In a good many cases maybe they should not be. There is a good and valid reason for many Crown corporations. They have a legitimate role to play, they are a legitimate tool of Government where you want to give autonomy to a particular entity to accomplish a mission. But the unceasing proliferation of Crown corporations in Canada is sapping our willingness and ability to go out and compete in a very tough world today.

I have no quarrel with the Export Development Corporation, Mr. Speaker. As a matter of fact, on balance I think it does a pretty good job. I do question some of its practices but by and large it is fairly well managed. So the point is, and I want to stress this to the Hon. Member for Willowdale (Mr. Peterson), that we are not condemning the functions or purposes of the EDC. There is no one on this side who has condemned those objectives and it would be wrong for anyone to conclude from Hon. Members' remarks that we were opposed to the EDC. But please understand that we are trying to focus public attention on this enormous and complex problem of Crown corporations which the Government opposite does not seem to want to come to grips with. Quite the contrary, it goes out and creates a monster like the Canada Development Investment Corporation. I think this is scary.

When I take the Parliamentary Secretary's remarks about centralized planning and the need to be market oriented and compare them with the formation of this monster—and I say "monster" knowingly—the CDIC, I can see that the primary function of that corporation is really to further state capitalism. The men who run it make no bones about it. Senator Austin, father of this legislation, makes no pretence about it. He says we are creating the CDIC to advance the cause of state ownership. It is part and parcel of the Canadian industrial policy of this Government. Oh, he said it, and so have Mr. Maurice Strong and Mr. Joel Bell.

Mr. Evans: It is not true.

Mr. Thomson: Well, I can give the Hon. Member a quotation from their speeches.

Mr. Evans: Please do.

Mr. Thomson: This is the reason they have created the CDIC.

Mr. Evans: You will have to produce them because I do not believe it.

Mr. Thomson: The reason it is so difficult to come to grips with this issue is that we cannot sort out and put in a separate compartment the commercial or bottom-line functions of a Crown corporation and what I would call the public interest functions. So what we do is put them together and we ask the chief executive officer and board of directors to manage that corporation, and they have to weigh every single day in every decision they make whether or not the venture is going to be profitable and whether or not it is in the public interest.

● (1250)

This is at the heart of the problem of Crown corporations and their accountability. Unless we can find a means to segregate those functions within a corporation that should be bottom-line oriented, putting those into a separate compartment and then over here, on the other side, putting those public interest functions into another compartment, very clearly and succinctly spelling out the mandate to the chief executive officers and the board of directors, we will never come to grips with the accountability of Crown corporations, because—and it is only human nature—it is very easy to cloud the issue. If I make a mistake, if I pull a boner in a company and I can say that it does not show up in the bottom line, and one can say that I did not make a profit this year, it would not be because I really made a commercial mistake, but, rather, because I acted in the public interest. Probably no one but the employees or very close associates of the chief executive officer will know the difference. Certainly Parliament and the taxpayers of Canada will not know.

This is at the heart of the issue, together with the appointments of the board and of the chief executive officer, which are all so crucial, in my view, to controlling the operations of Crown corporations.

Let me just return to the subject of the Canadian Development Investment Corporation for a moment. This is the mandate of the Canadian Development Investment Corporation:

> The objects of the Corporation are:
>
> (a) to assist in the creation or development of businesses, resources, properties and industries of Canada;
>
> (b) to expand, widen and develop opportunities for Canadians to participate in the economic development of Canada through the application of their skills and capital in any activities carried on by the Corporation;
>
> (c) to invest in the shares or securities of any corporation owning property or carrying on business related to the economic interests of Canada;
>
> (d) to invest in ventures or enterprises, including the acquisition of property, likely to benefit Canada; and
>
> (e) to carry out all activities in the best interests of Canada, operating in a commercial manner.

That is a very clear set of objectives. That means that the corporation can do absolutely anything under the sun. To whom does it report? It reports to the Prime Minister essentially. That is what it is all about, with no due regard, going through the motions. It sends us some financial statements. It really just reports on money spent. However, there is no clear-cut, succinct mandate by which we can hold the CDIC, its officers and the board of directors accountable, and that is the point. It can muddy the water and confuse all of the

decisions that it makes because it has cats and dogs and rats. One just cannot sort it out.

I am not trying to suggest that Parliament should attempt to be a manager. That is not the role we are here to play. I want to emphasize this point. In terms of accountability, I am not suggesting for one minute that Parliamentarians become managers of Crown corporations. However, I am suggesting that we as Parliamentarians must come to grips with this issue of accountability if we are to save our own credibility. It is a vital issue. There seems to be an unwillingness to come to grips with it.

For the last 18 months, as all Hon. Members will know, we have had a Special Committee on Standing Orders and Procedure. The Committee has been charged with the responsibility of trying to introduce some parliamentary reform. The seventh report of the Committee, with which Hon. Members will be familiar, makes recommendations and deals with proposals—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his allotted time has expired. He could be allowed to continue if he obtains the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Thomson: I thank Your Honour for your indulgence and that of the House. I just want to make a point which all Hon. Members should consider. It deals with the financial accountability committees. The Committee on Standing Order and Procedure has recommended that there be four committees established, one being a Public Accounts Committee, which is already a standing committee. The following comittees have been recommended:

(*a*) Public Accounts, to which the Public Accounts and all Reports of the Auditor General shall be deemed to have been permanently referred, immediately the said documents are tabled.

(*b*) Fiscal Framework, which is empowered to consider on its own initiative the national fiscal and economic policies.

(*c*) Expenditure Proposals, to which the subject matter of the estimates and all related documents shall be deemed to have been permanently referred immediately the said documents are tabled.

(*d*) Government Corporations and Agencies, which is empowered to consider on its own initiative the operations of all corporations or agencies which are government-owned or controlled or in which the government has an interest."

I would conclude by saying to Hon. Members opposite that this is just a small start in the right direction to give this institution and ourselves some accountability. I would plead, let us move forward with the reform and let us move forward quickly.

Mr. Peterson: Mr. Speaker, with respect to the comments made by the Hon. Member for Calgary South, I very much appreciate the point he is making to the effect that this is not really a quarrel with the Export Development Corporation or with the need for increased opportunities for Canadians to export. I am pleased to have heard him state before the House that the goal of the Opposition is not to stop those particular efforts.

Let me make my point clear. If the purpose of having 150 or more speakers from the Opposition on a Bill dealing with the Export Development Corporation is not to have the effect of retarding the process of getting the EDC where we want it to be, but, rather, is to be a mere attempt to draw to the attention of the House, and perhaps Canadians, that there have been problems in the past with a number of Crown corporations, then I respectfully submit that they chose the wrong Crown corporation by which to bring these points before the public.

Mr. Blenkarn: Why?

Mr. Peterson: There are other Crown corporations, such as Canadair, where the Minister—

Mr. Blenkarn: This fat cat should be let off the hook, eh?

Mr. Peterson: It is very difficult to hear oneself think when an Hon. Member shouts.

Mr. Blenkarn: You have to have the ability to do it.

The Acting Speaker (Mr. Corbin): I would remind Hon. Members that questions and comments must be brief and to the point, and in the current circumstances, if the Hon. Member for Calgary South (Mr. Thomson) is to be allowed to reply, I think the Chair ought to recognize him at this time on the points made so far by the Parliamentary Secretary. The Hon. Member for—

Mr. Peterson: May I reply?

The Acting Speaker (Mr. Corbin): If he so wishes.

Mr. Peterson: My only point, then, Mr. Speaker, is that if the wish is to deal with Crown corporations as a whole, as an entity, there are other ways and means available to us, as Members of Parliament, to deal with these issues directly.

Some Hon. Members: Read them off.

Mr. Peterson: It is not something that must be piggy-backed in the door. This is something that we could do through an Opposition Day. It is something with which we as Members of Parliament will have an opportunity to deal when the CDIC Bill—

Mr. Blenkarn: When is it coming? Are you afraid to bring it on?

Mr. Peterson: —comes before us, when we are dealing directly with issues such as Canadair. I do not think Hon. Members opposite will have a great deal of difficulty from this side of the House in finding a common effort to develop better modalities for dealing with the type of problem we have encountered in the past. This is not the issue. The EDC is not the issue on which the debate should be founded.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Calgary South will, of course, be given an opportunity to reply at the resumption of debate after three o'clock today.

S.O. 21

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SHIPBUILDING

REQUEST THAT GOVERNMENT TAKE MEASURES TO LIMIT IMPORTATION OF FOREIGN-BUILT SHIPS

Mr. Gaston Gourde (Lévis): Madam Speaker, according to a press release from the Canadian Shipbuilding and Ship Repairing Association, more foreign-built ships and floating equipment were registered in Canada in the first eight months of 1983 than in the entire year of 1982. If all the figures provided by Mr. Walsh, president of the Association, are accurate, it is clear that the Canadian Government should immediately take the necessary corrective action. The situation in our shipyards is indeed alarming. I am thinking, for instance, of the Davie shipyards in Lauzon, whose performance in terms of jobs has in recent years been in the 1,500 to 2,500 range. The figures for August, however, indicate that employment has dropped to 960 workers, and although construction on the CN Marine ferry will provide employment for the coming months, the future does not seem very promising for this shipyard which is the principal employer in the Quebec City area. Last January, the Government promised to get legislation through the House that would provide better safeguards for shipyard workers by restricting imports of foreign-built ships and providing guarantees with attractive provisions. I therefore urge the Government to have these measures adopted immediately, with the consent of the Opposition parties, which for once will have a chance to let their actions speak louder than their words.

* * *

[*English*]

SHIPBUILDING

PREFERENTIAL TAX TREATMENT OF FOREIGN-BUILT VESSELS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my statement concerns essentially the same theme. More foreign built vessels and floating equipment were registered in Canada during the first eight months of 1983 than in all of 1982—some 170,000 gross tonnes.

This means that equipment that can be and should be built in Canadian shipyards is being constructed offshore, and the Canadian industry is left to fight its worst recession in decades. Since 1969, 315 foreign built vessels and floating equipment with an aggregate tonnage of 1.161 million gross tonnes have been registered in Canada at the expense of the Canadian shipbuilding industry. This industry, in terms of jobs and solvency, cannot afford to continue to put up with the importation of foreign built vessels into Canada in record numbers.

Therefore I urge the Government to give the House the assurance that the Ways and Means Motion of June 29, which would tighten up custom loopholes, will be passed in this session of Parliament, and thus eliminate the preferential or absence of duty on ships imported into Canada from a number of countries. I believe all Parties in the House support swift passage of this motion, having full realization of the urgency of this problem for the shipbuilding industry in Canada.

* * *

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—REGISTRATION DEADLINE FOR REMOVAL GRANTS

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, as Members of the House will know, the registration deadline for the UFFI Assistance Program is just three days away. UFFI home owners interested in receiving financial assistance must register no later than Friday, September 30.

It is of great concern to me that not all UFFI home owners have yet registered for the program. I would like to remind those who have not registered that they can do so by calling the UFFI Centre's toll free number, or by writing the UFFI Centre. Letters must be postmarked no later than September 30. The UFFI Centre's phone number and address can be obtained from MPs' offices.

It should be noted that, because the volume of phone calls to the UFFI Centre may be great, and lines may be busy, letters may be the preferable means of ensuring registration. Those who fail to contact the UFFI Centre by the end of this month will lose the opportunity to ensure that any UFFI related improvements to their homes are eligible for federal help.

With just three days remaining before the September 30 deadline, almost 53,000 people have registered with the UFFI Assistance Program. It was launched in December, 1981, and was established to help approximately 80,000 Canadians who had insulated their homes with the foam.

CANADIAN WHEAT BOARD

INCREASED INITIAL PAYMENT FOR BARLEY URGED

Mr. Lee Clark (Brandon-Souris): Madam Speaker, about three weeks ago the Canadian Wheat Board suggested an increase in the initial payment for barley. As well, Cargill and the United Grain Growers have asked the Treasury Board to approve an increase in the initial payment to $110 per metric tonne, yet elevator operators and Canadian barley growers are still waiting for a decision.

While No. 1 feed barley has been trading in recent weeks at $160 per tonne or more on the export market out of Thunder Bay, the Wheat Board is paying farmers a mere $95 per tonne. Is it any wonder that farmers are reluctant to haul their barley to elevators? As a result, the Wheat Board is in danger of not having enough barley to meet its exports demands.

This ridiculously low initial price is causing another problem. Because the Wheat Board buys the majority of the Canadian barley crop, it virtually controls even the non-Board domestic price. Therefore, non-Board barley has sold domestically at just under $130 per tonne in recent weeks.

The discrepancy between the world price and the Wheat Board's initial payment for barley is far too great. Barley growers should not have to wait a full year until a final payment reimburses them for the difference.

It is critical that the Cabinet immediately approve an increase in the initial payment for barley. Its failure to do so to date illustrates the Government's inability to understand the financial needs of Canada's cash-starved farmers.

* * *

INCOME TAX

REQUIREMENT THAT SENIOR CITIZENS MAKE QUARTERLY PAYMENTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, Government legislation requires that income tax, if it is not deducted at source, be paid in quarterly installments by taxpayers. Unfortunately this requirement causes undue suffering and hardship to many senior citizens.

Many of those who are retired live on the proceeds of a modest pension and they supplement this pension income with the interest earned from investments and savings. Canada Savings Bonds, because of their security, have been a prime source of investment for many pensioners. Certainly the nation has benefited as a result of the support many have given to Canada Savings Bonds. However, the interest on Canada Savings Bonds is paid once a year, in November, yet people are required to pay in income tax in quarterly payments, three of which fall due prior to November. In effect the Government wants its money back before it has paid it out.

For senior citizens who depend on Canada Savings Bond interest as an important part of their income, quarterly installment payments are a real hardship. Some are forced to borrow at commercial rates to make these installment payments.

S.O. 21

I would like to draw to the attention of the Minister of Revenue the hardship that this regulation has caused, and I urge that the legislation be amended to permit payment of income tax on Canada Savings Bond interest after the interest is received in November.

Some Hon. Members: Hear, hear!

* * *

POLITICAL PARTIES

INCOME OF SENIOR CITIZENS—FORMER PROGRESSIVE CONSERVATIVE GOVERNMENT'S POSITION

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, as Liberal Members of Parliament we are becoming accustomed to the contradictory and uncivil displays put on by the Official Opposition to gloss over their distinct lack of policies. However, it is most shameful when the Official Opposition pretends to be the champion of the senior citizen and the underprivileged.

Yesterday, for example, the Hon. Member for Kingston and the Island (Miss MacDonald) shed crocodile tears on behalf of those seniors receiving the Guaranteed Income Supplement. As all Members of the House know, the Liberal Government promised to increase the GIS during the 1980 campaign. Making good that promise was the first act of the Liberal Government. Guaranteed Income Supplement benefits have never been limited under the six and five restraint program.

The Hon. Member for Kingston and the Islands and all former Tory Government Cabinet Ministers might well remember the policy of that regime. The then Prime Minister said on November 16, 1979, as reported at page 1393 of *Hansard*, that senior citizens on fixed incomes would have to "endure, now, some of the high interest rates and other economic problems that have to be faced in the short term if we are to have long-term solutions." That is the Tory concern and compassion for Canadians on fixed incomes—to endure with neither help nor hope.

• (1410)

The Liberal Government has taken tough decisions and helped those who need help most, while the Official Opposition offers only shallow—

Madam Speaker: Order, please.

* * *

CANADIAN WHEAT BOARD

DROP IN INITIAL PRICE FOR WHEAT

Mr. Gordon Taylor (Bow River): Madam Speaker, agriculture in western Canada is in a sorry state. Net farm income in 1982 decreased by more than 25 per cent, and 10 per cent or more of our farms are in financial difficulties. World grain prices are at 1973 levels, while input costs for farmers have

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tripled during the last ten years. Grain, hog and cattle producers are taken for granted. The Government restricts their credit and expects them to carry on with a net loss each year.

In 1982 more than 485 farmers went bankrupt, and scores of others are on the verge of bankruptcy. This Liberal Government gives farmers no priority. Only 1.5 per cent of the total budget goes to agriculture.

Now, to cap the series of tragedies largely due to the Liberals, Senator Hazen Argue, the Minister in charge of the Canadian Wheat Board, has dropped the initial price of Red Spring Wheat to $4.63, Durum to $4.49, and the price of feed barley to $2.07 per bushel. This is absolutely disgraceful. The Senator, who hides in the Senate, would not listen to the recommendations of the Progressive Conservative Party to hold the prices to the 1982-83 level. Senator Hazen Argue has provided no leadership, has lockjaw in Cabinet, and has lost all credibility.

The most important industry in Canada refuses to suffer any longer under this useless Senator. On behalf of the farmers of western Canada, I say to the Prime Minister (Mr. Trudeau), before the entire farm industry goes down the drain, fire this socialist.

Madam Speaker: Order.

* * *

HOUSING

MORTGAGE INTEREST RATES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a short statement to make. I bring to the attention of the House and of the Minister of Finance (Mr. Lalonde) that many of us still have a problem in our riding with mortgage interest rates. I have a couple of cases in my riding. One deals with Fidelity Trust. My constituents are paying 17.75 per cent on their mortgage, and mortgage interest rates are now about 12 per cent. They are trying to get the mortgage paid off. We have gone through the Minister of Finance who promised Canadians that he would intervene and do something about it. We have gone back to the trust company and it will not do a darn thing. The fact is that the trust company wants interest payments for three months. It wants a penalty. These are just usurious demands.

The banks, finance companies, and trust companies have been making lots of money. Surely they can reduce mortgage rates for people in a fair and equitable manner, or allow people to pay off their mortgages equitably. That is all we ask. In this particular case with Fidelity Trust—and with some other trust companies—it will not do a darn thing, and the Minister of Finance is not prepared to back up his word which he gave to Canadians in this House.

FISHERIES

FEDERAL-PROVINCIAL AGREEMENT ON NEWFOUNDLAND FISHERY

Hon. Roger Simmons (Burin-St. George's): Madam Speaker, yesterday in St. John's I was pleased to be part of an event of considerable importance to the economy and welfare of Newfoundland. A fisheries agreement, touted by Premier Peckford as the most important bilateral agreement since Newfoundland and Canada joined to form one nation, was signed by the Premier and by my good friend and colleague, the Hon. Minister of Fisheries and Oceans (Mr. De Bané).

The two Governments have taken a landmark step to become joint partners in an undertaking of immense and significant proportions, namely, the stabilization of the deep sea fishery in Newfoundland through the instrument of the world's second largest fishing company.

I am especially pleased and excited about the prospects for my riding of Burin-St. George's. Widespread has been the misery inflicted by the virtual shutdown of the deep sea industry over recent months. On behalf of my constituents I welcome the new accord between Newfoundland and Ottawa.

It must be noted that there will be some job loss. However, the agreement between Newfoundland and Canada addresses this problem by the establishment of a regional Burin Peninsula Development Fund. I am confident that ultimately the net job opportunities available on the Burin Peninsula will be at least equal to the numbers which were in existence prior to the crisis in the trawler industry. The fisheries agreement marks a happy day for Newfoundland and for one of Canada's important primary industries.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

RATE OF RECOVERY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Acting Prime Minister, one of the towering intellects on the Government side of the House—

Some Hon. Members: Hear, hear!

Mr. Crosbie: —surrounded by pygmies, of course.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The real level of economic production in Canada is 3 per cent below what it was when our recession started, but now in the United States it is 0.7 per cent above. In Canada we have 267,000 fewer people employed than when the recession started, but in the United States they have 854,000 more jobs than when the recession started. Our

disposable income here is 4.2 per cent below that of 1981, and in the United States it is 3.5 per cent above.

In view of these facts is it the Government's position that Canada has a recovery second to none in the world so far, and that a moderation in the pace of recovery is not only acceptable but helpful? Is that still the Government's position in light of these facts?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, having been here for a while, I know that the devil on the other side also quotes statistics. I always come here prepared to counter statistics that are given to me, with a set of counterstatistics.

Confidence in Canada is at a record high now. Confidence among consumers was at an 18-year high in the second quarter of 1983. Seventy per cent of businessmen consulted recently said that they were optimistic about growth in Canada. The output is strong. In the second quarter of 1983 there was a 7.2 per cent rate of increase. Industrial production is high, 4.9 per cent, on the basis of June 1983, compared with June, 1982. The trade picture is excellent. Everyone knows about that. Job creation is fine, 318,000 in the first eight months of this year. Interest rates are half what they were 20 months ago. Inflation is half what it was 20 months ago.

I can counter any bad statistics for 1975, or whatever year the Hon. Member can suggest. I know, when I do that, that I am only rivalling my hon. friend in the fine art of quoting statistics. There is no country in the world today which has all good statistics; every country has a mix of them.

Mr. Crosbie: That was a very impressive performance.

Some Hon. Members: Hear, hear!

DECLINE IN FAMILY INCOME

Hon. John C. Crosbie (St. John's West): Madam Speaker, if the Hon. Acting Prime Minister is correct in his statistics and we have such a wonderful state of economic circumstances in Canada, why did his fellow Minister of Consumer and Corporate Affairs say on September 24 that many Canadian women would spend their final days in poverty if changes were not made? Why should that statement be necessary? Could the Minister also advise us, if things are so wonderful, how is it that Statistics Canada has shown that average family income has declined 4 per cent last year, the second year in a row for the first time in history? Will the Government remove, for example, the Canadian ownership charge which is imposing unnecessarily a tax of $900 million on Canadian consumers this year? Let's have some action.

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, I was very frank in the answer I gave. I said that there were a number of statistics in Canada that were not "comfortable". I realize that. I am the first one to admit it. For example, statistics on investment and on unemployment are not good. The Government is doing its best to correct that.

With respect to the Minister of State for Economic Development, I heard him say repeatedly in the House—and the press covered it pretty well, I thought—that the speech he presented to the Macdonald Commission was a speech in which he was simply projecting or thinking out loud. This was not a program for the Government. This was simply his concept and views of the future, the difficulties and the good side of it. It was not meant to be a Government program. It was not meant to be a quasi-budget or anything of that kind.

● (1420)

Mr. Crosbie: Madam Speaker, I never mentioned the Minister of Regional Economic Development. I said the Minister of Consumer and Corporate Affairs.

REQUEST THAT GOVERNMENT CANCEL OIL OWNERSHIP TAX

Hon. John C. Crosbie (St. John's West): The Minister of Energy, Mines and Resources, better known as the gnome from Dome, said in connection with the Canadian ownership charge, which is four cents a gallon on all gasoline and heating oil consumed in Canada and which is still being imposed, that Ottawa intends to collect that levy indefinitely whether Dome needs it or not. Is it the position of the Government that it is going to continue to collect $900 million a year for Dome, or without Dome, or forget Dome, or for Petro-Canada, or just for the Government, or is it going to stop that imposition and put Canadian consumers in a position to spend $900 million more on those things they really need and not on unnecessary Government taxation?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, I want to tell my hon. friend that flattery will get him nowhere, either with the Minister of Energy, Mines and Resources or with me. With regard to what I understand is the Canadianization charge, I think it will be well used in the future, if that is what my hon. friend has in mind. Most people in this country are pleased to see the degree of foreign ownership in the gas and oil field decreasing from the ninety per cent level to the sixty per cent level at which it is now.

* * *

LABOUR CONDITIONS

REQUEST FOR MEASURES TO STIMULATE PRIVATE SECTOR EMPLOYMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Minister is reported to have said in Montreal last Friday that the problem of unemployment cannot be solved by the Government alone, but will require the co-operation of the private sector. He made that comment when the OECD was reporting on the Canadian economy and predicting an unemployment rate in excess of 12 per cent, and a youth unemployment rate in excess of 20 per cent, indeed 22 per cent

for this year. When can we expect an announcement from the Government on some stimulation of the private sector so that it can get on with the job of co-operating with the Government and creating jobs?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I am surprised that the Hon. Member did not also remark on the report which was released at the end of last week on the update of the accomplishments under the NEED Program. It has accomplished exactly what we described we wanted to do and has worked along the lines that he has just suggested to us. Under the NEED Program, as a result of expenditure by the federal Government of $500 million we have levered into activity $1.1 billion through private sector co-operation which will have created over nine months, ending this month, 90,000 jobs. The kind of program he has just been suggesting, of encouraging the private sector to work with us in creating jobs, is indeed well under way and has succeeded in excess our expectations.

The Hon. Member referred to the OECD report on unemployment and mentioned the youth unemployment rate which it describes. He should also have pointed out that the survey indicates that Canada and the United States are the only two countries of those surveyed which show a decline in the unemployment rate in 1984 over 1983. Indeed, the most important statistic shown by them is that, in terms of unemployment that lasts 12 months and over, the Canadian record is better than any other country under the OECD listing.

YOUTH UNEMPLOYMENT—REQUEST FOR INTRODUCTION OF EMPLOYMENT TAX CREDIT

Hon. James A. McGrath (St. John's East): Madam Speaker, the NEED Program merely addresses a short-term solution, a band-aid solution. I ask the Minister, on behalf of the 600,000 young people of this country who are unemployed, what long-term prospects they have of finding a job. Is the Minister prepared to recommend to his colleagues that they put in place an employment tax incentive program, for example, which will produce jobs effectively and inexpensively, producing permanent jobs as opposed to the band-aid type treatment we keep getting from this Minister?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the Hon. Member is entirely incorrect in his assumption. The jobs created under the NEED Program very often go on to become permanent jobs. They are simply not a band-aid approach. As far as the band-aid solution which the Member has suggested as a tax credit is concerned, he should be aware that we now have in place job subsidy programs which are more effective and more encouraging to the private sector in creating those types of jobs because they provide an immediate cash flow assistance to business rather than waiting for the year-end effect of a tax credit impact.

SOCIAL SECURITY

LEVEL OF FAMILY ALLOWANCE

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. It concerns the responsibility of the federal Government to do something soon about increasing poverty. Statistics Canada and the Toronto Social Planning Council have documented the tragedy of increasing numbers of children who are being permanently damaged by severe poverty in Canada. In view of the high level of unemployment and family breakup in all regions of Canada, will the Minister take steps to increase the family allowance, to protect children of low income families who are at considerable risk? As she knows, this can be taxed back from higher income families.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as a result of coverage of a question by the Hon. Member's colleague a few days ago, people are now wondering whether the poor are a federal or provincial responsibility. That attitude is not acceptable in this country. The Hon. Member should have researched before asking her question. She would know that the Child Tax Credit, which goes to those most in need, was not only fully indexed but, in addition to the cheques the mothers receive, there was an additional $50 this year which is to do exactly what the Hon. Member is just now discovering is a problem, and everyone else knows is a problem.

COMMUNITY AND CO-OPERATIVE GROUPS IN BRITISH COLUMBIA

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, it is interesting to note that the reports I mentioned came out after the child tax credit. Also, as everyone should know, it is far from adequate to feed a family. The Minister is in effect becoming a partner in crime with Socred-Tory provincial Governments. I want to explain that.

Madam Speaker: Order. There is no need to explain that. The Hon. Member should just ask her question.

Mrs. Mitchell: Provincial Governments are slashing social programs which are tax-shared by the federal Government. The Minister, through her Department, retains amounts of money equal to those which the Provinces have cut. Will this Minister meet with the Minister of Finance, who I wish were here today, with regard to transferring the federal savings of some $8 million in British Columbia through the Secretary of State so that this money can be allocated to self-help community groups and co-operatives which will do the job in their communities?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, we on this side of the House do not believe in helping the poor through images and slogans. That has never helped anybody. We have not only conserved the full budgets of all social programs, but have fully indexed them and have obtained increases in several of them. That is

the only way to fight for those most in need. If the Hon. Member knows that her Province is slashing social programs, why does she not say it there, and not here?

* * *

EMPLOYMENT

COED PROGRAM—FATE OF HAMILTON APPLICATIONS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Employment and Immigration. Over the course of the last ten days this Minister and other Ministers, as well as the Prime Minister, have indicated that the Government will not extend unemployment insurance to cover those who are running out and for whom welfare will not provide sufficient money to meet their needs. The Minister has indicated that he wants jobs. Why is it then that of the 32 applications from Hamilton under the COED Program, 25 were rejected outright without explanation, three have not yet been decided upon, and only four have been approved? Of the 494 potential jobs, only 106 have been approved. Will the Minister move to correct this stupidity?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the explanation for the situation in Hamilton which the Hon. Member describes, if memory serves, is that something like $1.4 million was made available to the Hamilton area under the COED Program. The city council's recommendation was that approximately $1 million of that should go toward speeding up the construction of two hotel projects, leaving $400,000 or so for other projects. It was at the behest, or on the counsel, of city council that those steps were taken. I believe that the generation of employment which resulted from following the recommendation of council was much greater than would have been the case if we had followed the course of action which the Hon. Member is suggesting.

● (1430)

If I remember correctly, there is as well something like $6 million in other NEED programs that apply to the Hamilton area. In fact, at the behest of my colleague, the Minister of Indian Affairs and Northern Development, he and I are reviewing the Hamilton applications to see if there is some way of funding some of the other worthy projects which are brought to our attention.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FRENCH MINISTER, JEAN AUROUX

Madam Speaker: I wish to draw the attention of the House to the presence in our Gallery of Minister Jean Auroux, Secretary of State with the French Minister of Industry and Research, responsible for Energy.

Some Hon. Members: Hear, hear!

* * *

[*English*]

CANADIAN DAIRY COMMISSION

FREE TRAVEL FOR OFFICIALS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of Transport in his capacity as Acting Minister of Agriculture. I would like to refer the Minister to the comprehensive audit of the Canadian Dairy Commission which was conducted by the Auditor General and which disclosed that senior officials of the CDC made a practice of accepting free travel and accommodation from people with whom the CDC was doing business. When the information about Mr. Choquette's travel bills was made available to the House last Friday, did it include all of these freebies which he may have accepted, or were these freebies in addition to the $210,000 in travel costs disclosed?

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I would like to answer the question about Mr. Choquette's increased travel expenses. I think the House ought to know that there are five reasons for this increase: the number of exports, the increase in exports, adjusting to world markets, dealing with new customers and the energetic approach taken by the Canadian Dairy Commission in doing so.

Madam Speaker, in 1976, our dairy exports were worth $41 million and cost us $30,000 in expenses, and in 1982-1983, those exports were worth around $400 million, and our expenses were around $100,000. Madam Speaker, I do not think the increase in expenses should give any cause for alarm since they were made in the interests of Canadian farm producers.

[*English*]

Mr. Beatty: Madam Speaker, perhaps the next time the Parliamentary Secretary responds to a question, he could get around to actually answering the question that was asked.

RCMP INVESTIGATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I would like to ask the Acting Minister of Agriculture to answer the question that was asked, rather than shunting his responsibility. Did the Order for Return that was tabled on Friday include any or all freebies that were accepted by Mr. Choquette or by other officials of the Commission? Second, since the Minister of Agriculture has disclosed that the RCMP has been investigating the CDC, may I ask the Minister if the RCMP investigation has been concluded?

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, it is a fact that in the past few years, there have been a number of inquiries regarding the Canadian Dairy Commission, and up to now, their findings have always exonerated the Commission's administration.

It is also a fact that the Auditor General made 33 recommendations, and that the Canadian Dairy Commission has already approved 30 recommendations and is now discussing the feasibility of making further improvements.

Madam Speaker, I would also like to mention that recently, Canada lost its markets in Mexico and Jamaica to the Americans and the Canadian Dairy Commission had to look for markets elsewhere, in Algeria, Nigeria, Peru and other countries. Since the Canadian Dairy Commission had to adjust to these changes as effectively as possible, it had to spend a little more.

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[*English*]

CONSUMER AND CORPORATE AFFAIRS

REMOVAL OF UREA FORMALDEHYDE FROM MANITOBA HOMES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Consumer and Corporate Affairs licensed contractors are not paying their subcontractors for removing urea formaldehyde foam insulation from Manitoba homes. Therefore the subcontractors have placed liens against 150 properties in Manitoba and work has remained unfinished. Will the Minister inform the House what she will do to correct this situation, and particularly what action she is planning to take to assist those home owners in Manitoba who will face the winter with no outside walls for protection against the cold weather?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I am having some difficulty with the Hon. Member's question because we do not have Consumer and Corporate Affairs contractors. We merely license contractors who have been qualified under certain standards to perform the work. We are not actually the contractors who perform the work.

Mr. McKenzie: Madam Speaker, I never said that Consumer and Corporate Affairs had its own contractors. I said that it licenses contractors.

MANITOBA GOVERNMENT'S NON-COMPLIANCE WITH REGULATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the Manitoba NDP Government is not obtaining performance bonds from these contractors to ensure the protection of home owners, nor is the Manitoba NDP Government reporting these delinquent firms to the federal Government as is required. To make matters worse, there is only one individual in Winnipeg from Consumer and Corporate Affairs assigned to handle the problems being encountered by the three western Provinces. Has the Minister had any consultations with the Manitoba NDP Government as to why it is not conforming to federal Government regulations? Will she work in conjunction with the Manitoba Government to have the liens removed immediately, have the foam insulation removed, and have the outside sidings replaced?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, this is the first time this problem has been brought to my attention. The Province of Manitoba has not informed me of the difficulties and I am glad that the Hon. Member is fulfilling his obligations as a Member of Parliament by bringing the matter to my attention. I can assure him that I will look into the matter once he has presented all the facts to my office.

* * *

FISHERIES

EMPLOYMENT IN NEWFOUNDLAND

Hon. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Hon. Minister of Fisheries and Oceans. I would like to do so before he tells us a "whale of a tale" about socializing the Newfoundland fishing industry.

The President of the Canadian Saltfish Corporation told the Macdonald Royal Commission that the number of fishermen in Newfoundland and Labrador must be reduced from the present total of 26,000 to some 12,000 if the fishery is to become viable. This amounts to a reduction of some 14,000 jobs. I would like to ask the Minister if the President, when making that statement, was reflecting government policy. If so, what alternative employment opportunities has the Minister to offer these 14,000 people?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am happy to report to the Hon. Member that the policy of the Canadian Government was made public by myself some months ago. As you know, Madam Speaker, one of the three cornerstone principles of the Government is to create jobs, and that policy is targeted to create the maximum number of jobs, particularly in Atlantic Canada, depending, of course, on whether the program would hurt the income of its participants. The need for maximum employment is one of the reasons why, for instance, during my tenure I will not allow trawler plants. That is the policy of the Canadian Government as approved by Cabinet.

As to socialism in Newfoundland, I am sure the Hon. Member heard the compliments that Conservative Premier Peckford paid to the federal Government, and I hope that the Hon. Member will share the opinion of the Premier of Newfoundland and Labrador.

Mr. Crouse: Madam Speaker, I thank the Hon. Minister for his answer.

ROLE OF CANADIAN SALTFISH CORPORATION

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I am sure that the Hon. Minister is well aware that there are still a large number of resource-short plants in Newfoundland as well as throughout Atlantic Canada. In giving the Canadian Saltfish Corporation in Newfoundland complete authority over the resource-short plant program, the Minister has allowed that corporation to greatly exceed its mandate. I would like to ask him when Parliament will be presented with suitable legislation to authorize this. Can the Minister assure us as well, in light of the massive unemployment in Newfoundland and Atlantic Canada, that no foreign trawlers will be involved in the resource-short plant program untill all Canadian trawlers are fully employed?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, as to the problem of unemployment, I would like the Hon. Member to recognize for a moment what the federal Government has done and what Premier Peckford did yesterday to stabilize no less than 16,000 jobs in Newfoundland. I think that is quite an achievement. I was moved when I heard Premier Peckford say that it was the most important bilateral agreement that Newfoundland has signed with the federal Government since Confederation. It happened during the tenure of this Government, and not during the tenure of either Mr. Clark or Mr. Diefenbaker. It was under the tenure of the present Prime Minister that this took place.

• (1440)

As for the question of the resource-short plants, I hope to be able to make an announcement in the very near future.

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ENVIRONMENTAL AFFAIRS

BUDWORM SPRAYING PROGRAM IN NOVA SCOTIA

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is directed to the Minister of the Environment who also happens to be responsible for forestry and for Parks Canada. First of all I should like to congratulate him on his appointment, and also for meeting several times with some of his Canadian Forestry Service officials in the short time that he has been Minister.

The Minister will be aware of the Nova Scotia Supreme Court decision handed down less than two weeks ago which basically gave the green light to the Government and the forest industry in Nova Scotia to renew widespread aerial spraying with 2,4-D and 2,4,5-T over populated areas in order to combat spruce budworm infested areas. Since then we have not heard a word from the Minister or from the Minister of National Health and Welfare about this.

Has the Minister, in his environmental role, consulted with himself in his forestry role, as to the serious implications of this decision in Nova Scotia and throughout Canada? If so, what is the result of this consultation and any consultations he may have had with other Ministers or with various provincial Governments? What initiative has he taken, in either role, to ensure that any potential threat to the environment and to public health is kept in check across Canada, while bearing in mind the health and future productivity of our forest resource?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, I thank the Hon. Member for his kind words. With regard to the decision, he is probably aware, as I understand it, that the judge concluded that there was not enough evidence to decide that the use of that particular type of herbicide was harmful. From the knowledge that I have of the law, it seems to me that until the question of the proof of onus is shifted from where it stands now to the individual or to the group that initiates the utilization of a new product, this type of decision will continue to take place.

Mr. Kristiansen: Madam Speaker, I cannot help but wonder what advice the Minister is getting from the various sub departments of his Ministry.

BRITISH COLUMBIA FORESTRY AGREEMENT

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I have a question on another forestry related matter. The Minister will be aware that the British Columbia Ottawa forestry subsidiary agreement expires on March 31, 1984. Could he tell me the stage of negotiations for a new forestry agreement between the Canadian Forestry Service for the Government of Canada, and the B.C. Ministry of Forests in Victoria? When is the new agreement with our number one forest products Province to be concluded?

Finally, what, if any, provisions are contemplated in order to ensure that the B.C. Government will honour both its long and short-term commitments under any such agreement? This is something that B.C. has not been famous for in recent months.

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, in conversations with the B.C. Minister of Forestry a few weeks ago in Winnipeg, I was given the indication that a proposal would be forthcoming from that Government in a few months. The other questions raised by the Hon. Member seem to be argumentative in nature.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

EQUALIZATION PAYMENTS TO PROVINCES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Acting Prime Minister. A Canadian Press story fresh off the wire, and just handed to me a few moments ago, quotes the Prime Minister as saying earlier today in Toronto, that co-operative federalism "will remain dead in the sense that the federal Government is expected to hand money over to the Provinces for them to spend in any which way".

Since equalization payments to the have-not Provinces would fall into the category to which the Prime Minister referred in Toronto, would the Acting Prime Minister assure the House that the federal Government has no intention whatsoever of eliminating equalization payments to the Provinces, or of changing those payments in any major way?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, obviously my hon. friend is trying to extract things from what the Prime Minister has said that were not meant to be said. I think everyone in the House would agree with what the Prime Minister said on this occasion: co-operative federalism does not allow either the federal Government or the provincial Governments to spend whichever way. I think there is nothing in the quotation that would shock anyone, with the possible exception of my hon. friend.

GOVERNMENT POLICY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is also for the Acting Prime Minister. Will he rise to his feet now and tell the House whether the federal Government has any plans to eliminate equalization payments to the have-not Provinces or to change those payments in any major way in the foreseeable future?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, with respect to equalization payments I am reminded by my learned colleague, the Minister of Energy, Mines and Resources, that this is now in the Constitution. I am at a loss to find what worries my hon. friend. Perhaps we should have a conversation later when he could be more specific.

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[*Translation*]

IMMIGRATION

LEBANON—ADMITTANCE OF REFUGEES TO CANADA

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Minister of Employment and Immigration.

[*English*]

The Minister will know that a large number of people have lost their homes in the Chouf Mountains in the past three weeks. Similar things have happened in Sri Lanka recently and in Afghanistan during the past four years. Will the Minister tell the House if he has any concrete plans to discuss with other nations whereby a reasonable number of such people might be relocated to Canada, the United States, West Germany and so on? Will he also tell us if the Government has any concrete plans in this regard?

[*Translation*]

Hon. John Roberts (Minister of Employment and Immigration): Yes, Madam Speaker, we have already set up a program for refugees from Lebanon.

[*English*]

I can tell the Hon. Member that the special program put in place last June will remain in effect. As the status of Lebanese visitors in Canada expires, they may extend their stay by one year if they wish, with permission to work. At the end of the year each case will be reviewed and a decision made as to landing in Canada. Canadian citizens, or permanent residents having relatives in Lebanon who are facing hardships, will be permitted to sponsor such relatives even if they cannot meet regular selection criteria.

In spite of recent developments in Lebanon, our visa office there has resumed normal operations. So far, few Lebanese residents have applied. There do not appear to be too many who are contemplating immigration. The special program announced in June, 1982, remains in effect.

I will consider the Hon. Member's representations about further international action if it appears, as a result of pressure for immigration to Canada, that some further discussion is warranted.

REQUEST FOR RELAXATION OF CRITERIA

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I wish to thank the Minister for that answer. Is he prepared to consider relaxing the criteria and point system for people applying to relatives in Canada from Lebanon? I am also referring to Sri Lanka and Afghanistan refugees.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, two weeks or so ago we announced that we would take similar measures in relation to people coming from Sri Lanka or people of Sri Lankan origin. In that case, and in the Lebanese case, we extend ourselves in every possible way to apply humanitarian considerations. I do not know, but I will check to see if there is some special need in relation to potential immigrants from Afghanistan.

* * *

NATIONAL CAPITAL COMMISSION

LABOUR DISPUTE AT OTTAWA RENTED RESTAURANT

Mr. Dan Heap (Spadina): Madam Speaker, my question is for the Minister of Public Works. As he knows, the Mill Restaurant, a tenant of the National Capital Commission, which comes under his jurisdiction, has been virtually shut down for two months because the owner refused, until today, to bargain with his employees over confiscation of tip money and uniform costs, call in to work without assured compensation, and wages at the Ontario minimum. Will the Minister tell the House what action he has taken to protect both the principles of collective bargaining in this case and the revenues of the National Capital Commission?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am not familiar with the details of the question asked by the Hon. Member. I can tell him, however, that I take a back seat to no one in the protection of the rights acquired by workers. I will inquire and try to give him a more detailed answer tomorrow.

* * *

PENSIONS

PLIGHT OF BRITISH PENSIONERS LIVING IN CANADA

Mr. Neil Young (Beaches): Madam Speaker, I should like to put a question to the Minister of National Health and Welfare. Last Friday I asked the Prime Minister whether it was his intention to raise, in the meetings with Prime Minister Thatcher yesterday and today, the problem of some 40,000 persons living in Canada who receive British pensions and if those pensions would be increased by the cost of living. I also asked whether he would press the British Prime Minister to enter into a reciprocal security agreement with Canada. Could the Minister advise the House whether this matter was indeed raised by the Prime Minister, and what the results of those discussions were?

• (1450)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as soon as the Prime Minister is back in town I will check with him and have an answer.

* * *

CULTURAL AFFAIRS

MINISTER'S REFUSAL TO MEET PROVINCIAL COUNTERPARTS

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Communications, if he would like to take his seat. As the Minister may know, two weeks ago in St. John's, Newfoundland, the Chairman of the Canadian Radio-television and Communications Commission, the CRTC, condemned what he called the unco-ordinated approach to telecommunications policy development in this country, and went further to say, and I quote, "Jurisdictional disputes create investment uncertainty and can lower the rate of innovation and technological development in this country."

The Minister bears a direct responsibility for that, and in light of it I would like to ask him why he has refused the invitation of his provincial colleagues to meet with him in St. John's tomorrow?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member has two things confused. There are two groups of Ministers who are concerned with the area for which I have responsibility; one group consists of the communications Ministers and the other consists of the Ministers responsible for culture and historical resources. The meeting to which he is referring is the meeting of the Ministers responsible for culture and historical resources.

INVITATION EXTENDED TO MINISTER

Hon. David Crombie (Rosedale): Madam Speaker, the confusion, of course, is not mine but the Minister's. I have here 11 pieces of correspondence from the Ministers now meeting in St. John's, Newfoundland. These invitations were issued to the Minister seven months ago. They have asked him to come. They want him to come tomorrow. Why will he not do that?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I am pleased that the Hon. Member is aware of the fact that it is not the Ministers of Communications. Therefore, his quotation from the Chairman of the CRTC is completely aside from the point. The meeting is one which is an interprovincial meeting of Ministers responsible for culture. I have indicated a number of times my interest in participating in such meetings. However, as we have done consistently in the past, we have always thought it better that these meetings be preceded by meetings with officials so that agendas could be set on which we agreed and also so that we could determine in advance the areas on which we wish to make some progress.

The Minister responsible for convening the meeting has done so knowing that I would not attend the meeting under the circumstances in which it was called. However, notwithstanding the procedure employed by the Minister from Newfoundland, which is completely contrary to the procedure accepted by the Ministers responsible for culture in the past, to wit, a decision made as to the date which is agreeable to both sides, in spite of his way of proceeding, I have indicated my availability to meet with the Ministers of Culture during the course of the months of October and November in an informal way to report on the Applebaum-Hebert Commission Report. I would like to point out to the Hon. Member, if he will allow me, and bear with me—

Some Hon. Members: Order.

Mr. Fox: —for a few seconds more, I feel quite strongly that that meeting only has sense inasmuch as it responds to the Applebaum-Hebert Commission of Inquiry—

Madam Speaker: Order, please.

* * *

NATIONAL RESOURCES

TAXATION OF FORESTRY AND MINING INDUSTRIES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Since he has attended just recently, in the absence of the Minister of State (Mines), a meeting with provincial resource ministers in Regina, and is, on behalf of the Government, attending additional meetings of that sort, could the Minister tell the House what kind of positive proposals he took to this meeting, particularly in light of the very serious circumstances in which both the mining industry and the forest industry are finding themselves right now? In other words, was the Minister able to take any proposals to the meeting which would give the industries reason to anticipate that there would be a different tax regime which would permit these industries to be competitive in world markets once again?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I believe that the conference was a good one. We had an agenda which was very easy to deal with. Of course we are aware of the different problems which face the mining industry and we have discussed that, but basically the remedy for the problems of the mining industry in Canada at this time is the improvement in the markets. Everyone is of the view, because of the recovery in the western world at this time, that the outlook for the mining industry is better than it was a year ago.

GOVERNMENT'S PROPOSALS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, there are a couple of major problems which the mining industry is facing: first, the Government's present regime of giving grants to industries in trouble which in turn means that some of the other plants are financing their own demise. Another serious problem which the industry has is in connection with the Government's proposals to tax northern benefits. The Minister was asked about both of these issues. What answer did he give to the mining and forestry ministers in the Provinces in terms of both a new tax regime which would keep the industries competitive in world markets, and a regime by which northern benefits could once again be permitted to be earned without being taxed by the heavy-handed federal Government?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the matter was discussed and is being considered by the Minister of Finance. The Minister has extended benefits for another year, so the problem will not arise until 1984. The Government is aware of the situation, we discussed it briefly, and the Minister of Finance, who some time ago decided to do away with these benefits, has extended them until next year. Whether or not he decides to change his policy, I have made the necessary arrangements to inform the Minister of Finance of the concerns of my provincial colleagues.

* * *

[*English*]

FISHERIES

ABSENCE OF BUY-BACK PROGRAM IN BRITISH COLUMBIA

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans who was in the Chamber.

Mr. Nowlan: He has gone fishing.

An Hon. Member: There is his Parliamentary Secretary.

Madam Speaker: Does the Hon. Member want to ask the question of an Acting Minister?

Mr. Fraser: Madam Speaker, I will put the question to the Parliamentary Secretary. Last week the Minister said that it would not be his policy to put money up front in order to start a buy-back program this winter in British Columbia. He said he was waiting for a report from the Minister's advisory committee which would appear in November. We on the West Coast would like to know if there is going to be any buy-back program starting this winter, or are we going to be into the third and fourth year of no buy-back program?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, as the Hon. Member properly pointed out, the Minister, in addressing himself to this issue last week, indicated that he wanted to await the advice, after proper deliberations, of the advisory committee. It would be a little premature and somewhat redundant and contradictory for me to stand here and indicate when a buy-back plan would take place and what kind of buy-back plan would take place, when the Minister already said a few days ago that he will want to consult his advisory committee before making any more pronouncements on this matter.

DELAY IN INTRODUCTION OF PROGRAM

Hon. John A. Fraser (Vancouver South): As a supplementary, Madam Speaker, the Minister and the Parliamentary Secretary know that if there is to be any buy-back program this winter somebody must finance it. It is going to require up-front government money no matter how it may be paid for later. The question remains. Put aside the details. We want to know is there going to be a buy-back program this winter, or is it going to be put off for another 12 months, or 18 months, or two years? Is there no answer at all that can be given by the Government side?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I know the Hon. Member's great and sincere interest in the welfare of fishermen on the West Coast, and I want to assure him that that interest and dedication are shared by both the Minister and myself and the officials of the Fisheries Department. I would ask him in good faith to bear with the Minister, to bear with the advisory board on the West Coast, and to bear with the officials who are as concerned as he is about this problem and are as anxious as he is to ensure that it is addressed as quickly as possible. But more consultation, not for the sake of consultation but for the sake of making sure that due process is given its proper place, is necessary at this time.

* * *

• (1500)

INDIAN AFFAIRS

MANITOBA TASK FORCE STUDY ON HOUSING

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Since I am only going to have one question I would like to ask the Minister about the status of a $1.3 million proposal in Manitoba for a task force on housing for status Indians. The proposal was made by a John Petrinka, who said the over-all program was designed not only for the benefit of the individual bands and their people but equally—but equally—for the Liberal Party of Canada. Can he tell us the status of that particular study which is not going to produce one house for any Indian family in Canada?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, may I advise the Hon. Member that studies usually do not produce concrete

items such as houses. They make recommendations for Government to consider in terms of policy. I would tell the Hon. Member that I will find out precisely what the status of the recommendations is now.

Let me point out again, Madam Speaker, that in this current fiscal year we have more than doubled the amount of money for Indian housing over what was provided the year before. That is a 100 per cent increase which has not ever been experienced, even when there were Conservative Governments in power, so that we have now been able to attack the backlog. This has created a tremendous amount of employment among Indian people and it has met with the approbation of most Indian people across Canada, including those in Manitoba who have got a substantially increased number of houses as a result.

* * *

THE LATE OSIE F. VILLENEUVE

TRIBUTES TO FORMER MEMBER

Hon. Erik Nielsen (Yukon): Madam Speaker, yet another of our colleagues has passed away. I refer to Osie Villeneuve, who was a very strong Parliamentarian, a dedicated servant of his people in his constituency at both the federal and provincial levels.

Although his time in Parliament was short by comparison with his tenure in the provincial legislature, he was here in the years of the Government headed by the late Right Hon. John G. Diefenbaker and was very highly regarded by Mr. Diefenbaker when he was Prime Minister.

Osie Villeneuve was a fitting representative of that area where the strains of Scottish Highlander and French-speaking Canadian so felicitously merged together to produce a society with a charm and flavour all its own. He was in every sense a "man from Glengarry" and a strong proponent of the Scottish as well as his native culture. He represented a county where Scottish and French Canadian lumbermen erected a tradition and history of sturdy self-reliance and dependence on their own efforts for survival. He was a familiar figure at the Games which are yearly held in Maxville, where his funeral is scheduled to take place on Thursday next.

Representing an area which was the early home of Ralph Connor, whose family name was, of course, Gordon, where there are still memories of John Sandfield MacDonald and where Simon Fraser lies buried, he knew well how to mingle the strains of both our ancient races. In this House in the late fifties and early sixties, Osie Villeneuve was a repository of down-to-earth common sense with a strong feeling of affection for his people and his Province.

His passing represents the second death of a former Member in a few days and our sympathies go to his family, his widow Alma, and his sons Brian, Bernard and Ronald; and also to his riding and to Premier William Davis, under whose banner he served and was serving at his death.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I would like to rise on behalf of the Government of Canada to pay tribute to a provincial colleague from my constituency and that of my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Ethier). Osie Villeneuve, as the Hon. Member for Yukon (Mr. Nielsen) has indicated, served this House for six years. He also served the provincial legislature for 29 years, a total of 35 years of very dedicated and devoted service to the people of eastern Ontario. Mr. Villeneuve's many years of public service at the federal and provincial levels is indicative of the concern and interest he demonstrated on countless occasions towards the well-being of his area and its citizens.

My experience with Mr. Villeneuve goes back much longer than the time I have been a federal Member of Parliament. It began during my days in business in the constituency which he served. One of the things I have always admired about Mr. Villeneuve is that he always spoke out for what he believed in. Obviously every Member of this House has great respect for those like Mr. Villeneuve who dedicate their lives to serving the public in this manner.

During election times he was a fierce competitor, but to me what was most important was that between elections he was dedicated to the people of his area, regardless of one's political persuasion.

Those of us in eastern Ontario who had the privilege of knowing and befriending Osie will be comforted by the fond memories of his efforts on our behalf. He touched the lives of nearly every person in his constituency during his 35 years of service. He had a strong commitment to his family, his country, his constituency, and he will be sorely missed. To his wife Alma and his three sons, as well as to all members of the Villeneuve family, I would like to extend the Government's and my personal deepest sympathy during this time of remembrance.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I knew Osie Villeneuve well. I served with him in the Ontario legislature for 12 or more years and I remember him vividly. As was said earlier, he was a person who had a remarkable capacity for finding a compromise, and though he was a strong partisan he was able to put aside partisan differences on those occasions when finding solutions to difficult situations required that to be done. He was able, as is evidenced by the number of years he was successfully re-elected, to reach out and touch the constituents in his riding association and in his riding.

He seemed to have the capacity, Madam Speaker, as I recall from working with him, for finding in everything that was being done something that was worth while. People who came to the Ontario legislature to meet with Osie Villeneuve never went away with the impression that he somehow or other did not understand their problem or would not take some action to try to ameliorate it.

Therefore I want to join with my two colleagues in the House to say on behalf of my colleagues how sad we feel at his passing and I hope his family will at least feel the comfort that they surely must in knowing that he is well respected, well regarded and has provided a tremendous amount of service on behalf of so many people.

Point of Order—Mr. Huntington

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I had expected to rise before Question Period under Standing Order 21 to pay tribute to my colleague and friend, the Hon. Osie F. Villeneuve, MPP for Stormont-Dundas-Glengarry, but as you know, following discussions I had with you, Madam Speaker, I understand and accept your recommendation that honouring or paying tribute to distinguished personalities cannot and must not be done under Standing Order 21. Therefore I am pleased to join those who have spoken before me and add that we were all deeply saddened to learn of the death of the Hon. Osie F. Villeneuve from Maxville, Ontario.

Mr. Villeneuve represented the riding I presently represent from 1957 to 1962, and with the exception of that brief period he represented the population of Glengarry in the Ontario legislature at Queen's Park from 1948 until now, a remarkable 35-year career. On numerous occasions I had the privilege of working very closely with Mr. Villeneuve. Osie, as he is so well known to all of us, served his constituency with honour and dignity. He was a hard-working and dedicated servant. His door was always open to his constituents. He will be long remembered for the non-partisan manner in which he carried out his numerous mandates as a representative of both provincial and federal Governments. Osie will be missed by all.

On behalf of the population of Glengarry-Prescott-Russell, I wish to express our most sincere and heartfelt sympathies to his wife Alma and to their three sons, Ronald, Bernard and Brian.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I would just add a few words as well to what has been said. I had the pleasure of working with Osie Villeneuve at Queen's Park, and especially with his son, Brian. Osie was an inspiration to all of us who aspired to political life. I would like Brian, his mother, his brothers and the rest of his family to know of my deep sorrow also at this time.

* * *

• (1510)

POINTS OF ORDER

MR. HUNTINGTON—S.O. 21 STATEMENT OF MR. BURGHARDT

Hon. Ron Huntington (Capilano): Madam Speaker, I would just like to draw your attention to the statement under Standing Order 21 of the Parliamentary Secretary to the Minister of Communications (Mr. Burghardt) during today's proceedings. If that statement is examined, one will find it is very close to a ministerial statement and is outside the intent of Standing Order 21. I flag that for your attention in case Ministers start using that procedure for ministerial statements.

Madam Speaker: I will look into the matter. It did not appear to me that the point raised by the Hon. Member applied, but I will look into it and see whether in fact the statement under Standing Order 21 was properly used.

MR. McKENZIE—REPLY OF MRS. EROLA DURING QUESTION PERIOD

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise to point out that the Minister of Consumer and Corporate Affairs (Mrs. Erola) misled the House today. I asked her about the UFFI problem in Winnipeg and what she was going to do about it. She informed the House that she had no knowledge of the subject. I have a copy of a—

Madam Speaker: Order, please. That is certainly not a point of order. If the Hon. Member reads the blues of the House of Commons, he will see that nothing in the rules refers to that kind of matter as being a point of order. It is a matter of debate. The Hon. Member may debate it on another occasion.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CORBETT—APOHAQUI, N.B.—CHANGE IN MAILING ADDRESS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I wish to lay upon the Table a petition from some constituents of mine who live in the village of Apohaqui in Fundy-Royal. Those residents are concerned because the mailing address of their village has been changed to that of a neighbouring village. They have held this address for decades and are extremely concerned that they are losing their identity, and they wish to protest same.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 4,668 and 4,925.

[*Text*]

PERSONS EMPLOYED IN DEPARTMENT OF AGRICULTURE IN WESTERN CANADA

Question No. 4,668—**Mr. Mazankowski:**

1. How many persons are presently employed in the Research Branch of the Department of Agriculture in western Canada?

2. How many man-years are involved for the fiscal year 1982-83 and what percentage of those man-years are for administrative or clerical positions?

3. Is the Department anticipating a reduction in research positions in western Canada due to transfers, lay-offs or attrition in 1983 and, if so, what is the justification for this reduction?

4. Is the Department planning to close any research facilities such as greenhouses, growth chambers or laboratories in western Canada in 1983 and, if so, what is the justification for doing so?

Hon. E. F. Whelan (Minister of Agriculture): 1. As of December 31, 1982, the Research Branch had 1,346 employees in Western Canada.

2. A total of 1,429 person-years of which 10.6 per cent are in the Administrative and Foreign Service or Administrative Support Categories.

3. The Department is not anticipating a reduction in the number of positions conducting agricultural research or providing essential services in support of research in western Canada for any reason in 1983.

4. There are no plans to close any facilities necessary for continued research in western Canada in 1983. It may be necessary to restrict or curtail the use of some non-essential facilities in order to reduce energy costs and remain within the budgetary allocations.

FISHERIES AND OCEANS RESEARCH ADVISORY COUNCIL

Question No. 4,925—**Mr. Mazankowski:**

1. Is there a Fisheries and Oceans Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. There is a Fisheries and Oceans Research Advisory Council. Membership is as follows:

(a) Names of Members	(b) (i) Background/Expertise	(b) (ii) Term/Date of Appointment	(c) Remuneration to date*
Dr. W. E. Johnson (Chairman of FORAC)	Fisheries Scientist. (Long history as senior DFO official.)	3 yrs. Sep. 80	GIC-6 $ 61,090 to $ 71,890
Dr. H. A. Favre (Vice-Chairman of FORAC)	Chemist. Served on former Fish. Research Board. Dean, Univ. of Montreal.	4 yrs. Sep. 81	$ 20,520.04
Dr. A. J. Bowen	Oceanographer, Prof., Dept. of Oceanography, Dalhousie Univ.	4 yrs. Nov. 81	$ 3,759.15
Mr. J. B. Buchanan	Fishing Industry. Vice-Chairman, B.C. Packers Co. Vancouver.	2 yrs. Nov. 81	$ 2,044.40
Dr. L. Chenard	Fisheries Scientist. Retired D. M., N. Bruns. Dept. of Fisheries.	4 yrs. Nov. 81	$ 6,089.98
Dr. C. W. Clark	Applied Mathematician/ Resource Economist. Prof., Dept. of Math. Univ. of B.C.	3 yrs. Nov. 81	$ 5,508.44
Mr. F. J. Doucet	Economist, Fisheries Consultant. Toledo, Ontario.	3 yrs. Nov. 81	$ 4,239.51
Mr. J. T. Dunn	Fishing Industry. President, Freshwater Fish Marketing Corp. Winnipeg, Man.	2 yrs. Nov. 81	$ 804.10
Dr. G. Filteau	Marine Biologist, Prof., Dept. of Biol., Laval Univ.	3 yrs. Apr. 83	—
Mr. M. Florian	Fisherman. Pres., Prince Rupert Fishermens Co-op.	2 yrs. Nov. 81	$ 3,335.03
Mr. L. D. Hudon	Secretary of MOSST. Recently retired.	3 yrs. Nov. 81	$ 2,661.23
Dr. H. B. N. Hynes	Freshwater Biologist. Professor, Dept. of Biology, Univ. of Waterloo.	4 yrs. Nov. 81	$ 6,140.32
Dr. J. Lebel	Oceanographer. Professor, Dept. of Biology, Univ. du Québec à Rimouski	3 yrs. Apr. 83	$ 786.20
Mr. C. R. Levelton	Fisheries consultant. (Retired senior DFO official)	3 yrs. Nov. 81	$ 3,343.58
Dr. C. C. Lindsey	Fisheries Scientist and Director, Inst. of Animal Resource Ecology, U.B.C.	4 yrs. Nov. 81	$ 5,131.86
Mr. S. P. MacKay	Offshore oil dvlopmnt. Chairman, Arctic Petrol. Operators Assoc.	3 yrs. Nov. 81	$ 6,318.67
Dr. J. McInerney	Fisheries Scientist. Professor/Chairman, Dept. of Biology, Univ. of Victoria	4 yrs. Nov. 81	$ 4,870.52
Dr. J. S. Nelson	Fisheries Scientist. Professor, Dept. Zoology, Univ. of Alberta	4 yrs. Nov. 81	$ 5,456.87
Dr. P. J. Nicholson	Operations research. Member of Atlantic Fisheries Task Force.	2 yrs. Nov. 81	—
Dr. T. R. Parsons	Oceanographer, Prof. Inst. of Oceanography, Univ. of B.C.	4 yrs. Nov. 81	$ 5,867.16
Mr. D. Pattinson	Recreational Fisheries. Pres., Canadian Wildlife Federation.	2 yrs. Nov. 81	$ 4,817.05
Mr. L. G. Riche	Fishing Industry. Vice-President, Fishery Products Co. Newfoundland.	2 yrs. Nov. 81	$ 5,436.74
Mr. Wm. Short	Fisherman. Newfoundland Fishermen Food & Allied Workers Union.	2 yrs. Nov. 81	$ 4,431.84
Mr. E. Studney	Retired fisherman. Hay River, N.W.T.	2 yrs. Nov. 81	$ 5,388.42
Dr. W. Templeman	Fisheries Scientist. Retired Professor, Memorial University, Newfoundland.	3 yrs. Nov. 81	$ 7,192.98

* The amount specified under "remuneration to date" includes an honoraria of $150 per day for non-public servant members of the Council for days spent on Council business (as fixed by Order in Council P.C. 1981-3034 dated October 29, 1981) as well as reimbursement of travel and living expenses in accordance with Treasury Board regulations.

(d) The federal Government provides an annual budget to cover the operation of the Fisheries and Oceans Research Advisory Council as well as the salary of the Chairman and one indeterminate employee.

2. (a) The terms of reference of the Council, as stated in the Fisheries and Oceans Research Advisory Council Act, are as follows:

"It is the function of the Council to advise the Minister on all matters referred to it by the Minister relating to:

(a) fisheries research and the marine sciences including technological developments in those fields;

(b) the scope and adequacy of the science policies and programs of the Department of Fisheries and Oceans, having regard to the duties and functions of that Department and the science policies and international obligations of the Government of Canada; and

(c) the co-ordination of research and development programs in the fields of fisheries research and the marine sciences."

(b) and (c) At FORAC's inaugural meeting on November 30, 1981, the Minister asked the Council to undertake a general review of his department's fisheries and oceanographic research and development activities and provide him with any comments and recommendations as to their quality, relevance, adequacy and balance considering both the present and the future. In fiscal year 1982-83 the Council proceeded with this task by holding a series of visitations and meetings (total of six) at the major fisheries and oceanographic research establishments across Canada. FORAC submitted its views and recommendations to the Minister at its annual meeting with him in Ottawa on February 4, 1983. It states in the FORAC Act that "the Council shall meet annually at the city of Ottawa and at such other times and places as are necessary for the work of the Council."

(d) The Fisheries and Oceans Research Advisory Council does not publish any reports or recommendations.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Pinard (for Mr. Regan) that Bill C-110, an Act to amend the Export Development Act, be read the third time and do pass.

Mr. John Thomson (Calgary South): Mr. Speaker,, just prior to the lunch hour adjournment, the Parliamentary Secretary to the Minister of State for Economic Development (Mr. Peterson) asked me why we chose to debate Bill C-110 for seven days with some 140-odd speakers. I would happily reply to that question.

Bill C-110, as the Parliamentary Secretary may know, was introduced in the House in May of 1981, two years and some months ago. When it was introduced into the House by the then Minister of State for Trade, he came to me as spokesman for Trade of the Conservative Party and asked me if we could very quickly dispense with the Bill. It did not seem to involve a great deal. I reviewed the Bill and agreed with him that it was not earthshaking, but I sought three amendments to the Bill. First, I wanted greater representation from the private sector on the board of directors of the Export Development Corporation. Second, I wanted the financial disclosure shown in the financial statements of the Export Development Corporation. I wanted the corporation to disclose the contingent liability with respect to the commitments the corporation had made to finance certain contracts at one rate of interest, then going out on the open market and having to finance those commitments at a higher rate of interest. Third, I wanted the Government to bring forward appropriations that were necessary to fund the Export Development Corporation from time to time. I wanted them brought before Parliament. The then Minister of State for Trade said; "I do not see any problem with those amendments. They seem perfectly reasonable. I think I can arrange to have those approved by my Cabinet."

Here we are, two years later, debating the Bill. They were very reasonable amendments that I put forward. We put those amendments forward in committee for over two years. We did not receive one civilized response in a period of two years to those simple, straightforward amendments, not one sign of willingness to amend the Bill in those reasonable ways. I say to the Parliamentary Secretary that that is why we were here in the House for seven days. That is why we put forth 140 speakers.

The Acting Speaker (Mr. Corbin): Are there any further questions or comments? Debate.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in the final debate on the Export Development Corporation Bill, I felt it might be helpful if I could underline what has really transpired with respect to the Bill. First, I would like to emphasize that Canada does need an important acceleration in our trade activity as far as the rest of the world is concerned.

There are several ways that we can consider the matter. I had an earlier opportunity to speak at report stage on the Bill and pointed out that on a world, global basis, Canada at one time had about 5 per cent of the total trade of the world, and that has now deteriorated to about 3.6 per cent. But perhaps I should have continued further at that time and pointed out that with respect to the components of our share of world trade the picture is even bleaker. I refer, of course, to manufactured products. We find that we once had over 4 per cent of the world's total share, but that has now deteriorated, as far as manufactured goods are concerned, to something over 2 per cent. I suggest, and this point has certainly been made by many business associations, such as the Canadian Manufacturers' Association, that if we could just regain our fair share of world trade, especially in manufactured and in semi-manufactured products, we would really cut our unemployment by half. Surely, when we face the reality that, first, there has been a steady deterioration under the emperor with respect to our share of world trade, and that perhaps half of the unemployment today is due to the fact that we have lost that fair share of world trade, we can see how relevant the debate is with respect to export-import trade generally, but specifically with respect to Bill C-110, the Export Development Corporation Bill.

● (1520)

Having said that, it is natural to ask what will be done about it. My first suggestion would be to make it extremely easy for business generally in Canada, and especially for the smaller businessman, to get their fair share of trade in the world market. This brings us to the essential question of whether the Export Development Corporation is serving the Canadian public, the businessman—and the small businessman specifically—adequately in relation to allowing them to participate in world trade. Coupled with that question, I believe we must consider whether Parliament is being given the opportunity to scrutinize, perhaps to make suggestions, and above all to be satisfied with what the Export Development Corporation is doing. It must not only be adequate but fair and attempting to achieve the goal we seek, which is to regain what we have lost in world trade.

This is where I feel the debate on Bill C-110 has been so relevant. I know that the trained seals on the other side are often impatient when we delay a Bill because we feel there are certain provisions that must be changed. We sought various amendments to this particular Bill. While we would like to have won them all, we agreed to accept amendments in the spirit of compromise which perhaps went only part of the way. At least, they were an improvement. Of course, I am referring to amendments to these blank cheques which the Government enjoys having Parliament authorize. At least we were able to have that measure tempered. More importantly, we were able to have a specific clause included in the Bill which will require the annual report and financial statements to be referred to the relevant committee of the House every year.

Having said that, let me underline why I feel it is so important that we have that type of parliamentary scrutiny. During the debate at report stage of this Bill, I mentioned that most Canadians would not believe it if they were told that of the approximately $2.5 billion total financing commitments and dealings that the Export Development Corporation handled in 1982, $957 million went to one company; Bombadier. I invite those who are interested to go to the Library and read the annual report from Bombadier. They will find it almost unbelievable that in relation to the size of that company, the Export Development Corporation would have felt justified in awarding it the benefit of almost $1 billion worth of financing. In 1982, for example, the total sales of Bombadier were $448 million. In one year, financing was approved which will result in an eventual benefit to that company of almost $1 billion in sales.

When we are dealing with a situation which represents almost 40 per cent of the total 1982 activity of the Export Development Corporation, surely it is relevant that we in the House ask if that was a wise course of action. Surely we must ask if there has been proper scrutiny and when we would have an opportunity to review the details of what the EDC is doing with respect to that one benefactor of financing.

Let me go further. How many in the Canadian public realize that one country has been given what is called an unconfirmed line of credit of $2.5 billion? Of course, I refer to an arrangement that was made some time ago in favour of China. While that may be a very sensible move for the people of Canada to make, surely we in the House owe it to our constituents to almost insist that the Government must be able to satisfy the Members of the House that the deal which it has in mind is fair, will serve the Canadian public, and particularly the smaller businessman since that is where EDC lacks fairness, before it enters into those kinds of transactions.

Furthermore, we have seen these disclosures of mismanagement of various Crown corporations in Canada. I could take the balance of my time just reading the names of the companies that are involved, such as Consolidated Computer and Canadair. Suffice it to say that there are billions of taxpayers' money not only for this generation but for generations to come that will be lost because of the ineptitude of the Government in running so many of these Crown corporations.

Again we find that the EDC plays a hand. While Bombardier received almost 40 per cent of the total activity of the EDC in 1982, a nice little company owned by the Crown called de Havilland picked up $200 million. Surely we must ask ourselves, if the Government saw fit to give assistance amounting to $200 million to one concern, a Crown corporation, whether that was the most suitable way to spend that money compared to ensuring perhaps 100 or 1,000 smaller businesses picking up a piece of that type of financing benefit.

While pointing out the de Havilland example, I think it is interesting to see to which countries that financing has been awarded. For example, in 1982 there was a financing facility awarded to a country called the United Republic of Cameroom. It was for $25.190 million. As well, we see that Colombia picked up a couple of financings; one for $1.466 million and another for $1.460 million, both giving a benefit to

de Havilland in Canada. There is another financing of $3.502 million for Colombia in favour of de Havilland.

Mr. Blais: Selling planes built in Toronto.

Mr. Stevens: All of these are to this one, single Crown owned company.

Mr. Blais: Selling planes made in Toronto.

Mr. Stevens: Let me go on to mention that in Egypt in 1982, de Havilland was able to get $119 million—almost $120 million—in financing, again for their benefit with the destination being the Arab Republic of Egypt. The more one speaks to people who are active in the Canadian export and import business, the more one hears one common message. It is that the federal Government is using the financing available either to support its Crown corporations or, in turn, its favourite corporate associates. That is what this question of scrutiny and parliamentary authority is all about. The Minister of National Defence (Mr. Blais) has been heckling me this afternoon across the aisle.

• (1530)

Mr. Blais: I have been giving you facts.

Mr. Stevens: He simply talks about building planes to sell in other countries, with the hope of employing people in the Toronto area.

Mr. Blais: Not only the hope. It will employ people.

Mr. Stevens: If it is as simple as that, why has the Minister of National Defence, as a member of Government, consistently refused to make disclosures through the House which the people of Canada feel should be made with respect to such financing? Certainly other countries such as the United Kingdom and the United States take for granted that public financing of this nature is an open book. One can learn anything about the financing, including the rate, the term and the customers involved. Here, one cannot learn that. It is a secret. Certainly it is a secret because the Government feels—

Mr. Blais: You cannot get commercial information like that any place. Tell me one place where you can.

Mr. Stevens: I hear the Minister interjecting again. If he would like to check through his staff, he could have that information within 24 hours. Certainly that would be the case with the Export-Import Bank in the United States. If his staff cannot obtain it, I will get it for him. If there is any other way I can help that Minister to improve the defences of Canada, I want him to be assured of my assistance, because it is long overdue.

Mr. Cullen: What is long overdue, your assistance?

Mr. Blais: The aircraft built by de Havilland—

Mr. Stevens: I hear the Minister referring to aircraft built by de Havilland. Is he referring to Twin Otters? Apparently that will be our fighting aircraft.

Mr. Blais: Did you ever hear of the Buffalo?

Mr. Stevens: Clearly, when the Minister of National Defence keeps interjecting, we are getting to the quick. He knows that this is stuff the Government would just as soon have under the carpet and not much comment about.

Mr. Blais: Is that as much as you know about de Havilland? You should visit its aircraft plant in Toronto.

Mr. Stevens: Let me emphasize that I am only giving an example of where EDC financing has been routed.

I could go through this for other companies that are very closely connected with the Government. Here is one in favour of de Havilland for $3.8 million to Malaysia. When we were dealing with an aggregate of $200 million in financing for the benefit of the Havilland, was that the most sensible way in 1982 for the Government of Canada to facilitate an export, as opposed to ensuring that hundreds of smaller businessmen received some part of the benefit? The question is as simple as that. I have yet, either in committee or in the House, to hear a Government Member or backbencher attempt to justify some of this type of financing to which I am referring.

I have cited various countries, but what about the United States? Why, if we wished to sell to the United States aircraft manufactured by de Havilland, would we have to give them concessional financing through the EDC? In 1982 I see before me four financings, all for the benefit of de Havilland: one for $6,144,000; another for $11,858,000; another for $6,267,000; and a final one for $6,513,000, all to customers in the United States to allow them to buy de Havilland aircraft with our financing. Is that competition?

There is always a danger in this field when a company like de Havilland finds it tough to sell its products that if will start, through the Government of Canada, selling a financing program which the buyer cannot refuse. That, in turn, tends to weaken the infrastructure in the country. The selfsame Government which is hinting that it would like to see more free trade, especially with the United States, apparently overlooks the fact that to the degree we weaken our own in-country industrial capability and competitiveness and at the same time welcome free trade, basically we are asking for a situation that might develop where we will be overwhelmed by the American producer, and the manufacturing capability in Canada will be lessened still more.

What I am discussing is something which is actively being considered and reviewed in many of the so-called think-tanks both in Canada and the United States. If there is a debate which will ensue in the House, either in this session or the next, I hope that at least in part it centres on the critical question of where Canada's role will be through the 1980s and into the 1990s in terms of world trade. It is time we accepted that the academic, philosophical attitude of our emperor,

which may have been in vogue in the 1960s, has absolutely no relevance in the 1980s. If we continue to follow his impractical, unrealistic approaches, coupled with the confrontation which he seems to love so much, it will mean a much less wealthy Canada than we have every right to expect. The fall in real incomes in the last two years, which has started to accelerate as Statistics Canada pointed out, is just the beginning of a continuing fall if we do not start looking outward at the world and saying that Canada once again will regain its fair share of world trade. To do that, we must start looking at some of the issues I have touched upon today.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is a pleasure to participate in the debate on a matter which is extremely important to Canadians. There are a minimum of 1.3 million Canadians now out of work, particularly young people. Every day I am in my riding I hear from people of all ages who say that they have lost their jobs. I am thinking of a man who told me he recently lost his job after 25 years. I am thinking of young people who tell me they cannot find their first job. As everyone here knows, the unemployment situation in Canada is unacceptable to all Canadians, whatever their politics or location in the country.

My contribution this afternoon is primarily based on a quotation by Jean Monnet, the father of the European Community, who said:

> If a freely elected government makes a simple plan clear, free people can immediately adjust to it. Businessmen could plan investments, working people could plan savings, shopkeepers plan inventories, and farmers plan their fields.

I wish those words were posted on the walls here so that every one of us could look at them every day of the week. I think Mr. Monnet has stated a truth about which each one of us should be told frequently.

Evidently it is true that $1 billion worth of new exports creates approximately 40,000 jobs. It is clear that every time you create another $1 billion in exports you create an additional 40,000 jobs. The most cutting indictment that anyone can make of the Government is that it has willfully and intentionally created unemployment over the last number of years in order to fight inflation. It may have done something about inflation, but 1.3 million or more Canadians and their families have paid the full price for a policy designed to fight inflation and create additional unemployment.

● (1540)

I realize it is easy to be critical. This Bill asks what we on this side propose to do about the situation. Last year Professor Thibaut de Saint Phalle wrote a book entitled "Trade, Inflation, and the Dollar". Everyone could gain from reading the book. I am speaking personally and not on behalf of the Official Opposition in saying that some of his suggestions are applicable to Canada, this Government, and to all Canadians. I say that in the context that Canada, while being one of the luckiest countries in the world, is desperately in need of re-invigoration, renewed enthusiasm and, if I may coin a term, re-invigorization.

What can this Government and the Government in waiting do to help Canada increase its exports? Some of his suggestions are as follows: First, we can show greater interest in strengthening the world's monetary system. Second, we can show greater interst in, and response to, trade barriers created by other nations. Third, we can enact a clear national export policy. I know those opposite will say that they just announced one a few days ago. A press conference is now being held across the street with the trade ministers of the OECD, the United States, Japan and Canada.

Again I refer back to the quote of Mr. Monnet. How can a businessman plan a plant expansion, a new plant or whatever, when, until six months ago, the third option—the option that we get away from dependence on the United States and increase our multilateral approach with other countries in order to avoid dependence on the United States, greater trade with the United States and greater economic integration with the United States—was somehow morally unacceptable to Canadians? It is true that the recent trade policy of the Government indicates a greater sectoral integration with the United States.

My point is that you cannot jump from a national energy policy that blantantly discriminates against our major trading partner and other measures, such as FIRA, which sends a signal to the United States that it is not welcome in Canada, that we want to reduce rather than increase our economic ties with that country, and then say as we did six weeks ago, "Presto, Eureka, we are now converts, we want greater recognition of the geography between the two countries and greater recognition of the need for sectoral free trade with the United States". It is this flipping and flopping, going backwards and forward, going upside down and inside out, which has worsened many of our economic problems.

The Minister of State for External Relations (Mr. Pepin) in Question Period today stated that our investment statistics are bad. That should qualify as the understatement of the week. You cannot create permanent jobs without increasing investment. Jobs in large measure are a function of investment. If someone chooses to put his saving into a savings account at the bank, not as many jobs will be created as if he had put an addition on his house, opened a small dairy business or something along that line. That is the way to create long-term jobs in Canada. When you do not have this fundamental confidence among investors, you do not have the employment opportunities that Canada needs. I guess I had better speak briefly to the Bill.

The Acting Speaker (Mr. Corbin): Order. I was about to say that there is the matter of relevance. There is strict relevance and relative relevance. The scope is pretty wide. The Hon. Member has made the point, so I will allow him to speak to the Bill at this time.

Mr. Kilgour: It is clear to all Members that last week we achieved something. There was all-Party agreement to the amendments. As you have probably heard one or two times today, Mr. Speaker, the borrowing capacity of the corporation is limited to ten times its paid-in capital in earnings rather than its authorized capital. Second, the authorized capital asked for of $2 billion has been reduced to $1.5 billion. This reduces the possible borrowings from $20 billion to $15 billion. Also of importance is the fact that in future the company will have to present its annual report and financial statements to the House of Commons, the Standing Committee on Finance, Trade and Economic Affairs, for examination. Finally, the right of the Government to take up loans and guarantees not appropriate to the corporation's activities has been reduced from $20 billion to $13 billion. For this we have to thank the Hon. Member for Mississauga South (Mr. Blenkarn) and recognize the goodwill of the Government on these matters.

The EDC can do part of the job, but it cannot do all of the job. We believe that it should be more accountable to Parliament. We have succeeded in persuading the Government to go along with this. I think it is within the grounds of relevance if in a personal capacity I say something about the proposed restructuring of the Department of External Affairs with respect to trade. You, Mr. Speaker, will be aware of the fact that External Affairs is to be integrated from top to bottom with the former trade section of the Department of Industry, Trade and Commerce.

The Acting Speaker (Mr. Corbin): Order. I invite the Hon. Member to state the relationship of the Bill, the Export Development Act, to what he is now raising, which is the subject matter of another Bill presently before a committee of this House.

Mr. Kilgour: It is indeed, Mr. Speaker. Thank you for correcting me on that. I believe this is relevant. I have before me the fascinating study of the Economic Council of Canada entitled, "The Bottom Line". It deals in large measure with trade. Chapter 10 deals with future trade policy. It talks about low interest loans. It is hard to argued that the EDC is not making low interest loans. In discussing an amendment last week, I stated that it may be making a lot of low interest loans and may in fact be engaging in more aid than trade.

We on this side strongly favour aid. However, I wonder whether the EDC should properly be confusing its role of financing trade with a role which more properly belongs to CIDA, that of encouraging aid. This study talks about productivity. The author states that the productivity problem persists and that productivity has not grown for eight years.

● (1550)

How will this Bill increase productivity in the vital export industries which are now in a period of recession, as is the rest of the economy? How will we increase, through the Export Development Corporation, our trade in, for example, the export of manufactured goods?

It has already been pointed out in this debate that Canada's percentage of the total exports of manufactured goods was 3.3 per cent in 1960. In fairness, it is 4.2 per cent today. At the same time, Japan, for example, has gone from 5.3 per cent of total exports of manufactured goods in 1960 to 14.8 per cent. Surely, Sir, it seems to me that if Japan has had a simply phenomenal increase in its total exports of manufactured goods and Canada has had an increase of slightly under one percentage point, we should be looking at the programs used in Japan as compared to those used here.

What, for example, does Japan do with its equivalent of the Export Development Corporation? Is it modelled after our Export Development Corporation? Is it different, and if so, how does it differ? Should we not have a Bill in front of us now which would take Canada in the direction that Japan has gone in terms of exports? One may say that there are other programs dealing with that. Yes, it is true that there are other programs dealing with exports, but do we have the right kinds of programs? Do we have the right kinds of mechanisms in place that will allow Canadian manufacturers and exporters to increase their percentage of total world exports?

It has been pointed out by numerous speakers that the Export Development Corporation is not perfect. I think it is clear that this Bill does not perfect it. A number of speakers have referred to Professor André Raynauld who said that the EDC is:

> —rapidly becoming a bureaucratic monster, borrowing and lending money, making unsound loans to foreign countries, extending its empire, and involving Canada in transactions and negotiations that are both costly and inefficient.

Professor Raynauld has compared the EDC to equivalent organizations in other countries and does not come to favourable conclusions.

The point cannot be made often enough that we on this side want to increase exports. We want to support anything and everything which will increase exports from Canada, because only in that way will we get Canadians back to work. At least I am persuaded that it is only by increasing exports that we will accomplish that.

I believe that it is a mistake for the Government to pretend that this Bill, as amended, is a panacea. It is not. It will take many other things to improve our trade position significantly. More important in my view, Sir, is that it is going to take a change of thinking on the part of the Government to improve our trade position, or, hopefully, it will take a new government which recognizes that the private sector can create jobs in the export market and that permanent jobs will only be created when Canada resumes its role as a secure place in which to invest, to work and to do business.

Let me give an example which perhaps makes what I am trying to say seem more real. Recently I heard of the case of a person in a European country who was engaged in the business of exporting beef. Somebody asked that person whether he did business in Canada. I am informed that the man rolled his eyes and said: "No, of course not. I do not do business in Canada". Asked why, he said that years ago he had had a contract with a Canadian company and that Canadian company, which I

obviously will not name, had botched the contract to the point that this man will never do business in Canada again. Unfortunately in this case, the European business community is a small business community. Stories like this get around rather quickly in the European business community, and they hurt you, Mr. Speaker, they hurt me and they hurt our constituents. If Canada is known as a country where one does not do business by choice, that hurts all of us.

I think that all of us in our own way within our own communities and businesses have to change our way of thinking. We have to become pursuers of excellence. I remind you, Mr. Speaker, that the book that is number one on the non-fiction bestseller list at the moment is entitled "In Pursuit of Excellence". It basically deals with management techniques of successful American companies. The book that is number two on the non-fiction bestseller list is called "Megatrends". I have read one of those books and I am now reading the other one. I wish everyone would read those books. Everyone would see that Canada has more going for it than any other country in the world. As we have all heard many times, Canada has people, resources, geography, infrastructures, social programs and access to markets. In my view, we have absolutely everything that is necessary to be number one in the world; yet, for various reasons, we are not number one at the moment.

We all must say to ourselves that from now on, we are going to pursue excellence in whatever our business or occupation is. We are going to get into this market or that market with a sense of urgency. Our businessmen must have a sense of urgency. You and I, Mr. Speaker, for different reasons, must have a sense of urgency as well.

Canadians need to develop an alertness to opportunities. Somebody was complaining the other day that there does not seem to be this sense of urgency in our business community at the moment. This sense of urgency must be encouraged. Anything that this Government or a new government can do that will encourage Canadians to do business around the world must, in my view, be done.

I will refer to some examples. I refer again to the book written by Mr. de Saint Phalle, and it seems to me that there is not enough appreciation of the need for exports in Canada.

Mr. Blais: Hear, hear!

Mr. Kilgour: It seems to me that the substitution of investments abroad by Canadian firms for a policy of marketing from Canada is one that must be encouraged.

My time is almost up. I do not have to tell you, Sir, how many Canadian companies have chosen to simply move out rather than continue here. There must be improved research and development in Canada. There must be more adequate training programs for the executives who are marketing Canadian products around the world.

May I continue, Mr. Speaker?

Mr. Blais: Mr. Speaker, on a point of order, since the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is the first speaker in a long time from that side of the House who has made sense, I have no objections to his continuing.

The Acting Speaker (Mr. Corbin): Is there unanimous consent to allow the Hon. Member to continue his speech?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Questions, comments? Debate. The Hon. Member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it seems to be rather coincidental that my work this week has taken me into the consideration of two Bills, one in committee and one in the House, dealing with international trade. Bill C-152, the Government reorganization Bill, has of course a great deal to do with, shall we say, the framework of the department for international trade in the now omnibus Department of External Relations. This particular Bill, Bill C-110, deals with the financing of a good deal of our international trade. During the extensive debate at report stage my colleague, the Hon. Member for York-Peel (Mr. Stevens) and others, adverted to the problems of international trade in Canada. They spoke of its decline in an absolute and relative sense and the necessity for an increase, if we are to regain employment and economic activity. Those are not very simple problems.

● (1600)

Earlier, a Member of the Government referred to the fact that some 140 Members spoke at report stage in order to achieve the particular objective of having the Bill amended. The Government showed unbelievable gall in the size of borrowing authority it sought, the overcapitalization, and so on, of the Export Development Corporation. This could easily be halved and the corporation could still carry on as well as before. Unfortunately, however, it would have had to be accountable to Parliament if it wanted to increase the ceilings for borrowings and insurance as well as capitalization. We know that the Government wants to get as much blanket authority as possible so that it will not need to come to Parliament and give an accounting.

I do not know whether, in agreeing to the amendments of last Friday, we accommodated the real objective of the Government, that is, a gain of about one-third. There are ways of getting what you want. A typical bureaucratic way of achieving success is to overdemand and then make a concession. After extensive debate, concessions are eagerly seized upon by all concerned and a settlement is made. That is all very well but, of course, it was what the Government wants. I dare say we could have carried on debate and denied passage of the Bill at report stage, but then the Government would have brought in closure.

I am not going to comment on the amendments that were made or the Bill as it stands. I am going to say something that no one else referred to in the earlier stages of debate or in committee, where documents are produced, however. There is a stony silence from the media as well, as far as the representations made by public bodies and corporate interests with expertise in the field are concerned. This matter should therefore be brought up in this forum where there is wider public observation. I am going to refer to two bodies that made strong representations that I think are in keeping with what should be the philosophy of the corporation.

The Export Development Corporation was set up years ago to assist private financing—to assist Canadian exporters who, at that time, were doing well in the international field. The economies of Germany and Japan and the modern economies of Taiwan, Singapore and Korea were not set up, nor did we have competition from Brazil and other parts of the world where Canadians, to their surprise, now face competition. The attitude of many manufacturers and members of the public was almost, "How dare they?" They were used to the fat years after World War II when we lived in a euphoria of so-called international power and trade. The truth of the matter is that some of these countries have far more modern machinery and a younger and better trained work force which has a work ethic.

My colleague, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), referred to productivity. At the present time I am engaged in a study of productivity in the public and private sectors of Canada. The short answer to productivity is for the working public and the managing public to recover the work ethic. That is one of the, perhaps, simplistic ways of saying that we have to do better, not only in the public and private sectors but at all levels of government. We have been living in the land of the lotus eaters for the past generation and now we must work at regaining some of our lost trade.

In 1982 the Economic Council of Canada produced a report called "Intervention and Efficiency". After a rather notorious visit to Europe some six or seven years ago by the Prime Minister (Mr. Trudeau), he went on television in this country, without having discussed the matter with his Ministers, and indicated that the Government would become much more interventionist. We have seen what five to seven years of more intervention has done for efficiency. What has been the result as far as the Canadian economy is concerned? The Economic Council of Canada identifies one of the Government agencies which has had direct intervention, because it has excluded pretty well everyone else, and that is the Export Development Corporation. Canadians face greater risks in international trade than in domestic trade, and the financial requirements for it are greater. I will read those recommendations very quickly. The first one deals with the Export Development Corporation, and I quote:

● (1610)

> We recommend that the Export Development Corporation gradually move towards providing export credit reinsurance, leaving the field of insurance proper to the private sector. We further recommend that the Export Development Corporation serve as the insurer of last resort to close any gaps left by the private sector in the supply of export credit insurance.

That is entirely within the philosophy as posed by the Opposition, and as was stated during the debate on this particular Bill. The Minister may look startled about this, but this is a fact. I quote the next recommendation. It reads:

> We recommend that the Export Development Corporation continue to provide direct financing for Canadian sales abroad when there is reason to believe that the private sector is unable to provide the required credits. Public financing should be made available only under terms and conditions commensurable with the risks involved and the costs of such assistance—including the opportunity cost of the funds used—except in those cases where it is deemed necessary to take into consideration the export-support programs of other countries.

This means that the Export Development Corporation would partially withdraw from direct export financing, except when a credit gap is found. This has always existed. I remember many years ago one of the first big breakthroughs in selling railway engines on the world market came between Canada and Mexico. Mexico did not discover any oil. Mexico was a poor country. It needed railway rolling stock and, frankly we needed a good, healthy, productive spurt in the locomotive manufacturing field. This was done with government financing with long-term low interest rates. There was a political element. There is no doubt about that. But, my goodness, it was an economic shot in the arm for both countries and, therefore, it was an activity which was worthy.

That is provided for in the Export Development Act. I believe it is $5 billion or $7 billion now as a result of the amendments, with which the Government of Canada can make direct loans or participate in the financing directly rather than through the corporation.

I quote the following from the next recommendation:

> We further recommend that the Export Development Corporation's gradual withdrawal from most direct-lending activities be accompanied by an increased concentration of its efforts in the field of credit insurance and bank guarantees. The Corporation should also stand ready to provide refinancing facilities for private lending institutions engaged in export finance.

That is precisely what a government agency of this kind should be doing in the type of economy we want here in Canada. I have already seen some efforts in this field.

I would like to talk about a brief which was submitted to the Science Council of Canada by the Royal Bank with regard to counter trade, which is a new phenomenon. Counter trade means swapping or barter. For example, if country A wishes to buy from country B, it is on condition that country B may buy from country C, which in turn, will buy something else from country A. It is all a lock-up deal, and that has to be financed. I cannot say a lot of Canadian banks, but certainly the Royal Bank, which spoke about this in its brief of May of 1983, said that this is a phenomenon which Canadian business cannot ignore, nor can the Canadian Government. There is one recommendation made that there be, in the section of international trade in External Affairs, a desk designed to deal strictly with counter trade. If we ignore recommendations of this kind, Mr. Speaker, we do so at our own peril.

I have read the last of the recommendations of the Economic Council of Canada. I hope I have done so on a positive basis.

I would like to re-emphasize again what was said about counter trade. A classic example, perhaps, is Indonesia. It is perhaps the one which is most widely known among Canadians. By the counter purchase policy instituted in January, 1982, as a means of increasing Indonesia's non-oil exports, foreign companies now tendering on government-funded contracts are required to purchase non-oil, non-gas goods equivalent in value to the contract in the event their bid is accepted.

We in Government have been told time and time again about the necessity for the Canadian business community, and Canada as a whole, to get involved in that North-South trade, so-called, with the Third World countries. The economies of those people are in a precarious state. They do not have a great deal of money lying free to finance the deficits they have in trade. Therefore, this counterbalance, this counter trade practice, has grown up. It is understandable and we have to get involved. The faster we do so, the better, and not only through our private institutions. Not only must private businessman wake up to it, but government must also wake up to it, not next year or the year after, but now. I hope that in the next committee meeting on Bill C-152 the Ministers in question are going to be asked what they are doing about counter trade.

Mr. Blais: Mr. Speaker, my question to the Hon. Member is as follows: with reference to the question of competition in which EDC might be involved with the private sector, would the hon. gentleman indicate to me whether he has any knowledge, first of all, of any private sector corporation, which is in the export insurance business, which has at any time complained to him or, indeed, has launched a complaint relating to the activities of the EDC?

Mr. Lambert: Mr. Speaker, I have heard rumours of some complaints. Some Hon. Members have raised the question. But I have never personally received any complaint with regard to the field of insurance. I do know some of the banks are acting, more recently, in conjunction with EDC on a shared basis, and that is to be encouraged. As to the insurance, I would say this, in fairness, that I believe EDC scared them all out of the field years ago. It has become a state monopoly. That is why I believe the Economic Council of Canada has said, "This state organization must desist from what amounts to intervention by the state which has existed for some time and let the others in."

• (1620)

Mr. Blais: Mr. Speaker, the hon. gentleman, being very knowledgeable in this field, knows very well the areas to which we are directing our exports. Does he not recognize that the level of risk there is regarding the financing of any export items creates substantial difficulty, especially in today's financial environment, in finding private sector companies that are ready to assume that high level of risk?

Mr. Lambert: Yes, Mr. Speaker, I am aware of that. On the other hand, I do not think I would like to express it that way. I would much prefer to take a positive approach and say that we have a degree of trust in those people with whom we trade. We do not approach them on the basis of high insurance contracts which are an immediate telegraph to others that frankly we will sell to them but we do not trust them very much. That to me is the reaction if it becomes known that the rate charged for an insurance policy is as high as the market will bear.

I think there is room for improvement here. While there have been some difficult times, in the end you will find that if your prime seller, the Canadian businessman, has been on his toes and has a proper contract, the calls on insurance will be much smaller than might be feared.

Mr. Blais: Mr. Speaker, regarding EDCs involvement in export financing, the Hon. Member has recognized that there has been an increased level of co-operation between the conventional lending institutions and the EDC. Has the hon. gentleman been approached by any of the conventional financing institutions decrying the role of the EDC in export financing or at any time criticizing or claiming that EDC was denying them access to financial returns as a result of its involvement in export financing?

Mr. Lambert: I must say, Mr. Speaker, that personally I have never received any reports. I have read of some representations made by newspaper columnists, presumably expert in the field, suggesting that the financial institutions of Canada had finally decided to, well, go somewhere else because, frankly, competition from the EDC was too severe, the profits to be made were not commensurate with the risk and activity. In the same way, the life insurance companies got shooed out of the house mortgage field some years ago. When I was building my first house and practising law, there was not a bank in this field, there were a few trust companies, and Central Mortgage and Housing only went into larger apartments or limited dividend projects. The rest was done by the NHA with the life insurance companies and some trust companies.

However, and I trust I will end on a positive note, I am hoping we will see that more of the banks, particularly those which have developed over the past five to eight years in the international field and which have taken advantage of the anticipated creation of the B-series banks here in Canada on a reciprocal basis, will get involved. They have learned a great deal more about international financing. They have learned how to work in those markets, and they are there for that particular purpose. I hope that as a result of their activities they will get into a great deal more financing of Canada's exports rather than recourse being made to the EDC on all occasions.

Mind you, Mr. Speaker, my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), put on the record many, many times that with a staff of 600 less than 100 applications for financing were processed during the whole year at the EDC. Therefore, the market demand cannot be that great. More and more is being handled, I think, by some of the charter banks, and certainly if the banks are the people who are drawing to our attention the counter trade, that means that they are involved.

Mr. Blais: Mr. Speaker, the Hon. Member has recognized that there are occasions where international transactions occasion extremely high risk with very low returns, and that creates an environment that is not very attractive to the private sector. In that context, and in view of the fact that there is increasing demand for participation in the export market where this particular environment is to be found, namely high risk and low return, does he not see that there is a need for greater involvement of agencies such as the EDC, to go into areas where the private sector fears to tread?

Mr. Lambert: Well, Mr. Speaker, I will say this much. Having been in this House at the time the EDC or its predecessor was established, I am quite well aware of the compelling reasons at the time. I supported the establishment of the EDC and, yes, there is a place for it. Having said that, I say that its present role should not remain writ on stone, and it would be more in keeping with the need for expanding Canadian trade for it to go more into re-insurance, as the financial backer of last resort, and the encouragement of more participation by private financial institutions. Not only those which operate from Canada, but, as you may know, some 65 foreign banks have established branches here in Canada and they have connections abroad. I would not want these foreign banks to act as bird dogs for business for their home banks.

Now that the Minister of State for International Trade (Mr. Regan) has come into the House, possibly he would like to say something to us about this question of counter trade, unless my time has expired. We hope the Minister of State for International Trade will give us some learned discourse on the subject of counter trade.

● (1630)

The Acting Speaker (Mr. Corbin): Order. On the last point made by the Hon. Member for Edmonton West, the Minister of State for International Trade is considered to have spoken because he was the mover of the motion now being debated. He was the prime mover. It was moved on his behalf. Technically he has spoken. He can only speak again with the unanimous consent of the House. I hope that is clear, if he wishes to speak. Debate?

Mr. Bill Domm (Peterborough): Mr. Speaker, the Hon. Member for Edmonton West (Mr. Lambert) ended his last remarks on a somewhat complimentary basis, with qualifications however. I too could perhaps start my remarks in a somewhat complimentary fashion, but I might not end on such a complimentary note.

We should now be aware, at this point in the debate on Bill C-110, that after perhaps one of the longest report stage debates on a matter of principle, the Progressive Conservative Party was able to gain substantial concessions toward parliamentary accountability in the Export Development Corporation Bill known as Bill C-110. The authorized capital of the corporation formerly determined its borrowing capacity. In the future, the corporation's borrowing capacity will be limited to ten times its paid-in capital and its retained earnings. The authorized capital of some $2 billion requested by the Government was reduced, because of long debate, to $1.5 billion. This, in effect, reduces the possible borrowing from $20 billion to $15 billion. In future, the corporation will be required to present its annual report and its financial statements to the House of Commons Standing Committee on Finance, Trade and Economic Affairs for examination, something that has been long overdue. Once again, accountability has been strengthened. Lastly, the Government's right to take up loans and guarantees not appropriate to the EDC's activities has been reduced from $20 billion to $13 billion. That will not answer all of our concerns, but it will some of them, which, in turn, would justify the need for extended debate on the Bill.

There could be no doubt about the difference in approach to government financing that exists between the Progressive Conservative Party and the Liberal Party of Canada. The Progressive Conservative Party believes very strongly in the principle of accountability and control. The Liberal Party, or the governing Party today, believes that the tax dollars of Canadians and their descendants are the property of the Government to do with as it pleases, with as little reference to Parliament and to outside consultation as it can get away with being made possible through legislation. In other words, it is circumventing the responsibility of Parliament or Government to the electors who require representation here in Ottawa.

Bill C-110 has two major thrusts. But before I proceed, and to throw some perspective on the seriousness of the Bill, I must go back a few days in the debate to a statement made by the Hon. Member for York-Peel (Mr. Stevens). I wish to quote him directly because it does indicate the seriousness of the matter at hand. As quoted from page 27439 of *Hansard*, he said:

> Let me put it into perspective, if I may. When it comes to the question of whether we are crowding or somehow being unfair to EDC when it requests a $60 billion authorization, let us not forget that as of December 31, 1982 the total corporate and Government lending activities, the total assets of the EDC, were $6.5 billion. That is the total amount it expended as at the end of 1982. It is asking for authorization to make it ten-fold bigger compared with its total assets at the end of the last year of roughly $6.5 billion.

The first major thrust with which we are dealing in Bill C-110 is to expand the operational capacity of the Export Development Corporation, more commonly referred to as the EDC. In so doing, the Government seeks to expand the borrowing capacity of the corporation without need for further reference to Parliament and without need for further paid-in capital. The Government also seeks to increase the amount of high risk or bad business transactions that the Cabinet may approve, originally from $3.5 billion to $10 billion, but now because of changes, from $3.5 billion to $7 billion in the case of insurance. Originally it had requested from $2.5 billion to $10 billion in the case of loans and loan guarantees and now, through debate, that has been reduced to $6 billion. Any losses made under such circumstances are paid from the Consolidated Revenue Fund without future reference to Parliament.

The second major thrust of Bill C-110 is to alter the current structure and powers of the board of directors. We will refer to some specific problems in that area. The number of directors

increases from 12 to 15, and the requirement that six of the directors be public servants has been dropped. This does not go far enough toward ensuring adequate private sector participation on the board. If the Government so desired, it could appoint no one at all from the private sector. Therefore, I think it fair to say that the Export Development Corporation is not truly accountable to Parliament.

We must consider one specific, glaring example of lack of accountability and the concern involving those who might lobby the financial involvement of Government by again referring to page 27440 of *Hansard* for September 23, when the Hon. Member for York-Peel, in discussing the lending of money by EDC to a company on whose board sat the Hon. Jean-Pierre Goyer, stated:

> By sheer coincidence, we find on the board of Bombardier Inc. the Hon. Jean-Pierre Goyer, P.C., Q.C. When I noticed that, it rang a bell. That chap used to sit across the aisle, shoulder to shoulder with many of these fellows who are attempting so poorly to govern the country at the present time. As we know, the same Jean-Pierre Goyer is Vice-Chairman of Canadair Inc . . . . That company, on the Government's own admission, has blown $1.4 billion of taxpayers' funds. Here we have another company getting the benefit of $970 million worth of financing through the Export Development Corporation, and there is a common Liberal link, Jean-Pierre Goyer . . . included in the Bombardier financing through the Export Development Corporation was a sale to the almost defunct New York Transit Authority. If we read the same statistical review, we find that the United States Metropolitan Transportation Authority of New York got two cracks at the Canadian public purse. Directly from EDC it received $294,912,000. The Government stepped in with another $626,688,000. Isn't that nice! Talk about a milk cow! It was so blatant in the United States that the U.S. Commerce Department instituted an action in that country, pointing out that in its opinion the Canadian Government had provided a subsidy amounting to $167,225 for each subway car proposed to be sold to the Transit Authority of New York.
>
> ● (1640)
>
> Can you believe that this Government, which denies financing to help commuters get to work in Toronto, Montreal or Vancouver, is willing to subsidize authorities in New York to help workers there get to and from work through a company which happens to have a very friendly director on this board.

He is the already referred to as the Hon. Jean-Pierre Goyer, PC, QC. If that does not indicate without question in the minds of those here in the House of Commons a necessity for accountability of the EDC to Parliament, I do not know what will.

The EDC does not have its spending adequately scrutinized here in Parliament. It is not required to table an operating budget, a capital budget or information on the size of its payroll. It may borrow money in the name of Canadian taxpayers, their children and their children's children without seeking parliamentary authority to do just that. But for anyone who has paid attention to the Government's operations and expenditures over the years, this comes as relatively no surprise.

The expansion of Government intervention and the erosion of accountability was accurately reported in 1979 by the Auditor General of Canada, James J. Macdonell. His reports were based upon the findings of four Government-wide studies, each on a different aspect of financial management, control and accountability and each involving upwards of 100,000 hours of professional analysis and study. In terms of size and scope, each study could easily in itself be equated to a royal commission. His findings are as important today as they were back in 1979. The conclusions were straightforward and identifiable: control of the public purse had been lost in this country. An attitude permeated the bureaucracy that somehow the taxpayer was accountable to Government.

In 1978, a report to the House of Commons by Macdonell offered these comments on the ballooning and its impact on effective management. I must quote from two paragraphs of that report as follows:

> If our findings are an indictment of anything, it is of the system which apparently puts more emphasis on developing policy initiatives and new programs, than on the principles and well-established practices of economical, efficient and effective resource management.

He went on to state:

> Operating in a climate which seemed to provide reasonably easy access to a bottomless public purse . . . it is not surprising that few Brownie points were available for managers who displayed frugality, let alone parsimony, in spending public funds and bringing in an effective program on schedule and below budget.

It is indeed deplorable that the insight and intelligence of J. J. Macdonell was wasted on a Government that, rather than heeding his warning, increased its interference in the economy and continued to expand at unprecedented rates.

The question of increasing the budget of yet another Crown corporation over which we have no control is absolutely deplorable. I am reminded of a book entitled "The Disease of Government", written by Professor H. S. Ferns of Birmingham, England, who suggests that:

> As a result of sustained government intervention in the economy and the creation of regulatory planning and operative government industrial institutions, . . . the end of market economies is now in sight . . . Governments, to be effective as agencies of social co-operation, have to define and limit their role in the community; otherwise governments are a source of confusion, disorder, and other massive evils . . . The need to limit the power of governments in the interest of liberty and peace is now universal.

This is exactly why the Progressive Conservative Party is opposing Bill C-110, which would increase to $44.5 billion the amount of money that the EDC can borrow, lend and insure without adequate parliamentary control. This Party speaks for the interests of all Canadian taxpayers who no longer want to be misled and confused about Government spending. They like to see government run somewhat like a business, accountable to those who have their money invested.

In the words of a former U.S. Treasury Secretary, William Simon:

> —people must be taught to start calling for a rollback of the bureaucracy, where nothing will be lost but strangling regulation and where gains will always take the form of liberty, productivity and jobs.

Today we are indeed forced to witness a disease of Government, and it is a malady which, if allowed to go unchecked, will not be susceptible to cure.

Let me quote from *Hansard* of September 23, at page 27442. This was said by the Hon. Member for Cumberland-Colchester (Mr. Coates):

> We are making an argument that is as old as democracy itself—that there has to be accountability by the Government for the money it extracts from the taxpayers of Canada and then spends.

Export Development Act

As we have gone through debate on Bill C-110, speaker after speaker has given us many examples of the tremendous proliferation of Crown corporations and their belief that they are sacred and unassailable and that it is impossible to examine their activities.

Only this week I was shocked to see that the Chairman of the CNR, Jack Horner—a former Member of the House and one who stood on many occasions to talk about accountability and the requirement to have Members on the Treasury benches account to us for the money spent, supposedly on behalf of the taxpayers of Canada—was reported as saying that he did not believe the Auditor General should audit the books of the CNR.

That is exactly what we are saying here in the House during this debate. That is what the Auditor General should be permitted to do.

Seven years ago, the Auditor General noted that in the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central Government agencies of financial management and control practices in these Crown corporations are virtually non-existent.

I do not see anything different being said in my remarks today and the remarks of the Auditor General than was said by Jack Horner who, now in his capacity as Chairman of the CNR, feels that auditing by the Auditor General should not occur.

It is a shame that we have to live with such inconsistencies on the record. The time for reports and discussion has passed. The time has come for meaningful action to be taken to increase the accountability and control of Crown corporations.

The EDC is proof positive that the current Government has, for many years, been unwilling to listen to the Auditor General, Members of Parliament on both sides and most important, the individual Canadian taxpayer.

It has been completely unresponsive to the needs and aspirations of the voters. Canadians are demanding cost effectiveness in Government to act as an inspiration for recovery and hope. Instead, we see a Government which continues to expand and spend money without regard for costs.

Last Wednesday, we listened to my colleague, the Hon. Member for Halton (Mr. Jelinek), expound on the virtues of increased trade and its ability to increase jobs. We are all aware of the benefits of export development, yet this Government seems to feel that only it is capable of making important decisions regarding trade.

The Economic council, in its report, entitled "Intervention and Efficiency", noted this fact on page 51:

Canada is perhaps the country with the least private-sector participation in export financing decisions. The Governments of most other industrial nations encourage bank participation in this area, more so than does the Government of Canada. In six of the industrialized countries examined, the supply of primary financing is left completely in the hands of the private sector, which may, however resort to public rediscounting facilities. In most of the 17 countries studied, the negotiations for granting export credit are also left to the private sector. This is not the case in Canada, where direct negotiations take place between the EDC and the foreign buyer. When the banks are invited to participate jointly with the EDC in long-term financing, they often complain of being denied access to all the information and to the negotiations, and of being presented with ready-made proposals.

• (1650)

This was according to a report of the Economic Council of Canada entitled, "Intervention and Efficiency". The private sector must participate more in the decisionmaking process of the EDC. However, Liberals believe that the bureaucrats who govern most govern best. It is imperative that the Export Development Corporation be governed by a disciplined, cost-conscious board of directors. The Government has a responsibility to Parliament and to the people of Canada to ensure that the public purse is not treated as a bottomless pit.

Mr. Deputy Speaker: Are there Hon. Members who are rising to ask questions or to make comments? If there are none, the Chair recognizes the Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, we are drawing to the close of another Bill, Bill C-110, and once again I rise to indicate that it reflects the fundamental problems of process in the House of Commons and the rules by which we govern ourselves.

Some two years ago this Bill was started. It is now getting through. I agree with anyone who says that the process takes too long. Two years is much too long for the passage of Bill C-110. But that begs a question. It is not just simple Opposition intransigence which is trying to stop the Bill. There were very good, honest and legitimate reasons to stop it, just as there were good and honest reasons for the Government to want to get a Bill amending the EDC through Parliament. Somehow between those two forces we have a stand-off at high noon. The problem mainly goes back to process and our views on what the House is all about. Certainly some of the delay resulted from Government priority. It brought forth many other Bills which took a lot of House time to get through. It was a question of the Cabinet as the executive of the nation setting its priorities as to what Bills it wanted. Certainly the House, and particularly the Opposition, canmnot be blamed for that. The Government is entitled to set its own rules.

I suppose the main reason for the opposition, as indicated by the Hon. Member for Mississauga South (Mr. Blenkarn), was accountability. Since the Second World War over 400 Crown corporations have been established. If we did in all their subsidiaries, the figure would be much larger. The question arises as to how a democratic society controls Crown corporations. Most of the board members and appointments to Crown corporations are made by the executive. This has caused a sub-government tied into the main executive, the Cabinet. We see a close relationship between Crown corporations and Government departments, which has resulted in a lack of accountability for taxpayers' dollars.

We must always remember that our primary objective as elected officials is to protect the dollar which comes out of our pockets as citizens and, because of the deficits which have built up, will come out of the pockets of our children and grandchildren. Ordinary Canadians can quite properly criticize us for not developing a process and mechanism to protect their dollars. For every dollar a private citizen cannot decide to

spend, there is a dollar in the hands of the Government which it decides to spend, at the expense of the work, effort and sweat of ordinary citizens. That is principle I am against.

Millions and millions of individual decisions by ordinary Canadians on how to spend their own dollars would lead to a much wiser result than those dollars being taxed away and spent by a few men and women of whatever political stripe. When we believe that an executive can make better decisions than ordinary Canadians, we are wrong. If we continue the way we are, we will return to the pre-1750s when there really was state capitalism in the form of a monarchy and a tightly knit group of advisers and counsellors. Essentially that is what we are returning today. We have a duty to oppose it today just as people fought and indeed gave their lives in the 1700s for the right to make their own decisions, which of course was primarily the right to property.

Not only is there the issue of accountability. There is also the issue of freedom of information and the legitimate role of Parliament versus bureaucracy. The Bill before us reflects once again how many Bills come through the bureaucratic process to Parliament. We all know the charts that show how an idea about something which needs to be done progresses through the bureaucracy. There is a huge chart indicating the Departments through which each Bill has to go. There are arrows going each way, whether it be to the Department of Industry, Trade and Commerce, the Department of External Affairs, the Department of Finance or Treasury Board. The arrows go both ways indicating a dialogue, but in the far right-hand corner of the chart there is a little tiny box marked "Parliament". There is an arrow into it and there is an arrow out the other side. It is the job of the executive to get it through Parliament with no amendments. That is what we stand here resisting.

I believe Government Members should be seeing this matter from a different perspective as well. If a Bill has not originated with one of us as Parliamentarians but has come through the bureaucracy, then we must check that bureaucracy, which is becoming increasingly larger. They are individually fine people, but collectively they have taken on a power which has subsumed the power of the House. Indeed, Government backbenchers should play a much more critical role in the consideration of legislation which comes before us. This Bill is a particular example.

Two years ago the Hon. Member for Calgary South (Mr. Thomson) brought forward three amendments which would have made the Bill acceptable. It was similar to the constitutional package which the Government could have had by Christmas of the year it was brought in, if it would have accepted one amendment. The Government would not accept the amendment, so we fought for months and months, causing enormous division in the country. These three amendments were reasonable in themselves. This Bill could have been law for two years.

What were the amendments? Of course, the first one concerned more private individuals on the board of directors rather than public servants appointed by the executive or the Cabinet. The second concerned financial disclosure, especially of the interest rate subsidies used. The reason these should be known is that every time some dimension of an industry is subsidized, we are really delaying a problem which ultimately surfaces and has to be dealt with. But when it has to be faced ultimately, the problems are ten times worse and the agony is great indeed. It is better to face it at the beginning. Why do we not have that information up front so that we can deal with it and everyone can operate above board? Then there would be no financial foolishness or skullduggery under the table. Of course, the third amendment indicated that major commitments or appropriations by EDC should come before Parliament. My original thesis was that the primary role of individual Members of Parliament was that of a financial watchdog. If we accept that, then surely this amendment was a reasonable one.

Had the Government accepted the amendments of the Hon. Member for Calgary South, the Bill would already be two years old and we would have had more time to direct our energy and effort as Members to some of the other major problems in the country rather than fight over the principles of accountability, freedom of information and the role of Parliament. While we fight for what we believe and while the Government continues to fight for secrecy and Government by executive fiat without any responsibility to the House, the nation is literally being destroyed. We stand here fiddling while Rome burns, while Canada is being destroyed.

● (1700)

With a simple change of the rules of the House, we could make it that votes against the Government on ordinary pieces of legislation would not result in the Government falling and having to call an election. We have often argued in the House that it is only on the budget, the Throne Speech and major pieces of critical policy legislation that the Government would declare a question of confidence. On ordinary pieces of legislation such as an amendment to this statute or the Farm Credit Corporation, the bulk of which come out of the bureaucracy, backbenchers on both sides in the House and in committee should be able to take a critical look at that legislation. If we do not like it, we vote it down and the Cabinet Minister would say, "Fine, ladies and gentlemen, you do not like it, we will take it back and re-work it." We could do that. We do not need to have responsible Government on ordinary pieces of legislation, particularly in the twentieth century when legislation is much more significant and there are literally thousands of pieces of legislation on the books.

While we fiddle, the country is being destroyed. As the Hon. Member for York-Peel (Mr. Stevens) said, our over-all trade has gone down from 5 per cent to 3 per cent. In manufactured products, it has dropped from 4 per cent to 2 per cent. Had we retained our original 5 per cent and 4 per cent, we would have had 50 per cent fewer people unemployed than we do today. Think of that in terms of the unemployment insurance dollars and the welfare dollars that would be saved. With another 750,000 people working, tax revenues would be so much greater. The deficit would be smaller.

I have argued about the effects of the deficit. Just as night follows day, deficits lead to inflation, which, in turn, leads to high interest rates, which, in turn, leads to a collapse such as we are experiencing today. There is an adjustment factor that takes place when nations have huge deficits such as we now have. We have between 1.5 million and 2 million people unemployed.

If we had 50 per cent fewer people unemployed, the extra tax revenue would have permitted the Government to do so much more. It would not be in the marketplace borrowing all the money. There would have been more capital that people would have had to put into businesses because there would be nowhere else to invest it in terms of government.

The way it is today, people can sit back and take absolutely no risk whatsoever. They can lend to their Government and get an enormous rate of return. We had a classic example a couple of years ago where people got 19.5 per cent. If two years ago you had a million dollars to invest and lent it to the Government, you would have received an income of $195,000 without taking one scintilla of risk. If the Government had not been demanding the money and competing, that money would have had to be put into the marketplace. It is true there would have been a risk, but we would have seen the building of plants and the creation of jobs. Therefore, we might have had even less unemployment.

Two years later the original amendments have not been accepted. Other amendments have been brought forth, lately the amendments which were accepted which dealt with the lending capacity of the corporation and automatic reference to a standing committee, a change in the borrowing arrangements restricting it to ten times paid-up capital. Over-all, as I said earlier, the basis of our objection is accountability. At third reading, when we are to look at the Bill in principle as amended, do we still have outstanding issues that have not been dealt with? I submit we do. Therefore, the problems will continue with respect to this and other corporations. We will continue to waste enormous amounts of time in the House as well as human vitality and energy which could be put to positive use building a greater nation rather than spinning our wheels.

The first issue is whether the Export Development Corporation could be lending money directly or whether it should have an insurance function. We have read the reports and the original statute. Prior to 1970, the EDC was an insurance agency. Since then it has been lending money. As the Economic Council points out, if the EDC were to return to an insurance principle, it would get a much bigger bang for its buck. By guaranteeing money, you would put out a little bit of money in terms of insurance coverage. That would go a lot farther than lending an actual sum of money to one corporation.

The second issue has, to a certain extent, been dealt with in the Bill. It deals with the bureaucratic nature of the corporation. I would like to ask EDC why it took over 600 people to process 100 applications last year. There may be a perfectly rational answer. They may be able to show that everybody put in a full day's labour and that it was valuable to the country.

However, if there is padding and too many people, that makes the corporation look inefficient. It also tends to reduce morale in the corporation. As well, it ties up people with all sorts of vitality and experience. They may be able to go to another area of government or another corporation which could use those people in terms of making applications to EDC. They would understand the internal nature of the corporation and government itself. We need to look at the red tape, the expense and the cumbersome nature of the applications.

The third issue is the whole process where, for some reason or other, the bulk of the corporation money is going to a very restricted number of corporation. Some of our Members talked about Atomic Energy of Canada, a Crown corporation, and de Havilland Aircraft, another Crown corporation. If it is the Government's intention that its own Crown corporations are to get priority and have access to public tax dollars indirectly through the corporation rather than through direct Government appropriations, Government purchases of shares or straight Government loans, why do we not face that question? Why do we pay 600 people to operate the EDC and run money into Crown corporations when we would not need anybody to do that if we run it through departmental loans or Government investment in equity? I wonder if the Minister of National Defence (Mr. Blais) would rise and give his views on that.

The fifth issue which has not been dealt with to my satisfaction in trying to follow these issues, together with other issues that come before us, is the whole question of concessionary finance where we subsidize interest rates on loans to other countries so that those countries can buy goods from Canada, which creates employment. The effect is that the deficit continues to get larger. These deficits in themselves are much more dangerous on a long term than the problems they are trying to solve. The Government says that it is better than we lend it the money and subsidize it so that Canadians are employed because if Canadians are employed, they are not rioting in the streets. It does not need to be that way because I think one can always go to the people and explain that the situation is that we are either priced out of the market, because of our northern climate where it takes too much heat to grow plants and therefore we must reduce our fuel taxes, or perhaps because our labourers are demanding too much in wages. Labourers would be prepared to work for less if the costs of their loans and mortgages were lower, because it is all relative. If we increase the deficit and therefore interest rates, the ordinary labourer will, quite properly, ask for more money to meet his day-to-day needs. If we do not increase the deficit and keep all those expenses down, then that labourer does not have to ask for more money. It does not have to be the way it is now.

● (1710)

I see, Mr. Speaker, that you are rising to point out that my time has expired. I could go on to many other issues, but I will leave it at that.

Mr. Deputy Speaker: Are there Hon. Members seeking to ask questions or make comments at this time? If there are none, the Chair recognizes the Hon. Member for Bow River (Mr. Taylor).

Mr. Gordon Taylor (Bow River): Mr. Speaker, this is the fourth time that I have endeavoured to speak to this particular Bill. The Bill is becoming more familiar to me each time I speak.

I am much happier with the Bill as it is now than I was when I spoke previously. At that time, the Bill was bad in a number of respects, particularly on the issue of accountability. The Export Development Corporation had been given the power to borrow $2 billion and then had been given the power to multiply that by ten to borrow $20 billion without reference to the Parliament of Canada. That is the part that we were seriously concerned about.

I heard an Hon. Member today question why this debate had gone on for so long. That is the very reason. This is an important aspect of parliamentary democracy. If we lose accountability and the control of the public purse, we do not have a parliamentary democracy of the kind spoken about by the Right Hon. Prime Minister of Great Britain yesterday. Parliament must take responsibility. When that happens, we have proper representation.

As I mentioned on one other occasion, there was a time when the representation was true. When Parliament first began, everybody went to the site of Parliament. Everybody was present. Each person voted the way he felt he should vote. That was true democracy. As society and the population grew, that became impossible, so we devised a scheme whereby representatives went to Parliament to represent 5,500 people, 10,000 people, and today there are Members of the House who represent more than 100,000 people.

As the population grows, it becomes difficult to reflect the thinking of the greatest possible majority in a riding, but that is the responsibility of the Member. He can do that through a number of means. He can stand for certain principles at election time, and if people elect him they expect him to uphold those principles. He can hold a series of public meetings to secure the wishes of his constituents, as indeed I did when discussing the Crow Bill. People turned out in large numbers at five meetings that were held in my riding. The people who were there were a cross-section of the country. There were farmers, businessmen, hog producers, cattle producers, grain growers and processors. They indicated how they wanted their elected representative to vote in the House of Commons. Almost unanimously they wanted their representative to vote for the freedom of choice which is the basis of our democracy.

When our forefathers went West seeking land, they went West with determination. They had little money but strong backs. They had little more than the clothes on their backs, but they were determined to build a heritage. They were determined to develop something of which their children could be proud. Among those things which they were determined to develop was accountability. A father bought a farm and his children worked. Accountability was learned in the farmstead. So it was in the mining camps. We were taught that we had to be accountable.

I remember a time when I received 25 cents a day for looking after my neighbour's cows. I took the cows up the hill at seven in the morning and I went to get them at six o'clock at night when I got home from school. I received 25 cents a day for that. I remember my mother saying to me that that came to $1.75 a week and that I must be accountable for that money. She asked me what I was going to do with it in ten weeks. I had to be accountable. That is the lesson that Government officials must learn.

To a considerable degree, we now have accountability in this Bill. There is not as much accountability as we would like to see, but there is now much more accountability than there was before. But what about all the other corporations? What about the Government itself? We want accountability in the Parliament of the country. We are not in Moscow where the Government can do what it likes without the knowledge of the people. That Government simply tells the people what is good for them. That is not what we want in Canada.

We want the Members of a democratic Parliament to reflect to the greatest possible degree the thinking of the people who sent them to Parliament. We want the Government to include that thinking in its administration, in its policies and in its laws to the greatest possible degree. That is democracy. We have gotten far away from that.

Do you think, Mr. Speaker, that the people of the country, whether they live in P.E.I., Nova Scotia, Newfoundland, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon, the Northwest Territories or Indian reservations, would have favoured seeing the country go into debt by spending more than it made this year, by spending $31 billion more than it takes in? Not on your life, Mr. Speaker.

I represent three Indian reservations and I have met with the band councils. I have learned to respect our Indian people. Our Indian people are not illiterate, as some people think. They are business people. I remember the time the Indians I represent came to me and said: "How can we be accountable when we apply for a grant first thing in the spring in order to put in a sewer system on our reserve, we get the money in October; and then the Government says we have to spend it now or we lose the money?" Rather than lose the money, they try to spend it in October. What happens then? They are putting in sewer lines in frosty conditions, the worst possible time to put in a sewer system. In the west, snow often falls in the middle of October. Sometimes the snow comes before that, but I have seen pretty severe winters starting on October 15.

Here they were trying to put sewer lines in in November. That is a waste of public money.

One of the Indian band councillors from the Blackfoot Reserve said that they were wasting the money but they have to do it. The Government told them they had to do it. That is not accountability on the part of the Government, Mr. Speaker. Our Indian people had no choice. They had to do it or else lose the money entirely and be told the following year that they had lost their chance.

Accountability does not exist when an Indian reservation applies for a grant in the spring and they get it in October. Surely it does not take months to go over these papers. Sometimes I write letters to Ministers of the Government and I get an answer back within a week. Other times I get an answer back three months later. Is that doing the job? I have been a Minister and I have had some heavy portfolios. At one time I was responsible for the motor vehicle branch, the Department of Highways, the research council, the licensing of drivers and the cancellation of licences for drunk drivers, et cetera. It was a tremendous load. As well, I was responsible for the telephone system of Alberta. I know the many hours of work that are involved, Mr. Speaker, but people did not have to wait three months for a reply to letters. If the letters piled up I worked until the early hours of the morning, and that is what Ministers should do. Of course, I understand there is a limit, but surely three, four or five months' delay on a reply is no way to run a public business. That is not accountability.

● (1720)

The whole matter of accountability is what is involved here, Mr. Speaker. Due to the tremendous work of the Hon. Member for Mississauga South (Mr. Blenkarn) and others who helped him, we have gained that to some extent in this Bill. The Government finally gave in, and now will be accountable for this particular corporation, but what about all the others and the Ministries? They should all be accountable if we are to have anything like a democracy. I hope that now that the Bill is just about ready to go to the Senate, we will be able to get results from our international trade and export market.

I should like to tell the House of an incident that really hurt me, Mr. Speaker. In the City of Drumheller we were close to getting an industry with world-wide connections, but then the Government refused to give the last grant that was required. They may never have had to call on the guarantee, but they refused that guarantee, and today the company has gone into receivership. About 200 people were thrown out of work. When I go through the west part of Drumheller, I see machines sitting idle. That industry could have provided 150 families with a living and could have been exporting machines, but the Federal Business Development Bank would not give a guarantee so that the program could go into the final stages.

One machine the company manufactured was a 139 cultivator and the Prasko seeder which could have been sent to Third World countries if a guarantee had been provided. The Prasko air seeder is a tremendous innovation and has all kinds of potential. All the research had been carried out, but in the final stages, when the cash flow was needed, it was not available. The bank would not take a chance that it might not succeed but, rather, made sure that it did not succeed, and the company went into receivership. It also made the chisel plow. These implements could have been used all around the world and could have provided work for 150 or more people. Welders from all over Canada could have been given work instead of being put on the unemployment rolls. Financial institutions would not go along with the proposal, however, and had to have their money then and there. The Government would not give any guarantee, so the plant went under. Today, in Drumheller that site sits cold and lonely, hundreds of Prasko seeders in the yard and scores of people drawing unemployment insurance. It is no wonder the Unemployment Insurance Fund is disappearing, Mr. Speaker. The only way to keep the fund functioning is to have more and more people working. The people who worked at the Prasko plant put their whole life's savings into running it, but the Government would not take a chance. But the Government took a chance with Imperial Oil to the tune of $30 billion. It is no wonder there are two million people unemployed. There is no incentive for people to invest their money, either. If we invest our money, then we create jobs. Perhaps only one or two people would be hired to start with, but any business can expand.

Another thing that hurts us is the capital gains tax. In Turner Valley a man showed me an empty lot with a garage beside it which he owned. He wanted to expand, and he said to me, "If you think I want to do that for any blinkety blankety Government, you are crazy. I will do it for my family. I will work 24 hours a day for my son and daughter and my wife, but I am not going to work for the Government to grab the money. I will pay income tax as I go along, but when I die or sell the business I do not want to have to pay all over again."

The capital gains tax is unfair. It kills incentive and halts expansion. It is no wonder we have two million people unemployed. There is no incentive to invest in this country anymore.

Just the other day I was on a plane returning to Ottawa. The man in the seat beside me told me that he had money invested in Florida. He said, "The way things are going in this country I need a little nest egg for my wife and family if I get ill and cannot work. But the way things are going in this country, I have no faith in the Government." As a result, he is investing his money in another country. The Government is responsible for that attitude, and it is mostly because in so many cases there has not been enough accountability.

In Parliament, we should turn our eyes inward and find out what we are doing wrong. I suggest the first thing we need is what the Hon. Member for Mississauga South fought for so ably in this Bill—accountability and control of the public purse. When industry sees that the Government is paying its own way and not spending money it does not have, then industry will follow suit.

The Bill has been improved greatly, Mr. Speaker. The effort made by all Hon. Members, particularly the effort of the Hon. Member for Mississauga South, has been repaid because now

there will be some responsibility—unless there is some loophole we have not found yet. I hope that is not so. I hope this corporation will become a model for every other corporation, all 300 of them, so that we can eventually change all legislation and make them all responsible to Parliament, which will have the final say in regard to these things.

• (1730)

Parliament should have the final say. Parliament should have the right to control the moneys which are expended. I used the illustration the other day of King John and the Magna Carta. King John was spending wildly for various projects he wanted, not what the people particularly wanted, and when he came back from France one time, he was met by some of the people of Britain. They met him on the field of Runnymede and said to him, "We want you to sign here. We want you to be responsible. We want you to be accountable. We want to have some say in the money you collect and the way in which you spend it." It was a small beginning, but that was the basis of our Parliament today. As the Right Hon. Prime Minister of Great Britain said yesterday, "Accountability, that is the difference between a democracy and a totalitarian state." In a totalitarian state the people have no business knowing what the government is doing. They have no right to know. They cannot gather in Red Square and protest in the way the Canadian people can line up and even sleep on our grounds and protest about something which might eventually save their lives.

I see you rising, Mr. Speaker. I am just barely getting started, but I recognize the rules. The 20 minutes go pretty fast. I would like just to say in conclusion that I hope this Bill will be a model, that this corporation will be accountable to this Parliament, that it will be an example to all other corporations and that we will now start on a new course in this country with government responsible and with the Parliament of Canada having control of the purse strings of the nation.

Mr. Deputy Speaker: Are there Hon. Members rising to ask questions or make brief comments? If not, the Chair recognizes the Hon. Member for Kootenay West.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to speak to this last segment of the debate on Bill C-110, I would first of all like to deal with a number of subjects which have arisen from time to time, namely those of competitiveness and productivity as they affect both our export markets and our ability to lengthen our production lines for our domestic market within Canada. In relating to both competitiveness and productivity, I would like to make some particular reference to the questions of the debt burden, interest rates and inflation which have plagued not only government, but industry, over the last number of years.

The idea espoused by many speakers in this debate so far, that workers have created their inflationary misery through the wage-price spiral, would be funny were the effects not so harsh and tragic for millions of Canadians. Both high interest rates and the high rate of inflation can be traced directly to the office door of business. The high inflation which began in the late 1960s came from two main sources, the Viet Nam war—that is some time ago but it is important for us to bear in mind—and a conglomerate merger boom which occurred in both Canada and the United States. That inflation declined during the mid-1970s, but returned with a vengeance in recent years. It is only now beginning to ebb through a deliberately induced recession and depression in many world economies. No one has more successfully induced that depression than has the Government and the business community of Canada.

This inflation is tied to an even higher military expenditure and a merger boom to end all merger booms. The only people to benefit from these trends are corporate shareholders, and 90 per cent of Canadians do not even own one share. Let us first dispose of the idea that government is the only source of inflation. Business and government have been equal partners, but not equal offenders. The federal debt in Canada was virtually unchanged from 1968 to 1973. Until 1978 it grew by 17.5 per cent per year, on average. Corporate debt has grown by 15 per cent to 16 per cent every year since 1968—every year. Government is not blameless, but business has been at it much more steadily and much longer.

Corporations have also the ability to print money. They do it through mergers and takeovers. Company A buys the outstanding shares of Company B, but pays a premium over the usual trading price which has averaged 60 per cent over the last few years. This means that billions of dollars of unproductive debt are added to company balance sheets. And this means, of course, higher prices for both goods and services, and the consumer gets the bill. Increasingly, business does not go to the market for capital, and it has not done so for some time. The so-called "democracy of the marketplace" which many Hon. Members, particularly Conservatives, but many on the other side of the House, still tout as being something real, actually, it is a fairy tale, Mr. Speaker. Business increasingly does not go to the marketplace for its capital for takeovers or for investment. It builds those funds into its own price structure. That amounts to taxation without representation. No one complains when prices reflect the production of goods at a reasonable profit, but when business does not go to the marketplace, and takes it out of largely administered price structures, because of the increasing corporation monopoly control which the larger corporations have gained, it is taxation without representation and there is no other word for it. The democracy of the marketplace in this situation is an absolute myth.

Takeovers in Canada came to $55 billion for 1976 to 1981. This means an additional $20 billion or more in business debt. Mergers are just not productive and there is nothing in the market system to justify them or make them desirable, not the large corporate mergers which we have seen increasingly in recent years. Of course, some of our economic problems are imported from the United States. Its federal debt passed the trillion dollar mark in 1981. However, since 1975 it has spent more than $650 billion on arms. The increase in its massive federal debt is mainly caused by arms expenditures. On that

point, Mr. Speaker, it is interesting to note that the new Leader of the Conservative Party, its new messiah, has been advocating, along with his caucus colleagues, ever-increasing defence expenditures in Canada, which again will create some of the same kind of problems, albeit on a smaller scale, as has been the case in the United States in the last few years where the Reagan administration has found that its promises just cannot be brought to bear fruit, largely as a result of it. Some of that business has come to Canadian firms, but it is all play money. Billions of these dollars have been pumped into both economies, but there has not been a corresponding increase in goods. This puts great inflationary pressure on prices. There is too much money chasing too few goods, in the classical term. The merger boom has helped raise interest rates through increased competition for large amounts of capital. In other words, the high interest rates which have driven many Canadian small businesses, farms and home owners into bankruptcy, have happened because those very same ordinary Canadians, normally productive, have been forced to foot the bill for corporate mergers. These mergers will in turn make things even worse for them and drive even more of them out of business.

That is the kind of problem we face with the kind of economy we have seen in Canada and in many other countries over the last few years. The myth of a free enterprise society in a country which is rapidly becoming a corporate society and a corporate state is just a myth. It is a fairy tale. As long as the Government, the Official Opposition Party and the people act as if the fairy tale were true, we will continue, I submit, to get deeper and deeper into debt and deeper and deeper into severe trouble, both in our economy and as a society.

Home owners trying to renew their mortgages cannot compete with Seagrams, Dome Petroleum or Petro-Canada. We cannot control inflation in the United States, but we can put our own house in order. If we let companies continue to merge as they wish, we must prohibit them from passing on the additional cost to the public. Let the billions come out of dividends. If shareholders know they will have to pay directly and immediately for their lust to acquire, it might slow them down. That would help bring down both inflation and interest rates. The Government has subsidized the takeover game and we can no longer expect ordinary Canadian wage earners, small business people, farmers and consumers to pay for it.

● (1740)

There has also been a lot of talk during this debate from both sides as to the strategies we must follow. I would like to touch for a few brief moments on some of the strategies we have followed which were endorsed, both implicitly and explicitly by both the Liberal Government and the Conservative Opposition.

Mr. Blenkarn: What?

Mr. Kristiansen: Northeast Coal in British Columbia.

Mr. Blenkarn: What has that got to do with—

Mr. Kristiansen: That company, again supported by the B.C. Members of the Conservative Party, hand in hand with their Social Credit allies—they do not like to hear the truth, Mr. Speaker. To quote from a recent article in a Canadian Press story—

Mr. Blenkarn: How about the EDC?

Mr. Kristiansen: —it says:

> On the eve of the formal opening of two more coal mines in western Canada, an independent report has forecast that one or more of the mines now operating or under construction in British Columbia will be forced to close within a few years.
>
> The report, prepared by industry analysts H.N. Halverson Consultants Ltd., nominates as the most likely candidates for closure 'new mines in remote locations'—the Quintette and Bullmoose Mines at the centre of the Northeast Coal project.

We are in the middle, Mr. Speaker, of spending well over $1 billion in public money, not to mention the private money, to create a huge edifice in northeastern British Columbia which is already outdated. The respective Governments were told by some of the top analysts in the field that this was totally outdated before they made the investment.

Another example, Mr. Speaker, was the pre-build pipeline. That was supported by the Liberal Government and the Conservative Opposition. Once again we have to say we told you so, but it would give us a lot more joy to say, "You guys were right and it is working out." But you threw away whatever leverage or bargaining power we had. We are now in a situation, as reported in the *Ottawa Citizen:* "Don't blame us for gas problems, Americans told". Canadian Ambassador Allan Gotlieb:

> —speaking to a luncheon meeting of the American Gas Association in Washington, said the Canadian Government has become concerned at some of the punitive measures being put forward in the U.S. Congress against imports of Canadian natural gas.

Not only was there not an ironclad agreement, not only did we throw away our leverage, not only are we exporting our cheap gas instead of providing the right of way for a pipeline so the Americans can burn their own Arctic gas, the Americans are now saying that because the gas was fixed at a cheap price we are undercutting some of their own gas production and they want to penalize us for that. That is the fault of the Conservative and Liberal Parties, tweedledum and tweedledee.

Some Hon. Members: Oh, oh!

Mr. Kristiansen: They advocated that as a joint policy, just as they and their friends advocated Northeast Coal.

Mr. Blenkarn: What has this got to do with EDC?

Mr. Kristiansen: They are both a flop. Both Parties and both projects are a flop, and they should have known. We do not know anything, of course; we are New Democrats.

Some Hon. Members: Hear, hear!

Mr. Kristiansen: We are the ones who told them that the oil and gas companies were lying in the early 1970s, and they

said, "Who do you think you are?" "Who does Tommy Douglas think he is?", they asked. Two years later when the whole thing fell apart, they are sitting there red-faced and they cannot understand. They are the biggest bunch of absolute phonies in the world, and that is a polite phrase. I only wish some of the people in the media would read their own newspapers of a few years back.

Mr. Blenkarn: How about you reading the Bill?

Mr. Kristiansen: They would realize that while some of us are certainly not infallible, every once in a while we know something about the marketplace that they fail to understand and appreciate, that it is not a fairyland where you can give away what you have, have no bargaining power left, and then have the right to complain because somebody takes you for a ride. We are constantly being taken for a ride. These guys over here, the Conservatives, and those guys over there, the Liberals, have been the drivers who have taken us for that ride into the sorry situation in which we find our economy today.

Mr. Blais: Who is introducing this Bill?

Mr. Kristiansen: Maybe the Government wants to atone for its sins. Maybe it is going to turn over a new leaf and behave in a little more accountable and responsible way. But you will pardon us, Mr. Speaker, if we have to see it to believe it. We have been a long time waiting.

While the Conservatives and Liberals have joined in one megaproject boondoggle after another, projects which have collapsed in our faces, most regrettably those of the people of Canada, they have continually neglected over decades and decades and decades the renewable resources of this land, the forest industry in particular. Again, it is many small companies in that industry which need assistance from the EDC and other agencies of Government because they do not have the wherewithal to seek out many of those specialized markets in Europe, the Middle East and other places, in many cases where the purchasing companies are willing to put the capital up front. Those smaller companies, which are lean enough, hungry enough and adaptable enough to be able to cut their product to suit those markets, do not have the facilities to seek those markets out. They need that kind of assistance and require financial assistance in start-up costs, modification costs, so they can meet the markets many of us know are there.

I have had, Mr. Speaker, many examples in my own electoral district, certainly in the adjoining ones, of small private companies which made it during this period when the giants were flopping and failing, the giants which have been traditionally favoured by both the Government and representatives of the Official Opposition whether in Ottawa or the various Provinces. I have seen them make it because they are willing to adapt. They are willing to go out as much as they can with their limited resources, change their production line and their measurements. They will go to metric, imperial or whatever. They will cut one foot, two foot, three foot or whatever is required in order to adapt to the market as it exists. They do not sit back on their fat rumps like a lot of the majors have done in the forest industry over the last few years and say, "Come to us". Markets do not just come to you, especially in lean times. They got so used to being big and fat when times were great and they sat back and said, "We are just going to cut for volume. To heck with quality. To heck with having to modify our industrial plant to meet whatever demands are there." So they have collapsed.

If it were just those corporate managers who had to suffer, Mr. Speaker, well, they made the decisions and they have the right to suffer. But there are 300 communities across this country who have suffered terribly from the consequences of their decisions. There are hundreds of thousands of working people and small businesses which provide the machinery and support services those companies traditionally require, and they have been the ones which have had to suffer. Just as the ordinary consumers and farmers and small business people and homeowners of Canada have had to suffer through interest rates and inflation for which corporate mergers and the arms budget in the U.S. were in large part responsible, so are the service industries and small business people in 300 communities across Canada being asked to pay the price once again for decisions that they had no part whatsoever in making.

I would like to conclude simply by saying that one of the things that we have to address, if we are talking about the nature of the economy we must have if we are to adapt and not serve just some mythical target but the needs of the Canadian people, is to decide whether we want an accountable society with decentralized power-structures where people from all walks of life have a more direct say in governing their communities, their resources and their means of livelihood. In that way they can ensure the decisions made meet their needs and not just self perpetuating corporate managers. Or do we want a society in which an increasingly concentrated and monopolistic corporate big daddy, through its Government agents, be they Liberal or Conservative, decides what is best for him with the interests of the people and the nation as an afterthought? Those are the two choices facing Canadians. It is, fundamentally the choice, represented broadly—though we are not without sin—between the NDP on one side of the argument and the Liberals and Tories on the other. No matter what legislation the Government passes, if it does not decide that it will make the economy work for people rather than have the people work for the economy, it will fall flat on its face. The ordinary people of Canada are the ones who will be continuously asked to pay the price. They have paid enough. It is time the Government gave them a product that was worth it.

● (1750)

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, it was certainly interesting to listen to a Member of the New Democratic Party, the Hon. Member for Kootenay West (Mr. Kristiansen), tell us how, if his Party formed the government, and heaven help us if it ever did, it would do away with business. Could one imagine what would happen to this country if the NDP did away with all business? It is against business and against profit. What a mess we would have. I am glad the Hon. Member mentioned the name of Tommy Doug-

las. Hon. Members should remember what happened in Saskatchewan under Mr. Douglas. There was once a boot factory, a shoe factory, a glue factory, every type of factory under the sun, and every one of them flopped. It was a total disaster. He spoke of what Mr. Douglas will do. Mr. Douglas is a big multinationalist. He is on the board of—

Mr. Deputy Speaker: I hesitate to interrupt the Hon. Member, but I would call to his attention the Bill before us, Bill C-110. While there has been some leeway with regard to subject matter, the Hon. Member does appear to be straying a bit.

Mr. McKenzie: I hope we will not have a double standard here, Mr. Speaker. There was much talk of investment and where investment is going, and I would like to make some comments. I have figures going back to the time of the prior Government in Manitoba, from 1969 to 1977, concerning the amount of investment that was driven out of the Province, either into Alberta or into the United States. I have also seen the amount of investment money that these people across the way have driven out of this country, in the billions. It is reducing in amount now, because there is nothing else left to go.

I was recently on a trip back to Winnipeg and I had a conversation with a developer. He works out of Winnipeg at Toronto. All his work is in Texas, Louisiana and Florida. That is where all the investment money is going. There will never be any economic recovery in this country as long as we have this Liberal bunch in, I can guarantee that, because they cannot attract investment. All they do is drive it out of the country. I was also reading a recent trade magazine and found that Kentucky advertises itself as being the eleventh Province. It stated, "Come to Kentucky, where profit is not a dirty word." That is what these people have done to this country. I have seen other examples in Manitoba of the New Democratic Party getting into the Chinese food business and what have you, and that folded up also.

The Export Development Corporation is one of the many Crown corporations which has a highly inefficient operation. For example, in 1982 the Export Development Corporation's 613 employees had loan transactions with 62 companies and placed slightly in excess of 900 separate insurance policies. How many banks have ten employees for every loan customer? How many insurance companies in the private sector issue insurance policies at an annual rate of one and one half policies per employee?

The Government makes money on its export insurance coverage, but fails to market the insurance adequately. Only a small handful of corporations received the benefit of the Export Development Corporation's export subsidies. Little is being done to expand this circle. The Export Development Corporation's actual profit last year was $1 million on capital of $691 million, a rate of return of one-tenth of 1 per cent.

To quote from the Economic Council of Canada's report, "Intervention and Efficiency", "Government assistance should be of a temporary nature. But each year, as time goes by, the names of the firms receiving assistance from the Export Development Corportion become more and more familiar." Sixteen companies received half of the 415 loans to 138 identified companies authorized by the EDC between 1969 and 1980. One of them received 40. One Crown corporation, Atomic Energy of Canada Ltd., which led groups of exporters in negotiations of turnkey projects related to the sale of Candu nuclear reactors, received 25 per cent of all the financing authorized by the EDC during that period. Over-all, six companies received half of the total value of loans authorized by the corporation during those years. Therefore, leaving aside the AECl, the number of companies that received half the total amount of loans authorized over the period is 19, still a small figure. The report questions, "Could it be that these exporters have not yet reached maturity? One is rather tempted to believe that, for these firms, the subsidy has become a form of permanent assistance."

Last year the EDC lent or facilitated bank financing in the sum of $2.5 billion. Of that amount, $1 billion went to Bombardier, $200,000 went to de Havilland, and $100,000 to Spar Aerospace. Thus, three of the 62 comanies that received EDC financing last year received more than half of the total money.

The EDC has not always conducted transactions that are in the best interests of Canadian taxpayers and their children. The EDC has financed Inco Developments in Indonesia and Guatemala, thus jeopardizing jobs in Sudbury and Manitoba.

The EDC has financed forest development projects in Mexico, Poland and Peru, developments that will compete with Canadian forest products. The EDC helped to finance the construction of a monument to the Algerian revolution. Is that not a high priority?

At a time when Government borrowing costs were in the range of 16 per cent, the EDC arranged a 9.7 per cent loan of $563 million U.S. to assist Bombardier in the sale of subway cars to New York City. Forty per cent of the jobs created by this deal are in the United States.

Often the EDC will be indecisive or will not match a foreign country's offer. A March 29, 1983, *Globe and Mail* article stated, "A Canadian company has lost a $70 million (U.S.) export order to build an iron foundry in Saudi Arabia because the federally financed Export Development Corporation could not match private European financing terms".

The EDC is supposed to aid Canadian exporters by subsidizing export financing. However, the agency's requirements for financial guarantees from the buyer were so stiff that with the guarantees, Stell Technology Limited of Burlington, Ontario, could have borrowed the money more cheaply from a commercial bank.

Mr. Deputy Speaker: Order. It being 5.59 p.m., pursuant to order made Friday, September 23, 1983, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the motion now before the House.

All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Nielsen: On division.

Mr. Deputy Speaker: I declare the motion carried on division.

Motion agreed to and Bill read the third time and passed.

Export Development Act

Mr. Deputy Speaker: It being 6 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, September 28, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

WORK OF CANADIAN DAIRY COMMISSION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, since Monday, a number of questions have been asked about the Canadian Dairy Commission, and more specifically about the chairman, Mr. Gilles Choquette, and his trips abroad to promote sales on behalf of the Commission. I was very surprised to hear these questions about the Canadian Dairy Commission, our dairy policy and our milk exports and sales abroad. When we meet representatives of agricultural organizations, they all tell us that we have the best dairy policy in the world, and that the quota system, established in 1976 and improved since then, is a very good policy.

Madam Speaker, we produce a lot of milk in Canada, and we have to sell it outside the country, because Canadian consumption is not sufficient to absorb production. It is clear that this year, the Canadian Dairy Commission, thanks to its chairman, Mr. Choquette, has done excellent work. It was able to sell $313.5 million worth of milk abroad, spending about $60,000 on travel expenses.

Madam Speaker, we have a very colloquial expression for saying that if you want to be effective, you must have foreign markets. Marketing means being aggressive, and export sales involve a lot of hard work. Now, if we spend money on promoting sales and we have enough money and—

Madam Speaker: Order! Order!

* * *

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

DEGREE OF CANADIAN COMMITMENT

Mr. Ron Stewart (Simcoe South): Madam Speaker, on Monday the leaders of two of NATO's most important member nations spoke of the need for tough action to counter the growing Soviet threat to world peace. The British Prime Minister proclaimed that aggression must never be allowed to pay and that it is time for freedom to take the offensive. The American President warned that we cannot count on the instinct for survival to protect us against war. However, our Prime Minister (Mr. Trudeau) believes that the survival of our species depends on the courage and wisdom of nations and their leaders. Does he truly believe that courage and wisdom will stop the Soviet threat any more than appeasement stopped Hitler?

The Prime Minister signed a friendship protocol agreement with the U.S.S.R. in 1971 and proclaimed that Canadians find themselves living within a constitutional framework with a formal structure similar to that in the Soviet Union. He has also stated that he would choose Cuban or Chinese socialism as the national model for Canadian society, and he has led communist delegations to Moscow and Peking.

Is this why Canada ranks thirteenth out of the 14 NATO nations in defence spending? Is this why the Prime Minister vacillated for months before announcing a boycott of the Olympics after the Soviet invasion of Afghanistan, and why he has been silent in the House on the Soviet destruction of a Korean airliner?

I call upon the Prime Minister to rise in his place and declare Canada's commitment to NATO's efforts to match Soviet might with western might, or to state whether he is in fact still a communist sympathizer.

* * *

THE PRESS

REPRESENTATIONS BY MINISTER'S OFFICE OVER PUBLICATION OF CARTOON

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise to draw to the attention of the House what I consider to be a very serious example of interference with freedom of the press by the Minister of Consumer and Corporate Affairs (Mrs. Erola). Recently an article and cartoon appeared in a newsletter published by the Native Women's Association of Canada which depicted a massacre of Indian peasants by government troops in Guatemala. The cartoon was in fact drawn by an Indian child who had survived this massacre.

The office of the Minister of Consumer and Corporate Affairs blatantly interfered with freedom of the press by contacting the office of the Native Women's Association of Canada and suggesting to this organization that perhaps the cartoon did not reflect the policy of the Government of Canada. The Minister in question, Madam Speaker, indicated

that she felt that the cartoon was not in particularly good taste and was not relevant to that particular magazine.

I do not think that I have to remind Members of the House of Commons that in a free society, a society with freedom of the press, it is political thuggery for a Minister of the Crown to contact an organization about a newsletter which is partly government financed and suggest to that organization that she does not approve of their editorial policy, whether it be in cartoons or elsewhere. This is particularly serious in light of this Minister's responsibility for implementing the recommendations of the Kent Commission and bringing forward legislation that could touch upon freedom of the press. I am sure all members of the House would join with me in condemning this very heavy handed action—

Madam Speaker: Order, please. The Hon. Member for Sarnia-Lambton (Mr. Cullen).

* * *

CANADIAN ARMED FORCES

FUNDING OF SECOND CAREER ASSISTANCE NETWORK

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I would like to call to the attention of the House the fact that every year over 4,000 servicemen leave the Canadian Armed Forces because of compulsory retirement provisions or medical problems. The vast majority of these men and women are between 40 and 50 years of age, with some having only a primary school education. These service people may find themselves at the termination of their service with few marketable skills in Civilian life. The individuals who are fortunate enough to learn a skill will find that only one-third of the 110 trades available within the Armed Forces are recognized by provincial trade associations.

● (1410)

Serious consideration should be given by the Government of Canada to a meaningful increase in the funding of the second career assistance network currently administered by the Department of National Defence, along with a redirection of that program to assist those who face the greatest difficulty instead of those individuals who are easiest to place in civilian life.

At the same time the Government of Canada should consider, as a priority, the establishment of a Canadian Armed Forces technical school that would meet the educational requirements of the Provinces in skilled training and assist Canadian industry in averting shortages of skilled labour in the 1980s.

INDUSTRY

COST OF ESTABLISHING HELICOPTER MANUFACTURING IN PROVINCE OF QUEBEC

Mr. Girve Fretz (Erie): The late Right Hon. John Diefenbaker once made the following statement, "I have but one love, Canada; one purpose, its greatness; one aim, unity from the Atlantic to the Pacific." These are indeed inspiring words—words which should be brought to mind regularly.

As a Member of Parliament, I feel it incumbent upon myself to bring up issues which affect the lives of Canadians and the unity of the country. Madam Speaker, the issue is one of fairness. In order for citizens to regain feelings of unity and harmony within Confederation, people in every Province must feel that they are receiving their share of the benefits from the federal Government.

The Hon. Member for Outremont (Mr. Lalonde) once spoke of the Liberal team in Quebec as one that will promote the interests of all Quebecers and indeed, all Canadians. If the Liberal Party is one that serves all Canadians, then why does the Government intend to set up helicopter manfacturing facilities in Quebec at a cost to the taxpayers of Canada of $500 million? This decision was taken despite the fact that alternate, cheaper facilities are available.

Fleet Industries in Fort Erie, a firm with a reputation as an aeronautical pioneer, can provide the same service with start-up costs of only $35 million. Not only that, but many more jobs would be going to Canadians. Bell is an American firm, whose R and D will take place primarily in the United States. The proposal by Fleet Industries of Fort Erie will bring more jobs to Canadians and will cost much less.

I challenge the Minister of Industry, Trade and Commerce (Mr. Lumley) to provide documentation showing that, job for job and dollar for dollar, the Bell proposal is a superior one—

Madam Speaker: Order, please. The Hon. Member's time is up.

* * *

BILINGUALISM

FEDERAL FUNDING OF SECOND LANGUAGE EDUCATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, between 1978 and the present the federal Government has reduced its commitment to the Provinces for funding second language education, with the result that the Provinces are putting up more and more of the costs. What this means is that the number of students who can be educated in their second language, and the number of Canadians who can be employed in assisting Canadian children to become bilingual, declines dramatically.

Yesterday, the Prime Minister (Mr. Trudeau) announced that "Co-operative federalism is dead—and will remain dead in the sense that the federal Government is expected to hand money over to the Provinces for them to spend in any which

way." In this case, the cuts in federal funding in real terms would imply that, if co-operative federalism is dead, it is the Trudeau Government that has killed it.

If the Government believes that one of the hallmarks of the particular nature of federalism in Canada is the commitment of all citizens to a bilingual country, then it will have to explain how it expects Canadian citizens to support and entrench official bilingualism when, at the same time, the federal Government cuts funds for bilingual education and makes it more and more difficult for Canadian children to become competent in their second official language. We in the New Democratic Party urge the Government to commit itself to long-term funding for bilingual education.

[*Translation*]

If the federal Government is serious about bilingualism in Canada, it must take the necessary action and grant financial assistance to schools, across Canada, in order to achieve this goal.

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[*English*]

CANADIAN BROADCASTING CORPORATION

HIRING OF AMERICAN MARKETING ANALYSTS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, Funk and Wagnall's dictionary defines irony as the reverse of what is expected. I have just learned of a situation which Canadian taxpayers will agree is not only dripping with irony—it is bizarre.

CBC's AM station in Edmonton, CBX, has experienced a serious decline in audience ratings recently. Listeners prefer Ron Collister's talk show on CJCA, or Standard Broadcast News coverage on CFRN. At any rate, the high-powered commercial competition in Edmonton was apparently too much for mother corporation.

The CBC's answer was to hire media marketing consultants to lure listeners to CBX, to gear up for ratings week, which is happening right now in Edmonton. The slight problem is that the CBC hired two, possibly three, market analysts from Chicago, Illinois. At heaven knows what expense to the Canadian taxpayer, the firm of Reimer and Gerson spent several weeks surveying 18 to 35 year olds in the Edmonton market.

I find this astonishing and shameful. Surely the hundreds of millions of dollars we taxpayers pump into the CBC could produce either corporation expertise or, at least, Canadian media marketing talent to survey Edmonton or any other place in Canada.

The irony of this situation is that the CBC, with its pronounced nationalistic and anti-U.S. bias, should go to the Americans to tell Canadians what we are all about.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

MINISTERS' TRAVELLING EXPENSES—GUIDELINES GOVERNING USE OF EXECUTIVE JETS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Acting Prime Minister. In view of the incredible revelations over cabinet flights using one of the two government fleets—just Transport, not Defence—which cost Canadians over $10,000 per day for a given 100-day period, could the Acting Prime Minister please advise this House what guidelines, if any, govern the use of such executive jets, and will he give a commitment to table them in the House forthwith?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, the guidelines are very well known. They were tabled in the House in 1977. There have been a few corrections since, but they are purely procedural. I would be delighted to table the new set, if asked.

People should read the guidelines. It would be very useful if they did so, particularly those people who comment professionally on the subject.

May I just extract a few sentences? One of the criteria is, and I quote:

... substantial savings of essential time can be made by using departmental aircraft ...

The Leader of the Opposition, when he was at Iron Ore, had an aircraft because it was a way of saving his time.

Some Hon. Members: Hear, hear!

Mr. Pepin: This is quite normal, quite acceptable. It is getting the best for the buck you invest.

Mr. McDermid: You missed the point.

Mr. Pepin: Ministers are supposed to be seen from coast to coast regularly. People want to see them. They want to question them. So they use these aircraft to do that.

Some Hon. Members: Hear, hear!

Mr. Pepin: I will read another criterion:

In instances where Ministers are travelling with official parties of some size which need to travel together—

Mr. McDermid: Order.

Mr. Pepin: The article criticizes the admission of officials to these planes. Hon. Members on the opposite side who have been Ministers know that very often it is most convenient and necessary to have the officials with you because that is when you finalize your position or debate some aspect of the issues you are going to tackle at the other end of the trip.

An Hon. Member: Let's have a speech.

Mr. Pepin: As a principle, the use of private aircraft, I believe is quite defensible. No one should be ashamed of it. The Hon. Members on the other side, when they were on this side, used those planes extensively—

Some Hon. Members: Oh, oh!

Mr. Stevens: No, we did not.

Mr. Pepin: —and there is no increase in the use of the planes now. Sixty a month, twice a day, is the average in the last three years, I will grant to—

Madam Speaker: Order.

Some Hon. Members: Hear, hear!

Madam Speaker: I am sure the Minister will have time to complete his answer when replying to supplementary questions.

Mr. Nowlan: Madam Speaker, hopefully not at such length because we would like them tabled. Methinks the Minister protesteth too much. There are also people who think on this side that we went too far one way, just as the Government has gone too far the other way.

PURPOSE OF TRIPS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, along with admitting that sometimes it is necessary, can the Acting Prime Minister give us the justification for spending $10,000 per day for a Minister to go to a boy scout reception, or to fly somewhere to announce the design of a new postage stamp?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, this is where judgment comes in.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Pepin: This is why the whole thing is operated on a system under which the Minister who uses a plane has to tell the Minister of Transport, and sign a form, "I request the use of this airplane fully conditional to the guidelines established by the Department of Transport." It is run in that way. I repeat it, because I am quite proud of having said that. It is a question of judgment. To the people who were there in Edmonton for the ceremony announcing a new stamp, the presence of the Minister was essential. This is what made the event, otherwise it would not have been an event.

● (1420)

Some Hon. Members: Oh, oh!

Mr. Pepin: This is what happens all the time. When you do not answer these invitations, people at the other end are raging mad at you for not having given them the attention they thought they deserved and for not giving the event the importance it deserved to have. That is a question of judgment.

Some Hon. Members: Hear, hear!

Mr. Murta: What a crock.

REQUEST FOR MONTHLY PUBLICATION OF DETAILS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, without getting into the question of judgment, I must confess I am somewhat mystified.

Some Hon. Members: Hear, hear!

Mr. Nowlan: If the Minister's explanation is justified concerning the policy of shredding passenger lists after 90 days, if the Government has nothing to hide, why do people have to pay for something which does not have to be hidden? Will the Minister please make this information from both the Transport and Defence fleets public at the end of every month so we can remove the suspicion of cover-up by cut-up?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): There should not be any suspicion at all. If these things come out it is because of the Freedom of Information Act. These things have been known all along. Members of the Press know they have access to this information now, and if it is destroyed after 90 days it is not to hide anything, it is simply because by that time everyone knows about it.

The members of the Press—really, Charles Lynch can keep his own file. He has extensive files on all of that, and after 90 days if he does not have it in his file it is because he has not done his work—and he does his work.

* * *

CANADIAN DAIRY COMMISSION

CHAIRMAN'S TRAVELLING EXPENSES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a very specific question for the Minister of Agriculture which his Parliamentary Secretary refused to answer yesterday. Did the information concerning the Canadian Dairy Commission, which was tabled in Parliament last Friday, include all of the travelling expenses of the chairman of the CDC, including any free trips he accepted from people doing business with the Commission and any hospitality expenses, or were those expenses in addition to the $210,000 disclosed to Parliament?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the information tabled in the House, which the Hon. Member has, was given to me as authentic. I do not think he has to report anything to the Auditor General, the Comptroller or anyone, which was not reported there. I take it for granted everything necessary to be reported was reported because the expenses that the Hon. Member is talking about were checked by the Auditor General in the review that I requested.

Mr. Beatty: Madam Speaker, in the Minister's misleading answer he was completely correct on one thing—the Auditor General did conduct a comprehensive audit which pointed out that senior officials in the Canadian Dairy Commission were accepting freebies from people doing business with the Commission. The Minister was asked the specific question whether or not those figures were disclosed in the return tabled on Friday.

USE OF CHARTERED AIRCRAFT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, did the Minister personally approve the use of chartered aircraft by the chairman of the CDC, including four round trips between Paris and Algiers, two trips between Ottawa and New York, and one trip between Ottawa and Montreal? If he did, what was the reason chartered aircraft were used? Was it a matter of bad planning on the part of the chairman, or was it simply that he did not care about the expenditure of the public's money?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the chairman of the Commission has the responsibility to make sure that sales of dairy products are taken care of. No one in the world has a better system than we do, and no one has less supplies on hand than we do.

Some Hon. Members: Hear, hear!

Mr. Whelan: For the amount of money which has been spent selling dairy products in this very competitive world, where the U.S. has 689,000 metric tonnes of surplus product, and the European community has over one million—

Some Hon. Members: Answer the question.

Mr. Whelan: We have none unsold up until, I believe, June of next year. The Hon. Member knows that this is a very minute amount of money spent for travelling.

Mr. McDermid: That does not excuse his behaviour.

Mr. Whelan: The Auditor General pointed out some of these things the Hon. Member is talking about. If he took trips as guest of someone else, I am sure the Hon. Member has never been guilty of that. No one has ever been guilty of saying, "Do you want to come with me on a plane ride? I am going to give you a plane ride," et cetera. It is a common thing in the country today. People call it hitchhiking on the highway. I do not know how anyone is going to check out whether anyone gives them a ride in a car or this type of thing. But when we are speaking of flights on chartered aircraft and that type of thing, the information I have concerning some of the flighs, and I would have to check it further, is that he was a guest on a flight for which he did not pay anything to be a guest, and he did not charter the flight, either.

• (1425)

ENVIRONMENTAL AFFAIRS

ACID RAIN—IMPORTATION OF HIGH SULPHUR CONTENT COAL FROM UNITED STATES

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Acting Prime Minister in the absence of the Minister of the Environment. It concerns both the problems of acid rain and the need to create more jobs.

Is the Acting Prime Minister aware that the Province of Ontario imports, from the United States, 80 per cent of the coal that it requires, coal which has eight times the sulphur content, sulphur being the active producer of acid rain, as does coal coming from western Canada? If he is aware of this fact will he try to persuade Premier Davis, who is always speaking of the need to buy Canadian, to practise what he preaches, stop getting his coal from the United States and, instead, buy it from western Canada?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, perhaps because I have some past familiarity with these questions, I could respond to the Hon. Member. It has been the case that we in Canada have been pressing, both on the Provinces and on Governments outside Canada, namely, the United States' Government, actions which would lead to the appropriate level of emissions to control the problem of acid rain.

The approach we have always taken has been not to try to prescribe the methods of arriving at these objectives, but, rather, to establish the objective which is acceptable and then leave to the responsible jurisdictions whatever means they wish to pursue to arrive at that reasonable objective. Instead of trying to prescribe the means to establish what needs to be done, we leave to the responsible jurisdiction the means of arriving at it.

There is a context, under the Canadian Council of Resource and Environment Ministers, of committees which leads the federal Government to be in continual discussion with all of the Provinces, including Ontario, concerning how to respond to the needs of bringing down the Canadian emission level which will lead to safe results. The whole question involving utilization of coal and the kind of coal has been an essential matter within those discussions.

Mr. Broadbent: Well, so much for bafflegab.

COAL BOUGHT BY ONTARIO HYDRO

Hon. Edward Broadbent (Oshawa): I will ask either the Minister who has just responded or the Acting Prime Minister to respond to the question. The reality is that the coal in western Canada has only one-eighth the amount of sulphur, which is the active agent in producing acid rain, as that of coal from the United States. Since we know that fact, and since we know there are thousands of unemployed miners in western Canada who would also like jobs, why does the Government of Canada not simply request the Premier of the Province of

Ontario to buy Canadian coal for Ontario Hydro? It is pretty simple.

Hon. John Roberts (Minister of Employment and Immigration): I think that the answer is reasonably simple also, Madam Speaker. The basic question involves the most cost effective ways of arriving at the desired result. Our impulse has always been to arrive at the desirable result and not to proclaim how provincial Government are to do so. It may be, as the result of a variety of factors, that there are alternative mechanisms, whether there are other technological processes, for instance, the use of scrubbers, the use of pyorrite rejection processes or whatever—but other means that are less costly of arriving at the over-all result.

I return to the basic point, that what we must do is to arrive at tolerable deposition levels, and that requires agreement on the part of both the Provinces and other Governments as to what the objective should be, and the means of arriving at it are within the jurisdictions of other Governments. It may be that—

Madam Speaker: Order.

Mr. Roberts: —the approach which the Hon. Member suggests is the most desirable one, but not necessarily so.

Madam Speaker: Order, please. The Minister is really extremely long, whether he is answering with respect to the environment or something else. I just have to warn the Minister that his answers must be shortened.

Mr. Broadbent: Madam Speaker, as usual, I agree with your ruling. The Minister, did not give us any answer at all on the environmental issue. I wish to ask the Acting Prime Minister a question on the same subject, but in terms of its job impact.

PURCHASE OF CANADIAN COAL ADVOCATED

Hon. Edward Broadbent (Oshawa): Considering the fact that Canada annually imports some 16 million tonnes of what is accurately described as "dirty coal" from the United States, if we purchased that coal for use in central Canada from western Canada instead, we would produce thousands of badly needed jobs. Why does the Government of Canada not take this action which would provide jobs, deal with the environment, and also provide needed east-west Canadian trade?

● (1430)

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, I thought the Minister of the Environment answered the environmental aspect of the question very well. He did it twice to make sure he got his point across. The other question raised by the Member—and that is the disadvantage of having two questions rolled into one—was why does central Canada not buy coal from Canada instead of buying it from the United States. The answer to that is very, very simple. Economics. It is found that it is cheaper for us to import coal from the U.S. into the central part of Canada and to produce coal and export it to Japan and anywhere else for the West Coast.

Mr. Chrétien: And we need railways too. We need the Crow.

Mr. Pepin: We do the same with respect to oil. Canada is the only country in the world that imports oil at one end and exports it at the other end. Economics, my dear Watson.

* * *

TRUST COMPANIES

REFUSAL TO REWRITE MORTGAGES AT LOWER RATES

Mr. Bill Kempling (Burlington): Madam Speaker, on June 14 last I asked the former Minister of Consumer and Corporate Affairs a question regarding the activities of several trust companies and their refusal to rewrite mortgages at a lower rate upon the payment of three months' interest penalty. The Minister replied in part, as reported at page 26340 of *Hansard*:

> It is a situation that should not be allowed to occur, and I can assure the Hon. Member that my officials are, at the present time, making representations to the companies concerned with a view to correcting this situation.

What have the officials of the Minister of Consumer and Corporate Affairs done to stop this massive rip-off? Why is she keeping secret the report she has prepared on Canada Trust, one of the major players in this rip-off?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, the answer is very simple. The report has not been presented to me. The investigation is still under way.

I might add that I am disappointed that the practice still continues and that many of the trust companies, indeed some of the banks, are continuing the practice. I have great sympathy for those people. I can assure the Hon. Member that when all the facts are known they will be public.

PROTECTION REQUESTED FOR HOME OWNERS

Mr. Bill Kempling (Burlington): Madam Speaker, my supplementary question is for the same Minister. The massive correspondence that I have on this subject indicates that the trust companies declined to write into the mortgage contracts a three-month penalty clause, stating that it was unnecessary because it was standard in the industry. What is the Minister doing to protect the more than 750,000 Canadians who are being held at ransom by a handful of unscrupulous trust companies?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, the Hon. Member knows very well that if there is something specific to be done it would be through the Interest Act. Is he suggesting that we amend the

Interest Act? If so, I wish he would make his policies very clear on this point.

Mr. Epp: What are yours?

Mrs. Erola: In the meantime I can assure him that we are investigating these charges and that we are taking a very close look. The report is not yet available at the moment. It has not been made to me, but I can assure him again that every case that is brought to my attention will be investigated.

INVESTIGATION OF POSSIBLE CONSPIRACY

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the same Minister and follows along the lines of that of the Hon. Member for Burlington. As the Minister is aware, there has always been a long-standing tradition in this country of being able to prepay a mortgage upon meeting a three-month penalty clause. Last Fall that policy changed as a result of corporate decisions. I am talking about Canada Trust, Royal Trust, and National Trust. Has she instituted any investigation through Combines Investigation with respect to a potential conspiracy which may offend the provisions of that Act?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Madam Speaker, we have. In fact I was just talking about that very same examination that is currently under way. When that is completed I will make it public. I ask the Hon. Members, however, if there are other avenues they are suggesting, to let us hear them. Put them forward.

REQUEST THAT INTEREST ACT BE AMENDED

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is directed to the Minister of Housing who, I know, is very sympathetic to the plight of mortgage holders who are undergoing a great hardship. I ask him whether or not he is sympathetic and whether it is the policy of his Government that the Interest Act ought to be changed so that at the end of two years instead of five years people can get out of their mortgages by prepayment of a three months' penalty?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, while I am very sympathetic to the issue as presented by the Hon. Member, I must say that I would have to reflect on the implications of what he has suggested since one of the goals we are trying to achieve is longer mortgages. We are in fact trying to come up with a policy which would, in part, answer the Hon. Member's preoccupation, on longer term mortgages. Of course I would support what would protect those who take mortgages, and I hope that the financial institutions, as the Minister of Finance has indicated, would be reasonable in their approach to their clients.

CRIMINAL CODE

COMMITTEE RECOMMENDATIONS ON SUBJECT OF STREET PROSTITUTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Justice. It relates to the Government's and particularly the Minister's lack of action in the area of street soliciting and prostitution. He will recall that his response at the end of June this year was totally unsatisfactory and was met with great rejection across the country. In fact his predecessor, the former Minister of Justice, the Hon. Ron Basford, has stated that he totally disagrees with the Government's position on prostitution.

After reflection over the summer, will the Minister not now consider allowing the recommendations of the Standing Committee on Justice and Legal Affairs to go forward by way of legislation in the House so that we can deal with something that is a problem across the country?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I announced the Government's policy on this matter at the beginning of the summer. We are hoping to have the co-operation of Parties opposite in getting legislation to amend the criminal law passed in the new session of Parliament.

In the meantime, the committee that I have appointed to look at the matter of prostitution and pornography is very actively involved in its work. We are awaiting the work and the report of that committee. I hope they will be able to help us in either determining or creating what consensus may exist in Canada with respect to the solution of this difficult problem.

Mr. Hnatyshyn: I believe the Minister is showing his academic side rather than his political side. I think the people of Canada want action now. This matter has been studied to death. They do not need another commission going around the world looking at red light districts and the flesh pots of this planet.

CHILD PROSTITUTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, specifically as it relates to child prostitution and specific recommendations made by the committee, will the Minister not bring forward those amendments that were suggested by the committee to make it a criminal offence to be involved in prostitution with children under the age of 18 years of age? Will he not at least bring forward that particular amendment?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the Hon. Member may think he knows what the people of Canada want, but in fact there is a good deal of public division on this question. In fact there was division on his committee—

Mr. LeBlanc: Within his own Party.

Mr. MacGuigan: And within his own Party undoubtedly, as well.

With respect to child pornography, there is a very important study being done by Dr. Badgley. We hope to have that report on all aspects of children and victims of crime. We will certainly be prepared to proceed with legislation at the proper time. We hope to have that report early in the new year.

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FISHERIES

FUTURE OF NOVA SCOTIA COMPANIES

Miss Coline Campbell (South West Nova): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. It is my understand from rumours that the Minister will be meeting with Premier Buchanan tomorrow on the problem of Nickerson and National Sea Products. Is the Minister planning to propose to the Province the nationalization of these two companies? If so, what will he do to protect the position of all the other smaller companies across Nova Scotia and other Maritime Provinces caused by such an influx of capital into these companies? If not, will he allow private enterprise in Nova Scotia and other areas to pick up the assets of these two big companies?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, the last part of the Hon. Member's question asked, in effect, if the Government would allow the small processing companies in Nova Scotia to buy the bigger ones which have financial difficulties. My first comment is, of course, that this is a provincial responsibility. I am sure that neither the Government of Nova Scotia nor the federal Government would object to seeing the small companies take over the bigger companies.

Second, there is no question here of nationalization. What is even more important is that there is no question of bail-out. If we start giving hand-outs to big companies, the smaller ones—and rightly so—will say, "What about us? We want bail-outs and hand-outs". What I am trying to achieve with Premier Buchanan, and with Premier Peckford of Newfoundland and Labrador, is an equitable solution to a problem which could affect hundreds of small processors. If some big companies go under, of course there will be a depressing effect on all the different companies of the Atlantic region.

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EMPLOYMENT

REQUEST FOR FORESTRY JOB-CREATION PROGRAM

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Hon. Minister of Employment and Immigration. In view of the continuing 22 per cent unemployment among Canada's young people and the growing concern about dwindling timber resources for Canada's No. 1 industry, I find it incredible that the Government has not yet announced a comprehensive, long-term plan to provide jobs in forestry at decent rates of pay. As EBAP forestry projects wind down at the end of this month, the Government has nothing substantial to put in their place—

Madam Speaker: Order, please. The Hon. Member should ask a question.

Mr. Manly: Instead of flying kites about a possible "youth corps" or "conservation corps" that may or may not be in the new Throne Speech, I would like to ask the Minister when he will meet his responsibility to our young people. When will the Government meet its responsibility to the forest industry and bring in a job-creation program which is not simply makeshift but will pay real dividends in the future?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I wish the Hon. Member opposite were more in touch with the facts than he obviously is. Youth unemployment is not at the level he has described. It is under 20 per cent.

Some Hon. Members: Oh, oh!

Mr. Roberts: Second and more important, in relation to the subsequent question he posed the Government has already undertaken considerable efforts in the forest industry across the country, particularly in British Columbia and particularly with the utilization of Section 38 funds to create employment in the forest industry and to undertake work which is important in terms of the long-term interests of that industry.

The third thing the Hon. Member should know, but seems not to know, is that it is the provincial Government of British Columbia which withdrew from The Employment Bridging Assistance Program. The federal Government made up the provincial Government's shortfall in that program. Even though the program is supposed to come to an end very shortly, we are considering ways of supplementing it. His real criticism should be directed against the Government of British Columbia which has pulled the rug out from under the programs we have sponsored for direct and special assistance to the forest industry.

CANADA WORKS PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my supplementary question is directed to the same Minister. Would he agree that the British Columbia Government has cut back the social services programs and that in fact the federal Government has pulled the plug as well, because in the Canada Works Program money going to private initiatives means less money for social services? Would the Minister agree that he in fact pulled the rug from under social service programs which he was funding? Second, would he try to make one change which I will suggest to him, that is, allow co-operative business to get some of the Canada Works money?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, in answer to the first part of the question, absolutely not. As I have just said, the fact of the

matter is that under a variety of programs we have been and are continuing to be of considerable assistance. It is not the fact that the federal Government has pulled the rug out from underneath the support of job creation in the forest industry. That is the reverse of the truth. It is in fact the British Columbia Government which has reneged on some of those programs.

The answer to the second part of the question is no, it is not the case that we have reneged on the possibility of using Canada Works funds in social and community projects. It is true that we have opened up Canada Works to programs which encourage and assist the private sector in creating jobs. I do not know whether the Hon. Member is opposed to using the private sector to create jobs in this country. I sincerely hope not because that would seem to me to be an incredible—

Mr. Waddell: That is fine.

Mr. Roberts: He says fine. Then he should be endorsing our programs, not criticizing them.

Mr. Waddell: But don't take it from the other sector.

* * *

CRIMINAL CODE

CHILD PROSTITUTION—EXISTENCE OF INTERNATIONAL RING

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Justice I will direct my question to the Acting Minister, the Solicitor General. The Minister of Justice has already told my colleague, the Hon. Member for Saskatoon West, that he has rejected specific recommendations by the Justice Committee which would make it a crime for adults to buy sex from juveniles. In light of the fact that B.C. law enforcement agencies say that there is an international "chicken hawk" ring in existence, ranging from Los Angeles to Vancouver to South Africa, in which the "chickens", or juveniles under 18, are preyed upon by the "hawks", or adults, how can the Minister justify the failure of the Government to implement the Justice Committee's recommendations?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, as the Hon. Member knows, the Criminal Code in its present form provides penalties for involving juveniles in sexual activity. A legislative package is being brought forward by the Government now to toughen the laws in the area of prostitution. A commission has been established as well, and its terms of reference should have the support of Hon. Members opposite. I encourage the House to support the work of that commission which has already begun. It will deal with some of the controversial aspects of prostitution, and propose solutions to the House for legislation.

TRANS-BORDER TRAFFIC IN CHILDREN

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the Acting Minister. I should point out that the report to which he refers will not even be reported back to the Minister until December, 1984. In the meantime Vancouver law enforcement officers have in their possession 7,000 pictures of young people, some as young as 13, involved in the "chicken hawk" ring, plus an address book containing the names of the victims. Since some of these youngsters are from B.C. and others are from Los Angeles, what is the Minister doing to stop these trans-border transactions in young people?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member knows perfectly well that the type of activity she has just described is covered by the Criminal Code and that the enforcement of the Criminal Code is a matter within the jurisdiction of the Attorney General of the Province. From reports I have read in the media, action is being considered by the Attorney General in that area.

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THE ECONOMY

CONFERENCE BOARD'S GROWTH FORECAST

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Acting Prime Minister. Could he tell the House what we are to make of the statement of the Minister of Finance in Winnipeg yesterday to the Canadian Chamber of Commerce, in which he said:

> We are expected to have this year and next year the largest real growth of any of the summit countries.

The Conference Board release today indicated that growth in the United States this year will be 3.4 per cent and only 3 per cent in Canada, that growth next year in the United States will be 5.4 per cent and only 2.7 per cent in Canada, and that in 1985 it will be 3.1 per cent in the United States and 0.4 per cent in Canada. How do we justify this kind of misrepresentation by the Minister?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): I thought I got across yesterday, Madam Speaker, that one, or one set of statistics does not make the winter or the spring. I tried to convey the idea that one has to take his daily dose of statistics with a grain of salt. Today we have one indicating that job creation went down in August to 15,000 from 50,000 the month before. If we look at statistics for past years we find out that August is usually a static month. There is usually less growth of employment in August. I have my daily bread of statistics.

"Unless interest rates", says the Conference Board, "fall, recovery will peter out." That is one factor only. Inflation is coming down, and unemployment is coming down. They are other factors. This is why I feel a bit embarrassed to try to answer statistics in single file. The only way to assess the state of the economy in Canada is to put them all on a single page of paper. That is why I find it difficult to comment on only one.

Oral Questions

NEW PROGRAMS SOUGHT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Acting Prime Minister will know—and I think he is even agreeing with me in his statement, now having given some Conference Board figures—that the Conference Board has forecast sluggish growth and continued high unemployment. The real question all Canadians want answered is when the Government will stop fuddling around. When will we have some new programs or new attitudes? When will he take a look at some of the things which Mrs. Thatcher told the Prime Minister yesterday? If he will not do something along that line, when will he recommend to the Prime Minister that the House be dissolved and we go to a general election?

● (1450)

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, my hon. friend speaks as though we on this side of the House were totally satisfied. We are not. The Prime Minister and the Minister of Finance repeat that every day. There are a number of statistics and situations that we do not like. The Member speaks as though we are resting on our seats and contemplating the future. We are not doing that. We are working constantly to try to find if there can be improvements to the programs we now have. We do that on a regular basis. On the occasion of a budget or the announcement of new programs, we answer more specifically some of the problems we face. The problem of youth, for example, is an area on which we are now concentrating our thinking very substantially.

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TRADE

PROPOSAL TO EXPAND SECTORAL FREE TRADE WITH UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of State for International Trade. It concerns the paper "Canadian Trade Policy for the 1980s" which he introduced about a month ago. When the Minister was commenting on the paper, he said that we need more sector by sector free trade agreements with the United States. About 11 years ago one of his predecessors, Mitchell Sharp, said in a similar paper that the free trade option "was judged to be inconsistent with Canada's desire to preserve a maximum degree of independence". Can the Minister explain why Mitchell Sharp's arguments have been rejected by the Cabinet, and why they do not carry weight with the Cabinet today?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member is comparing apples and oranges, but I am delighted to see him interested in the vital field of expanding our trade opportunities. What Mitchell Sharp rejected and what the Government rejected was the question of total free trade with the United States or, if you like, a customs union. What I am talking about at the present time is an examination of sectors where a free trade arrangement might be mutually beneficial to Canada and the United States, as has proved to be the case in the automotive business over the course of the past 20 years.

Right now we are looking at the question of whether it would be of advantage in relation to jobs in Canada for us to have a free trade arrangement with the United States in specialty steel, or in textiles and garments. We are also looking at the question of mass communications equipment in cities. Another possible area of examination is the petrochemical industry. The people who are in those industries and who create the jobs believe that there might be some advantages in both of those fields. It may be that our American friends will have others to suggest, but what is at stake is the free access of particular products to the vast American market which overcomes the disadvantage that Canadian manufacturers have of a very limited domestic market.

GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, despite the wind, the Minister has not answered the question. I want to know why the federal Government is leaning away from the third option, the option to diversify our trade, which was advocated by the federal Government years ago, as well as by the Diefenbaker Government before that, in favour of a more narrow sector by sector approach with the United States at a time when, ironically, America's share of world trade and output is declining and the share of trade and output of other countries is on the way up. Why this shift at this particular time?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member should realize that there is no shift. If you are running a store, you want to sell to every possible customer, particularly to customers who have the money to buy the goods. We are seeking an expansion of our trade with the United States, trying to overcome any trade barriers by the lowering of tariffs so that we can get them in there better. That does not mean that we are in any way decreasing our pursuit of Pacific Rim opportunities where the ASEAN countries and other countries have very rapid rates of growth and, therefore, are becoming better and better markets. My attitude is, let us sell Canadian goods and services to the world wherever we can, keeping in mind that export markets are shifting targets. Therefore we must shift our efforts as the opportunities occur. That is why Canadian trade has grown from $17 billion in 1970 to $85 billion last year.

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NATIONAL DEFENCE

UPGRADING OF DISTANT EARLY WARNING LINE

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed to the Minister of National Defence.

Can the Minister confirm that the Government of Canada has been approached by the Government of the United States with a view to upgrading the DEW Line system at a cost of about $1 billion? If so, what has been the response of the Government of Canada, particularly to the request that Canada pay part of the cost?

Hon. J.-J. Blais (Minister of National Defence): Yes, Madam Speaker. In fact the Hon. Member sitting in front of the Hon. Member who posed the question addressed that same issue last week. An approach has been made by the American Government relating to the modernization of the DEW Line. The approach and the representations that were made for financial participation by Canada in that project are now under consideration. The Government of Canada has authorized my Department and myself to overview the ongoing negotiations. Of course the Hon. Member will understand that, until such time as those negotiations are completed, I will not be in a position to make any comments relating to their content, or to any of the positions we might wish to advance.

POSSIBLE CONTRACTS FOR MANUFACTURERS OF ELECTRONIC EQUIPMENT

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my supplementary question is addressed to the Minister of Supply and Services. If this $1 billion upgrading takes place, it will presumably mean that a great deal of electronic equipment will have to be bought. Is the Government considering any special plans which will ensure that Canadian electronics manufacturers have a good chance at the contracts which will be involved?

[*Translation*]

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I can inform the House that the matter of industrial spinoffs as a result of Canadian participation is one of the Canadian Government's major considerations in responding to the request made by the American Government. However, as I mentioned earlier, I hope the Hon. Member will understand that until negotiations have been completed, I cannot go on to reveal our basic considerations in these negotiations.

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[*English*]

CITIZENSHIP AND IMMIGRATION

THE CASE OF SIDNEY JAFFE

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have a question for the Secretary of State concerning Sidney Jaffe whose abduction from Canada is a matter of national and international concern. Is Mr. Jaffe a Canadian citizen and, if so, when did he apply for citizenship and when did he become a citizen?

Hon. Serge Joyal (Secretary of State): Madam Speaker, the Hon. Member raises a series of detailed questions which are indeed important. The request of the petitioner will be looked into in accordance with the provisions of the Citizenship Act. He will have an opportunity to state the reasons of his case and the judge will be in a position to make a decision. If there is need for an appeal, the Court of Appeal will look into the case in an appropriate manner.

GRANTING OF LANDED IMMIGRANT STATUS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is directly to the Minister as opposed to the Citizenship Act or the court. While the Minister is checking on that, perhaps he might inform himself as to whether the residence requirements under Section 5(1)(b) were waived in accordance with the provisions of Section 5, Subsection (3) or (4) of the same act, which is his responsibility.

I have a supplementary question for the Minister of Employment and Immigration. Were Mr. Sidney Jaffe and his wife accorded landed immigrant status? When was this done, and was it granted through regular procedure or as a result of ministerial intervention, such as a ministerial permit?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, this kind of detailed question could be more appropriately dealt with on the Order Paper. I will check on the facts and report to the Hon. Member.

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SHIPBUILDING

LEGISLATIVE ACTION NEEDED TO ASSIST INDUSTRY

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker in the absence of the Minister of Transport I will direct my question to the Deputy Prime Minister who, as a former Minister of Transport, will have knowledge. It concerns the Ways and Means Motion of June 29 of this year which, if passed, would tighten up customs loopholes and eliminate preferential duty and absence of duty on ships imported into Canada from other countries. What action is the Minister taking to bring forward this legislation as soon as possible in view of the fact that members of all Parties in the House, I believe, would give quick passage to it in the full realization of the urgency of this matter for the shipbuilding industry in Canada and the need for more jobs for this already hard pressed industry?

• (1500)

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, I will ask the new Minister of Transport what priority he is giving to that issue. I would not be well behaved if I did not do that. I will also find out if these measures were not applicable the moment that they were announced, which is also a possibility. Again, I will contact my hon. friend to give him that information.

[*Translation*]

PETITIONS

MR. CORBETT—APOHAQUI, N.B.—CHANGE IN MAILING ADDRESS

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Fundy-Royal (Mr. Corbett) does not meet the requirements of the Standing Orders as to form.

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[*English*]

EXTERNAL AFFAIRS

CONVEYANCE OF HOUSE RESOLUTION TO U.S.S.R. SUPREME SOVIET

Madam Speaker: I would like to report to the House the following: the resolution which was adopted following the emergency debate that was allowed by the Chair on September 12 directed the Speaker to convey the text of that resolution to the Presidium of the Supreme Soviet of the U.S.S.R. As I was directed, I asked the Chargé d'Affaires of the Soviet Embassy to present himself at my office so that I could deliver the resolution to him. He did come to my office on September 22, 1983, but informed me that he was under instructions not to accept the text of the resolution.

It is clear that I was and will be unable to communicate the text of that resolution to the Presidium through the usual diplomatic channels. I have, therefore, done my best to comply with the order of the House, and I must say to the House that, from the conversations that I had with the Chargé d'Affaires of the Soviet Embassy, my feeling is that the opinion of the Parliament was well understood by him and that possibly that opinion was conveyed to the proper authorities in Moscow.

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POINT OF ORDER

MR. HUNTINGTON—S.O. 21 STATEMENT OF MR. BURGHARDT—RULING BY MADAM SPEAKER

Madam Speaker: I would like to rule on the point of order which was raised yesterday by the Hon. Member for Capilano (Mr. Huntington). He is not in the House at the present time, but I think perhaps I can rule. He was raising objections about the statement under Standing Order 21 made by the Hon. Member for London West (Mr. Burghardt). My reading of that statement is that it was in order.

The Hon. Member for Yukon (Mr. Nielsen) is rising on a point of order?

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-155 AMENDMENTS

Mr. Nielsen: Madam Speaker, it seems that the Soviet Embassy is treating the Parliament with the same degree of contempt that has been accepted by the Secretary of State for External Affairs (Mr. MacEachen). However, that is not my point of order.

My point of order deals with items now standing on today's Order Paper, and it will be brief. I am raising it at this time in order to facilitate the orderly conduct of the business of the House which will arise tomorrow.

It is a well established practice of the House and one that is set out in Standing Order 79(10) that when a Bill first comes up for debate at the report stage, the Speaker has the authority to select and combine amendments for debate and often has cause to rule on the procedural acceptability or unacceptability of any or all of the amendments.

There are currently, Madam Speaker, as of today's Order Paper, some 145 notices of amendments to Bill C-155 standing on the Order Paper and, of course, there is the potential for still more amendments to be added prior to the consideration of the Bill tomorrow. I am concerned, as I am sure are the Chair and the officers of the Table, that the sheer volume of amendments for which notice has been given and the lack of notice that Members are given prior to the Chair's observations concerning the procedural acceptability of report stage amendments will combine to slow progress of debate on Bill C-155.

If I may, Madam Speaker, direct your attention to a ruling made at page 2651 of *Hansard* for March 27, 1973, by the then Acting Speaker, Mr. Laniel, I think that it will help to clarify the point that I am making concerning the consideration of Bill C-155 tomorrow. At that time, the Acting Speaker was ruling on the acceptability of five amendments that were put forward by Members of the Social Credit Party. He noted that Members had the undoubted right to comment on the procedural acceptability of their amendments but they should direct their observations on any given procedural point to all motions affected by a procedure, practice or rule at once rather than dealing with the amendments one by one. The Acting Speaker said, as reported at page 2651 of *Hansard*:

> The Hon. Member naturally has a right to comment on each of these motions. The Chair considers that the notices of motions are definitely interrelated, and I think therefore that I can say straight away, on my own initiative, that the reasons behind the ruling that I propose to make concerning the five motions are based on Standing orders, and have precedents in previous rulings and opinions, or in interpretations of Standing orders in Beauchesne's Parliamentary Rules and Forms. I do not see why the Chair should have to make a ruling on any one motion in isolation.

Considering the number of amendments that may be on the Order Paper by tomorrow and recognizing that some of those amendments will most likely be questionable, I suspect that both the Chair and Members will face a considerable task when attempting to straighten out the arguments being made, if in fact motions are grouped for consideration prior to

inviting the input of Hon. Members with respect to the acceptability or unacceptability of each of the amendments.

Moreover, until such time as Hon. Members have had the opportunity to study the Chair's comments with respect to the proposed amendments, it will be difficult to respond to the Chair's concerns, which undoubtedly will be raised with respect to their acceptance or non-acceptance. I would therefore put forward the suggestion, Madam Speaker, that members be given the opportunity to defend the procedural acceptability of the notices of amendments that are on the Order Paper in their name at the time those amendments would ordinarily come up for debate. This would serve to deal with procedural arguments in a more orderly manner than if all arguments were to be heard at the beginning of the debate, and indeed it might assist the Chair by focusing the arguments being made by Members to a particular procedural point.

As well, my suggestion should give Hon. Members the opportunity to study your remarks on the proposed amendments before making their submissions to the Chair, and it would alleviate the kind of uncertainty that occurred at the time when Bill C-124 came before the House and when you, Madam Speaker, were in the Chair. I am sure you will recall that that legislation had to do with the capping of civil service pensions. At that time, the Hon. Member for Churchill (Mr. Murphy) was, through your generosity and that of the House and indeed with the consent of the House, allowed to turn back the clock and make an intervention with respect to Motion No. 1 then standing in his name at a point when debate had already progressed to the consideration of Motion No. 4.

I will not develop that point in any further detail other than to refer the Chair to *Hansard* of July 30, 1982, at page 19866 and subsequent pages. I will perhaps read one brief quote from *Hansard* because the language used was so delightful, Madam Speaker. I am quoting you, Madam Speaker, from page 19959:

> It is quite a dilemma because I have just given an interpretation of what my ruling said, and in my view it meant that I had ruled. If the House did not understand what I meant, I suppose there is nothing wrong with being generous.

You then asked for the consent of the House, and the Hon. Member for Churchill was allowed to develop his argument, which you then took under consideration, Madam Speaker, and subsequently ruled upon.

I would suggest, Madam Speaker, that before the announcement is made by the Chair, as such announcement inevitably will be made with respect to the grouping of the amendments, Members be allowed to present their submissions with respect to the acceptability or unacceptability of any of those motions within an intended grouping that may be of questionable procedural acceptability. In that way I think the procedural discussion, at least, would go ahead in a more orderly fashion. If that alternative is not accepted, then we agree that, even if the grouping occurs before the calling for submissions on the procedural acceptability or non-acceptability, it be clearly understood that Members could make submissions on each of the amendments the Chair intends to question procedurally.

● (1510)

I know that my next suggestion would place quite a burden on the Chair and the Table officers, having to deal overnight with 145, and possibly more, notices of motions bringing amendments to this measure but I wonder if, before the grouping tomorrow, the Chair might point out, as far as is possible, those amendments which might cause the Chair some concern with respect to their acceptability or non-acceptability. That could be taken as a signal to Members that they could work up their submissions in that regard.

I have other concerns with respect to the interpretation of Standing Order 79(6) and the form of the notices of motions that have been filed under that Standing Order, but I can deal with those seriatim as they arise, as I expect they will, in the order in which they appear on today's *Order Paper*.

[*Translation*]

Mr. Pinard: Madam Speaker, I would like to speak to this point of order. I feel that the interpretation of the Standing Order given by the Member for Yukon (Mr. Nielsen) is exaggerated, and I can not subscribe at all to his suggestion on how to interpret the Standing Order, which in my view is quite clear and gives the Chair full discretionary powers. The fact, however, that Standing Order 79(10) gives the Chair this power and discretion does not alter the fact that according to parliamentary practice and other Standing Orders, Hon. Members are not allowed to discuss, comment on, or appeal, the rulings of the Chair. Perhaps I may remind the Chair, since I know, Madam Speaker, that you will read over the comments made by the Member for Yukon and will also take the time to read this particular Standing Order, which is quite clear, perhaps I may draw your attention to the paragraph in question which, basically, says two things: first, it gives the Speaker the power to select or combine amendments and clauses to be proposed at the report stage.

The Standing Order also gives the Speaker, and this is where the interpretation given by the Member for Yukon runs counter to the Standing Order of the House, to what this Standing Order empowers the Speaker to do, it is the power, freedom and discretion, in case of doubt, to call upon any Member who has given the Chair notice of an amendment to give such explanation of the subject of the amendment as may enable the Speaker to form a judgment upon it. There are two aspects here: the Speaker may combine or select the amendments, and once the Chair's decision is made, it cannot be discussed or appealed in the House; the second power conferred on the Speaker by Standing Order 79(10) is probably based on concern for full consideration of the matter and for ensuring that members proposing the amendments are treated in a just and equitable manner—that the Speaker is free to consult Hon. Members until the debate begins, within the period prescribed by the Standing Orders, that is, the Speaker may call upon Members and ask them for explanations, and that should be sufficient for the Chair to draw its conclusions and make a ruling, and decide whether an amendment is acceptable or not.

As for suggesting that the Chair reverse its ruling because, with or without consultation, it had decided that an amendment was unacceptable, as for raising a point of order and having a debate on each amendment or several or a few or only one, I submit this goes against parliamentary practice, because Hon. Members may not appeal a ruling by the Chair, and the Standing Order is quite clear, and empowers the Speaker, and I quote:

—to form a judgment upon the subject of the amendment.

Once the Chair has formed a judgment, it can no longer be discussed, and we intend to respect the Standing Order. I do not agree at all with the interpretation given by my learned colleague from Yukon. In fact, I think he is giving us notice of a procedural debate that could take weeks and months—it is very easy to paralyze Parliament. The equity he is seeking, and the concern—if he is sincere, and I do not doubt that he is—he seems to have that each amendment, even if there are a great many, be given serious consideration, all that is covered by the Standing Order. With due respect, I submit that the Chair must consider the amendments within the limits prescribed by the Standing Order and not according to the interpretation preferred by a Member of the Opposition. In other words, if the Chair has any doubts, it can consult with any Member of this House, but once the Chair has formed a judgment, I submit that we should not waste any more of the time of the House on discussing that judgment. We have no right to discuss it. In the circumstances, I submit that we should apply Standing Order 79(10) very strictly. That is the appropriate procedure, contained in the Standing Orders of the House of Commons of Canada.

[*English*]

Mr. Nielsen: Madam Speaker, I am sure the Government House Leader did not intentionally distort what I said. I agree with everything he has said with respect to the interpretation of the rules—everything. I am not suggesting that the Chair should not have the discretion to group; of course the Chair has that discretion. What I am suggesting is that if the Chair has a concern about any particular amendment, then the Member in whose name that amendment stands should be given the opportunity to make submissions with respect to its procedural acceptability. We have already established precedents, and I read from them, to the effect that once amendments have been grouped, that procedure is not available to Members. It is on that fine point that I raise this problem.

In justice and fairness, Members of the House should have the right to make submissions with respect to amendments with which the Chair has concern before they are grouped, or there should be a clear understanding that it can be done after they are grouped. No one questions the discretion of the Chair to direct the grouping.

[*Translation*]

Mr. Pinard: I am not going to repeat what I said before, but I was in fact talking about this particular point. The powers the Chair has are conferred upon it by the Standing Orders. Of course, Hon. Members proposing the amendments may be consulted if the Chair so decides, but it is not up to them to decide. The consultations provided under Standing Order 79(10) cannot be imposed on the Chair by Hon. Members. If, after consultations or on its own initiative, the Chair decides that it requires explanations before making a decision, it is free to call upon Hon. Members before eleven o'clock tomorrow morning. That is what the Standing Order says. The consultation process is limited by the Standing Order, and I submit that we should follow this very clear interpretation of Standing Order 79(10). The Member for Yukon claims that the Chair should go further than that and allow a procedural debate for each Member who wishes to speak tomorrow after eleven o'clock, in order to justify the acceptability or unacceptability of the amendment. I submit that this would be a tremendous waste of Parliament's time, because it would be, and it is, against the letter and the intent of the Standing Order. The Hon. Member may be consulted, if the Chair so decides, before 11 o'clock tomorrow morning, as provided in paragraph (10) of the Standing Order.

[*English*]

Mr. Nielsen: Madam Speaker, that is not what I have been saying at all. I guess the trouble must be the difference between my anglo thinking and the Hon. Member's franco thinking. I am not suggesting that the Chair does not have that discretion; it does. First of all, I am dealing with the amendments about which the Chair expresses some concern. Presumably if no concern is expressed about any particular amendment, it will be accepted for debate and this procedural debate would not arise. Ninety per cent of those amendments were accepted in committee where there was an excellent chairman with knowledge on procedural matters, so presumably they will be accepted here. It is only those amendments which raise questions in the mind of the Chair that will become the subject of discussion. I do not suggest for a moment that Your Honour does not have the right to hear any argument on the question of an amendment. I am suggesting to you, however, that certainly the traditions and practices of this place would seem to indicate that the Chair would want to be assisted and that the Chair would want to hear some degree of submissions with respect to the procedural non-acceptability of an amendment, if for no other reason than either fortify, or otherwise, the conclusions which she has reached on the advice of her Table officers. That is all that I am suggesting.

• (1520)

Madam Speaker: Well, I think the debate probably has some usefulness because we do have a very, very important task before us. The Table officers already are trying to suggest a grouping which I hope will be acceptable to the House. Indeed, there might be some questions about the acceptability

of some amendments and there might be some cases where the Chair itself is in doubt, or would like to have more explanation on some particular amendments.

I will follow the practice which I have always followed. Even in giving my groupings, I have always grouped them in words which preserve the right of an Hon. Member to bring in objections if he thought that he was being frustrated in his right to see an amendment debated by the House. I will try to maintain that practice because I believe it works very well. I have done that in the past and the Hon. Member for Yukon has cited a precedent which conforms exactly with what I have done in the past.

Of course, I will fulfil my responsibility of grouping to the best of my knowledge, with due ruling out of certain amendments if I feel it is quite clear that they should not be debated.

* * *

EXTERNAL AFFAIRS

CONVEYANCE OF HOUSE RESOLUTION TO U.S.S.R. SUPREME SOVIET

Mr. John Gamble (York North): Madam Speaker, I rise on a point of order with respect to your earlier announcement in connection with your inability to comply, as you indicated, with the resolution passed by this House on September 12. This House showed its concern by adopting a unanimous resolution to convey to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet our condemnation of the act of the Government of the Supreme Soviet, and demanding, among other things, compensation to the families of those persons who lost their lives in that action.

With all respect to the Chair, may I suggest that the mere affront to this House which was committed by the Chargé d'Affaires of the Soviet embassy in Canada ought not to end the matter. The final paragraph of that unanimous resolution specifically provides as follows:

> Directs the Speaker to convey the text of this motion to the Chairman of the Presidium of the U.S.S.R. Supreme Soviet.

That specific direction did not require the Chair to deliver the text of the motion to the Embassy of the Soviet Union for transmittal to the Chairman of the Supreme Soviet, but rather simply to convey the text of the motion, leaving it up to the Chair to determine the mode of conveyance.

May I be permitted to submit to the Chair that there are a number of ways in which this conveyance might be undertaken? I am thinking specifically of a delivery of same through diplomatic pouch to the Canadian Ambassador in Moscow for delivery by hand, if necessary, coupled with a copy of that same motion to be mailed in the Soviet Union to the Chairman of the Supreme Soviet, coupled with an action by the Chair to use the Canadian mails for the purpose of mailing same to the Supreme Soviet.

I submit to the Chair that the efforts of this House in a matter of this nature ought not to be frustrated by the actions of some underling diplomat of a foreign government who is about to be reprimanded by this House of Commons. Accordingly, I urge upon the Chair an undertaking of the specific directions given by this House to the Chair. Some of the methods of conveyance to which I made reference certainly do not exhaust all of the methods which might be employed. I am convinced that if Madam Speaker puts her mind to it, others can be devised. My urging upon Madam Speaker is that we do not let this matter lie dormant, having regard to the concerns of all Hon. Members of the House who were involved in the passage of that unanimous resolution.

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise on the same point of order as the mover of the motion. I would like to say, as one Hon. Member of Parliament, that I am deeply disturbed by what can only be described as a contemptuous action by the Soviet Union with regard to this motion. If I heard your honour correctly, and I think I did, in reporting back to the House, the Chargé d'Affaires of the Soviet Union had been instructed, presumably by his superiors in the Soviet Union, not to accept this message which was passed by the Parliament of Canada.

I repeat, Madam Speaker, in my view that amounts to a contempt of Parliament. It is to compound the mistaken, villainous or cruel act, however one wants to describe it—and I believe all of those adjectives are appropriate to describe the original action of the shooting down of a civilian aircraft by the Soviet Union—for the Soviet Union to respond in this way.

I also feel very seriously, Madam Speaker, that the Parliament of Canada cannot let the matter stand with our having received from the Chair a message from the Chargé d'Affaires. I would like to say that I, for one, feel the course of action that Your Honour has taken was the appropriate one, the initial step, and I am, frankly, astounded and surprised that no matter what it thought of the content of the message, the Soviet Union has seen fit simply not to receive it.

I feel, Madam Speaker, in addition to some suggestions which have been made now about subsequent action, that it would probably be appropriate for the Secretary of State for External Affairs (Mr. MacEachen) on behalf of the Government of Canada to request now that the Chargé d'Affaires come to him, as the appropriate Minister in the Government of Canada, to explain why such contemptuous behaviour should be taken by the Soviet Union, which, I repeat, amounts to a contempt of this Parliament. That resolution was unanimously passed. It reflected the very serious, deeply felt feelings of the people of Canada. The very least the Soviet Union ought to do is to receive the message before it responds to it.

Madam Speaker: I am quite grateful for these suggestions which have been made by the Hon. Member for York North (Mr. Gamble). However, I will address myself to the last suggestion made by the Hon. Member for Oshawa (Mr. Broadbent). I do not feel that I can delegate this responsibility to the Secretary of State for External Affairs (Mr. MacEachen), who would be speaking in the name of the Government about a resolution which the Parliament of Canada has asked the Speaker to transmit to the Soviet authorities.

The effect of the order given to the Chair by the House is that the Chargé d'Affaires did not accept it. We know the answer. I do not believe it would be useful for me to ask, and I would not delegate that responsibility to the Secretary of State for External Affairs. If the Minister wants to pick that up on his own and initiate some kind of action, of course, he is free to do so. However, I will look into the other suggestions to see how this message can be transmitted. We already know that a message which was transmitted by the Secretary of State for External Affairs has not been received, has been refused, here in Ottawa. Also a message which was conveyed by our Embassy in Moscow was refused.

I can go that route myself, following the suggestions of the Hon. Members. However, I repeat, I would not delegate that responsibility to the Secretary of State for External Affairs. I do not feel it would be proper for Parliament to delegate that responsibility, unless the House decides unanimously otherwise. I do not see that it is implicit in the order which this Parliament has given me that I now go to the Secretary of State for External Affairs and ask him to perform that duty for me.

• (1530)

Mr. Broadbent: Madam Speaker, I do not think I said that you, yourself, should request the Secretary of State for External Affairs to take that step. If I did say that, I did not mean to. But I do believe he should do it, and that, quite correctly, should come as a request from some of us on this side of the House. The President of the Privy Council (Mr. Pinard) is here; he might indicate he is in agreement with the suggestion and take it to the Minister.

The reason I think it should now be raised with the Minister is that I regard the initial response of the Soviet Union as a contempt of Parliament. We have already seen that it does not intend to respond to the highest officer of this Parliament and therefore is not likely to take any other appropriate action. As a result of that, my view is that we now have to shift the focus. The Soviet Union has taken an additional step to the original one in indicating it is not even prepared to listen to the Parliament of Canada. I think that is a very serious mistake. It is a contempt for any Government which has representatives in this country of ours to so treat Parliament. It is very serious indeed.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is my view that the Secretary of State for External Affairs ought to be calling in the Chargé d'Affaires to pass on this message that we view with contempt, if you like, their contemptuous behaviour.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, the Hon. Member for York North (Mr. Gamble) made several suggestions to you, only one of which I think you should even consider, that being the one concerning the Ambassador in Moscow. I would hope you would not reduce the dignity of the House by sending a letter from within the Soviet Union. I agree with the Leader of the New Democratic Party (Mr. Broadbent) that the Chargé d'Affaires is in contempt of this House, but I disagree strongly that it is the responsibility of the Secretary of State for External Affairs (Mr. MacEachen) to take the matter up on behalf of the House.

I would have another suggestion to offer to you, Madam Speaker. Since the Soviet diplomats are in contempt of this House, I suggest that you inform each one of them that he or she is persona non grata in the galleries of this House until the message from this House has been accepted by them.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, as someone who just a little over a week ago attended a special memorial service undertaken by Canadians of Korean heritage in front of the Ontario Legislature, together with Members of this House from all three Parties, I plead and beg of you on behalf of the families who lost relatives in this murderous act that you explore all available avenues. Again, I think your ruling is very correct; this is not an issue between the Parliament of Canada and the Government of the Soviet Union. This is an issue between the Parliament of Canada and the Soviet Union. I think we should explore all possible avenues. Maybe it means communicating with the Parliament of the Soviet Union, Madam Speaker.

Mr. Nielsen: What Parliament?

Mr. Arnold Malone (Crowfoot): Madam Speaker, I intended to rise at the same time as the Hon. Member for York North (Mr. Gamble) and subsequently the Hon. Member for Oshawa (Mr. Broadbent). I do not think I can add much more except to say that I am incensed by the results you brought back. I hasten to add that, obviously, it is not the messenger we are angry with, it is the message itself. I think this is in great contempt of this Parliament, and we in Parliament cannot let it rest there.

May I just add to the list and, if it is in order, even submit a motion that the Standing Committee on Procedure and Organization review this matter very quickly and report their recommendations to Parliament. If you find that in order, I would simply move to seek the unanimous consent of my colleagues that we send the subject matter for urgent attention to the Standing Committee on Procedure and Organization.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it is clear that the Soviet diplomat's attitude constitutes an affront to Parliament, and in our search for an effective means of transmitting this institution's message, we, as parliamentarians, are prepared to consider all useful suggestions. Several were made to the Chair today. I think that before making a hasty decision, we should remember we all have the same objective in mind. Perhaps the Chair could reflect on this matter within the next few hours, and, if it deems appropriate, consult with the parliamentary House Leaders on what should be done to ensure that the resolution

adopted by Parliament is transmitted to the appropriate authorities.

As for the Chair's position that this is a parliamentary and not a Government matter, I agree wholeheartedly. I think it is now up to the Chair to transmit the message as the servant of the House, but if we can help you in any way, in addition to the comments made in the House today, we are at your disposal for further consultation, as the Chair decides. Nevertheless, I would like to give my Hon. colleague from Oshawa (Mr. Broadbent) the assurance that we shall transmit his views and mention the attitude of the Soviet diplomat to the Secretary of State for External Affairs (Mr. MacEachen).

[*English*]

Mr. Nielsen: Madam Speaker, the Government House Leader has made the suggestion that I would have made had he not risen. I think perhaps, if we have the usual House Leaders' meeting tomorrow, we might review the matter at that time and perhaps consult with you subsequent thereto. Certainly something has to be done to resolve the situation. There is also the very important question of whether or not ordinary diplomatic immunity applies in a case of this nature. That question will have to be explored as well before we come to any premature conclusions as to what Parliament should do about the contemptuous behaviour of the Chargé d'Affaires in refusing to accept the message of this House through its servant, Madam Speaker.

I would suggest the matter be allowed to rest there, and in the meantime may I point out that 40 minutes have now gone by on two very important points which have arisen, one concerning the business of tomorrow—because there is no other occasion upon which that point can be raised—and this one which had to be addressed immediately because it dealt with a report from the Chair. Perhaps, Madam Speaker, there might be a disposition to extend the hours by unanimous consent tonight by 40 minutes so as to allow all three items, which now stand on the Order Paper as Private Members' business, to be called.

[*Translation*]

Mr. Pinard: Madam Speaker, to answer the question of the Hon. Member, I must add the words "if necessary" because these past Wednesdays we have noted that time has often been wasted and that the House had to adjourn before six o'clock since one or two Members were not ready to proceed with their Bills. So, if the Hon. Members are ready to proceed with the study of the three Bills on the Order Paper today, of course we agree that the House sit until 6.40 p.m., if necessary.

Madam Speaker: Is there unanimous consent that the House sit past six o'clock, if necessary?

Some Hon. Members: Agreed.

Madam Speaker: In answer to the Hon. Member for Yukon (Mr. Nielsen), the President of the Privy Council (Mr. Pinard) and other Members, I must tell them that I will examine what other means are available to me to convey the message which the House has asked me to send to the soviet authorities. I can only warn Hon. Members against some means which have been suggested and which are perhaps not in keeping with the dignity of this institution. I did convey the message to the highest level. I received a reply which neither I nor the House like, but should I go running right and left to hand over the message, or even slip it under a door to be able to deliver it? Anyway, those are things to be considered.

If Hon. Members agree, I will examine all means at my disposal and, as the President of the Privy Council and the Hon. Member for Yukon have suggested, I will advise the Leaders of the various Parties of my conclusions so that they may review the question and then make new recommendations to me.

● (1540)

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. MITGES—PROTECTION OF VARIETY STORES AGAINST VIOLENCE

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I am pleased to present a petition by concerned citizens of my riding of Grey-Simcoe which urges the Government to take all necessary steps to ensure that grocery stores, variety stores and other similar outlets that are open late hours in the evenings be adequately staffed and protected in order to help curtail robberies, beatings and even murders that lately have taken place in ever-increasing numbers in these establishments across Canada.

MR. HALLIDAY—OBJECTIONS OF OXFORD RIDING CITIZENS TO PROPOSALS OF ELECTORAL BOUNDARIES COMMISSION

Mr. Bruce Halliday (Oxford): Madam Speaker, it is my privilege and duty to present three petitions to the House this afternoon. If I may, I would do so under the umbrella of one preamble.

These petitions manifest the steadfast opposition of citizens of the riding of Oxford to the proposals of the federal Electoral Boundaries Commission for Ontario that would alter the riding in a manner disrespectful of the longstanding cultural and economic ties and associations within the present federal constituency of Oxford. The first is signed by 24 residents of East Zorra-Tavistock township who object to the proposed severance of their township from Oxford riding. The second petition includes the names of over 90 people from Zorra township who express a firm desire to prevent their township from being separated from Oxford.

Finally, the third petition I have the honour to present today is signed by over 1,100 concerned citizens of the constituency

of Oxford who oppose the Commission's proposal to remove East Zorra-Tavistock and Zorra townships from the riding.

These people, availing themselves of the right to petition, humbly call upon the House of Commons to urge the federal Electoral Boundaries Commission to reconsider their proposals so that Zorra and East Zorra-Tavistock townships may continue to be represented in the Parliament of Canada by the elected Member for Oxford.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Madam Speaker, the following question will be answered today: No. 5,002.

[*Text*]

AM STEREO IN CANADA

Question No. 5,002—**Mr. Beatty:**

1. Is the Government prepared to allow the speedy introduction of AM stereo in Canada and, if so, on what date?

2. Is the Department of Communications considering allowing only the sale of "universal" AM stereo receivers in Canada in order to allow broadcasters to choose whatever system of transmission they would prefer?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

1. The Government has issued experimental authorizations to broadcasters in various parts of the country to test a number of different AM stereophonic systems. The results of these experiments are being reviewed by three different consultative groups including a specialized committee of the Canadian Association of Broadcasters, the Technical Advisory Committee of the Department of Communications, and the Canadian Radio Technical Planning Board. Upon an analysis of these experimental results and based on the recommendations of these consultative groups, it is expected that AM stereo will be introduced in Canada in a timely manner.

2. One of the most recent technological breakthroughs in the field of AM stereophonic broadcasting has been in the development of multisystem receivers capable of decoding any of the systems which are currently available. The technical committees are reviewing this new development and will make recommendations concerning the cost effectiveness and technical acceptability of these receivers for the Canadian market. Should these recommendations be favourable and in the public interest, the Department will consider the development of regulations whereby only "universal" type AM stereo receivers would be allowed to be sold in Canada.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Madam Speaker, if questions Nos. 4,810, 4,811, 4,812 and 4,813 could be made orders for returns, these returns would be tabled immediately.

[*Translation*]

Madam Speaker: Is it the pleasure of the House that questions Nos. 4,810 to 4,813, inclusive, be deemed to have been made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

NATIONAL GALLERY ADVISORY COUNCIL

Question No. 4,810—**Mr. Mazankowski:**

1. Is there a National Gallery Advisory Council and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Council (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Council publish in the fiscal year 1982-83?

Return tabled.

NATIONAL MUSEUM OF MAN ADVISORY COMMITTEE

Question No. 4,811—**Mr. Mazankowski:**

1. Is there a National Museum of Man Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Return tabled.

NATIONAL MUSEUM OF NATURAL SCIENCES ADVISORY COMMITTEE

Question No. 4,812—**Mr. Mazankowski:**

1. Is there a National Museum of Natural Sciences Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii)

term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Return tabled.

NATIONAL MUSEUM OF SCIENCE AND TECHNOLOGY ADVISORY COMMITTEE

Question No. 4,813—**Mr. Mazankowski:**

1. Is there a National Museum of Science and Technology Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Return tabled.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Madam Speaker, I would ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Shall all orders listed under Notices of Motions preceding order No. 80 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

Capital Gains Tax

INCOME TAX ACT

EXEMPTIONS FROM CAPITAL GAINS TAX

Mr. Robert Daudlin (Essex-Kent) moved:

That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act in order that, a once-in-a-lifetime exemption from capital gains taxation be provided for the main business property of non-incorporated or incorporated farmers and businesses employing less than 30 persons, and with gross sales less than $1 million annually, and with fewer than three places of business, excluding foreign-owned farms or businesses, franchise operations and quota values of any kind, and this exemption from capital gains be made conditional upon those involved investing at least 50 per cent of the taxable amount in the Farm Credit Corporation or in Small Business Development Bonds, at a rate of interest to be more than 50 per cent of the Canadian prime interest rate.

He said: Mr. Speaker, it is with substantial pleasure that I rise to speak briefly on the motion today, because I believe the fact that I am able to raise this issue and to cause some deliberation of this proposal by Hon. Members on all sides of the House is a reflection that the process in Canada continues to work and that individuals at the grass roots level can have the opportunity to have their ideas contemplated and promoted by themselves, and then deliberated by the House.

I want to pay particular tribute to a farmer in my constituency, an immigrant to Canada from Belgium some many years ago by the name of Leon Meersseman who, while growing tobacco on his property, cultivating his fields, expresses his concern with respect to the quality of life in Canada and how it may somehow be improved for other Canadians by giving thought to the tax system, among other things, as reflected in this particular motion. I wish I could claim its complete authorship. I wish, that I could stand before Hon. Members today and suggest that this idea had its genesis in my own conciousness, but it was in fact this farmer who initially came to me with the idea. It was probably generated from thoughts being put forth by Members of this House and by the Government when we were debating alternative sources of funding for the Farm Credit Corporation and the concept of Small Business Bonds to assist not only small businessmen but also the farming operations in Canada.

I think it is a fact accepted by Hon. Members on all sides of the House that we are currently in a time in our society when there is a tremendous impact upon farmers and small businessmen of high interest rates and of the effect of an ever-restrictive credit market to which they can go not only for their ongoing daily operations but for their long-term credit as well. Indeed, this House has expressed itself on a number of occasions in supporting the Small Business Bond concept.

In supporting the extension of sources from which farm credit could be seeking its funds, allowing it to go to the private market, and in coming forward with this particular Bill, the idea in mind, in simple form, was to permit Canadians to invest in themselves, in particular, to allow small businessmen and farmers to invest in their own operations and to come to the assistance of others who find themselves in the same employ. In effect, through this motion we are asking the Government to contemplate permitting farmers to fund the FCC themselves, at least in part. In order to effect that, we are

attempting to alleviate what, at the very least, is an irritant in my view and in the minds of most of those in the farming community of Canada, namely the capital gains tax.

While making this proposal to the House, it is not without recognition of the fact that this country had provisions for inheritance taxes and state taxes. One can place it in this context, that the society that we represent bought the removal of those inheritance and succession duty taxes by the acceptance of the concept of the capital gains tax. However, there are certain problems with that kind of taxation. Farmers, in particular, and certainly in the same sort of way the small businessman, are the engines of this nation who create employment and provide the food which would otherwise not be placed on our tables. They are in a different position from that of the labourer or the salaried employees who have the opportunity, through other tax provisions such as RRSPs, RHOSPs and the other mechanisms the House has put into our tax system, to set aside money for their retirement. I believe Members from all sides of the House accept the principle that farmers and small businessmen find their retirement programs in their farms and businesses since they do not have the disposable income from their business operations to permit them to purchase RRSPs or other retirement plans for their advanced years. They are unable to take advantage of tax incentives to save money in that manner.

• (1550)

With respect to farmers, they use their money for the improvement of their land or buildings in an attempt to enhance their operations and make them more viable, or to become more efficient producers. Therefore, at the end of their working lives they find that what others would have put away for retirement they have used on their farming operations. When that operation is sold they are exposed to the capital gains tax.

I think it is probably charitable to express that as an irritant. In many instances it is far beyond an irritation. While exemptions have been provided to permit tranferral to members of the family, there are still farmers in our society with no sons or daughters to whom those transfers can be made. Not only do those individuals lose the ability to make that rollover, they are subjected to a tax which they view as a robbery of their ability to look after themselves in their old age.

Therefore, this motion attempts to achieve two goals. It attempts to provide funding for the FCC and small business development from the private sector while providing an exemption or relief from the total effect of the capital gains tax at the same time. The motion suggests that there be a minimum investment and that only a portion of the investment be subjected to a preferred tax. The return from that investment should be lower than the standard rate of interest so that it is not viewed as a windfall but rather a conscious decision on the part of the investors not only to protect themselves for the future in some small way but to help those who may want to continue the occupation they loved throughout their working life.

I recognize that I do not have the benefit of the Finance Department to analyze all the financial implications of this proposal. However, I put it to the House that my idea has sufficient merit at least to bear discussion and examination by the Finance Department as well as a response in the House, in the event it is found unacceptable, to explain why it is so. It should not simply be said to be unacceptable without its conceptual problems being disclosed.

I believe this concept will work. It is not so novel as to be completely unheard of. It probably bears some similarity to the agri-bond proposals of the Ontario Federation of Agriculture, which are not without some merit. That concept certainly bears some consideration, and I am not married to this proposal in the sense that I would be opposed to an alternative such as an agri-bond issue or other proposal which would achieve the same end.

I am attempting to sensitize Members of the House, and hopefully the bureaucracy, to the idea that there is a need in the country and that the public would like to see us working on this or similar ideas that would achieve the same end.

At the end of the day, if I could have achieved that, I believe I will have achieved the end to which I alluded at the beginning, that is, that our system permits the upward movement of an idea from the fields in Essex County to the point where the House could express its views upon it, then into the bowels of the bureaucracy, hopefully to be generated back to the House in this or some other form so that we could see legislation implemented.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to commend the Hon. Member for Essex-Kent (Mr. Daudlin) for doing some thinking. While I would not suggest naturally that all of his thoughts were the same as those of others, he has touched the central theme that small business persons and farmers across the country have been expressing to their Members of Parliament at least since prior to 1971. The theme is that capital gains taxation affects them negatively. Furthermore, they perceive it as being unfair, as do most representatives.

I submit that we do not have the concept called capital gains tax today. That is, we do not have a tax on gains. Instead, it is a tax on gain plus inflation.

Let us use the farming business as an example. Since valuation day is 1971, a tractor purchased in 1971 may sell today for more than its purchase price. But surely there is not a Member sitting in the House today who believes that that tractor is in fact worth more today than it was more than a decade ago after it may have had as many as a thousand hours of use. That tractor, which has less new technology, less comfort and more wear, is not worth more. The fact is the inflation has added phoney, or funny, money. Therefore, the sale price simply indicates a number that looks larger but does not, in reality, represent a greater value. Therefore, that is not a capital gains tax but a capital gain plus inflation tax.

What other segment of our society is paying tax on inflation? More important, farmers are among the only group of

business persons in the entire country who can not protect themselves against inflation. For example, if that tax were applied to a clothing store operator, and his cost to purchase clothing for the store increased, he would simply sell the clothing for more. Whoever heard of a farmer saying that his gasoline costs him 30 per cent more this year so his wheat will be sold for 30 per cent more? Whoever heard of a farmer, after hearing feedgrain costs had risen, selling his meat for a certain amount more? Farmers must pay the price on the products they buy and they receive the price that is offered to them when they sell. Therefore, there is a double jeopardy where farmers are not only the only group in society which is taxed on inflation, but are one of the groups in society that cannot protect themselves against inflation.

• (1600)

The Government needs to listen to the Hon. Member for Essex-Kent who sits on its side of the House. I am pleased that this piece of legislation is in his name. According to the rules for Private Members' Motions, if we speak beyond an hour this piece of legislation will have been spoken out. I am pleased to follow the Hon. Member for Essex-Kent because I do not want to speak out this motion. I think it deserves the consideration which he requests. I have some trouble with the last part of it because I do not believe we have the right to tell farmers to invest in the Farm Credit Corporation. I think they are subjected to a phoney taxation now, but at least the motion of the Hon. Member is better than the present case.

Canadians listening to the debate today on television or those who will read it in *Hansard* in the future should know that whatever Member talks out this motion will have to bear the burden. It is upon his or her shoulders if this good piece of legislation does not go forward.

As the Hon. Member for Essex-Kent indicated, farmers are faced with a tax on inflation. Also it should be pointed out that of all the tax systems in Canada today, the capital gains tax is the most expensive to collect. In the case of income tax, people sit in their homes, fill out their forms, mail them in, and once they are audited and checked by the Department of National Revenue, that is the amount they receive from or owe the Government. In the case of the capital gains tax, the Government is dealing with acquired properties and assessed values. It requires a bank and battery of assessors and inspectors, and an entire new process of collecting the tax dollar is created. The fundamental question is not whether it is more expensive to farmers, but whether it is justified in the first place. To be truthful, if a farmer did not pay his capital gains tax, that money would be recorded as income and would be subject to income tax. Surely one should not have to pay income tax and be exposed to the capital gains tax at the same time.

What a whipping of our farmers who are the most efficient producers in Canada! Anyone who doubts that should read the speeches of the Minister of Agriculture (Mr. Whelan) in which he praised the efficiency of farmers compared with other Canadian producers. In his great rhetoric of "irregardless" and "et cetera", he talked about how efficient farmers were. The Government of Canada does not believe that because it treats them in a totally unfair manner in terms of taxation and capital gains.

With the capital gains tax on farmland, I believe we have a double jeopardy in taxation. For example, if a farmer purchased a new parcel of land in 1975 at a fixed value of $1,000 per acre, and if he sold it in 1983 at $1,500 per acre, the $500 difference would be called profit and subjected to taxation. But in 1975 he used money on which he had already paid income tax to purchase the land. If he is taxed when he sells the land, then he has actually been taxed twice. If we look at the question of gains, we must analyse whether or not it was a gain or whether the gain was inflation. If the gain was simply inflation, then he is certainly being taxed twice.

There are many examples in the agricultural and small business sectors of something being called gain which is not gain but in fact is double taxation or prejudice against a sector of society which the Minister of Agriculture frequently claims is the most efficient in the country today.

Those of us who have the privilege of serving rural communities—and the Hon. Member for Essex-Kent serves a rural community—occasionally hear our city cousins in coffee shops talk about, "the rich farmer".

Mr. Althouse: Oh!

Mr. Malone: I hear an Hon. Member of the NDP making noises. It is amazing how 11 per cent of the membership of the House of Commons makes more than 50 per cent of the noise.

Mr. Althouse: Especially with 20 per cent of the vote.

Mr. Malone: There he goes again. He referred to 11 per cent of the vote in the next election.

Mr. Althouse: I said, "20 per cent".

Mr. Malone: In any event, when we hear our city cousins talking about "rich farmers", they fail to realize that farmers do not only work eight hours per day, five days per week. Also our urban cousins fail to remember that there are more than one or two breadwinners in farming families. Their hours per day and their days per week are longer. Many family members are involved in the task of producing goods, yet farms are taxed as if they were some other business, all within a year's calendar and as if all the money were one earning. This productive sector of our society is being taxed in an unusually harsh manner.

Before taking my seat, I want to indicate that I am deeply annoyed with the way in which we have developed, both federally and provincially, discrimination against rural people. I am not only referring to the example of capital gains which affects mostly farmers. I am also referring to the rates of telephone companies. Our urban cousins, depending upon the Province, receive this service for $6 or $8 per private telephone per month, whereas farmers are forced to make deals on $100,000 combines while four of his neighbours listen in. In my constituency, which is mainly involved in ranching, there is

a move to take away rural mail service. Some ranches are 60 miles apart in the southern part of my riding. Yet our urban cousins receive door-to-door delivery from Canada Post. They can simply get out of bed, go to the door and reach around the corner to grab their mail. This is somehow deemed to be fair by Canada Post, by Mr. Warren. I submit that it is not. Turning to telecommunications or television service, in east central Alberta and west central Saskatchewan, this service is absolutely atrocious. There are communities which do not receive adequate television, despite the fact that the residents of Frobisher Bay receive six television channels. I believe there is discrimination against the rural sector of Canada.

Very few groups in society, except farmers and some small business persons, pay tax on inflation, pay double jeopardy tax, and have their retirement funds stolen. The Hon. Member for Essex-Kent mentioned the point as well that when a farmer acquires his property, in effect he is hoping that someday, when he receives his capital, it will be his nestegg for his retirement years. In comes the Government, big fisted, grabbing half of what the farmer has brought in, claiming that the farmer's retirement fund belongs to it.

• (1610)

All Members should accept the motion put forward. It merely states that "the Government should consider the advisability". Whether it is right or not in all of the specifics, the Government should consider the advisability of taking a new look at the capital gains question. I remind all Hon. Members that the last person to speak, if he speaks for the full hour, has upon his shoulders the burden of upsetting this initiative of questioning its acceptability. That should not occur. This Bill should be allowed to pass so that we can give due consideration to an injustice which has existed for more than a decade. That has been far too long a period, and should not continue to exist.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to rise to speak to the motion put forward by the Hon. Member for Essex Kent (Mr. Daudlin) to study the whole question of the capital gains tax as it affects farmers and small businessmen. This has been of concern to those in rural communities in particular ever since it began to develop as an uneven or unequal form of taxation, starting in about the mid-seventies.

Members of the House do not easily forget the promise made by the governing Party in the last election to attempt to ameliorate the situation. I remind the House that the promise was to change the evaluation day from December 31, 1971 to an evaluation day in 1974. Some of their literature indicated that an indexing provision would be applied as well.

Since coming here, prior to every budget I have written a letter to the Minister of Finance. This is one of three or four items included in my letter. So far it has been ignored by Ministers of Finance. Because the item has again come up for debate today, I hope that in a subsequent budget the Minister will recall one of the few campaign promises affecting small business and agriculture which his Party made at the time of the last election. It was part of the mandate. It is time that that small amelioration of excess taxation in this regard be looked at.

We got into this position on what seemed to be fairly rational grounds. The Carter Commission investigated the whole taxation system. It was to come up with a system that would tax everyone equitably. Carter made the very succinct statement that a buck is a buck and it should be taxed. Unfortunately, 10 or 12 years later we do not have a much better situation than at the time of the Carter investigation. We have wobbled away from any attempt to have equitable taxation and have gone back to ad hockery at its finest in every budget since then. It is very timely that the House consider this motion, which reads as follows:

> That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order that a once-in-a-lifetime exemption from capital gains taxation be provided for the main business property of non-incorporated or incorporated farmers and businesses employing less than 30 persons, and with growth sales less than $1 million annually, and with fewer than three places of business, excluding foreign-owned farms or business, franchise operations and quota values of any kind, and this exemption from capital gains be made conditional upon those involved investing at least 50 per cent of the taxable amount in the Farm Credit Corporation or in Small Business Development Bonds, at a rate of interest to be more than 50 per cent of the Canadian prime interest rate.

That is a very good area of study, something that should be a primary objective of the House in the next few months. Many questions are raised in this motion which require further study and investigation. Included in the items for study is the whole question of the ownership of farmland and the relationship between professional and business investment in farmland as a hedge against inflation.

The taxation system will have to address the question of whether the investment is simply a hedge against inflation. In recent years, up until last year, the value of farmland has increased faster than the average rate of inflation. This has been the case for the past six or eight years. It has been a good investment for a professional or someone operating another business to provide himself with a hedge against inflation. The problem is the effect that this has on rural communities and farmers attempting to use their investment in farmland as a means of making a living. Sometimes the requirements or expectations of the two groups are quite different.

The farmer buys the land in order to generate income and provide himself and his family with a living. The investors invest because recent experience has proven that the investment will not deteriorate very quickly. The question is whether they should be treated equally when it comes to taxation.

Another question is whether we should continue with some of the ad hoc solutions thrown into the capital gains aspect as it affects farmers and small businesses. For example, will the in-family rollover continue, or should that be studied as well? When we look at capital gains, we should also look at how Revenue Canada treats farmers. That should be put under intense scrutiny as well. The definitions that Revenue Canada is using for those attempting to become farmers and the distinctions they are making between those who are genuinely attempting to begin farming by having an off-farm job and

those people they consider to be using a farm as a means of avoiding taxation are questionable, to say the least. I have had cases in my riding where a farmer has been farming for 45 or 46 years. That farmer is now in his middle sixties. He has turned over by sale some of his property to his sons and daughters. He still farms 700 acres or 800 acres but, for some reason, Revenue Canada has decided that he is no longer a farmer. The reasons for this are not too clear. He is, however, being taxed as a non-farmer and he is not being allowed to deduct some of the farm expenses that he has had in the profession that he has carried out for all of his life. Those are the kinds of things that must be clarified and made consistent if equity is to be introduced into the taxation system as it affects small business people and farmers.

● (1620)

Are the limits that are proposed here indeed the best limits that could be proposed? Are they workable right across the country? Are they workable in the farm community as well as in the small business community? The limit of $1 million for total actual turnover of gross sales means different things for different businesses. For instance, even within the farming sector, there is a wide variation between gross sales and the actual amount of investment that the farmer will have.

If a farmer engages in an intensive livestock feeding operation, his gross sales could meet or even occasionally exceed the amount of money that he has invested. However, for prairie grain farms at the present time, and I think the same would hold true for cropping operations in central Canada and maritime Canada, gross sales under current market conditions are equivalent to about 10 per cent of the investment. In other words, if a grain farm in western Canada, under average conditions in western Canada today, were to generate gross sales of $1 million, we would probably be looking at an operation that would have an investment of somewhere in the neighbourhood of $10 million. With the mechanization that is often present in that particular branch of farming, the operation would not employ anything approaching 30 people but would perhaps employ more like eight or ten people.

The question of what limits to impose and what criteria to use should, I think, be studied and not accepted as given, as may be the interpretation of this particular motion. I would hope, if it does get to a committee of some sort of special consideration, that all of these proposed limitations be treated simply as proposals and that such a committee would work diligently to come up with a more equitable kind of taxing system, not only in the area of capital gains but also investigate the taxing system as it affects small businessmen and farmers in general.

The proposal to provide some sort of reinvestment funding through the purchase of a form of agri-bond that seems to be present in this motion is something that is definitely worth further study. It is something that has been called for by many farm organizations and some of the business communities. This proposal, as I read it, would give the selling farmer or small businessman the opportunity to avoid any form of capital gains tax if he had apparently already made his once-in-a-lifetime sale and had some further property or business to dispose of. He would have the option of designating half of that income to an agri-bond or a special bond through the Small Business Development Bank which could be used by the next generation of small businessmen or farmers.

I remind the House that some of the lending institutions that existed back when I was just beginning in my profession of farming did have a policy similar to that. At that time, Co-operative Trust in western Canada would provide loans to young farmers who had very little equity. It would provide loans to farmers with as little as 20 per cent equity, provided the seller of the farmland would invest at least half of the proceeds of the sale in Co-operative Trust investments. It was simply a requirement of the transaction that at least half of the proceeds of the sale go back into the lending institution so that it could serve an ever-increasing clientele of young beginning farmers and small businessmen.

Until such time as there is a complete review of the taxation system as it applies to small businessmen and farmers and until we have a system that would take all aspects of the taxation picture into account, as an interim measure, I would alert the House to a proposal that was made by Members from this corner of the House many times. Until such time as there is a full reassessment of the taxation policies of the country, the House would be well advised to adopt an exemption for capital gains purposes for small businessmen and farmers that would exempt the first $100,000 of the capital gain. This proposal has been implemented in at least one Province in the country. Under the previous provincial Government administration in Saskatchewan, the New Democratic Government had placed that kind of exemption on the provincial portion of capital gains tax that is levied. I think that there would be some merit to proposing a similar kind of exemption at the federal level.

As the Hon. Member for Crowfoot (Mr. Malone) mentioned, there is a measure of inequity involved in the way the taxation system affects farm people and the way it affects their urban cousins. While it appears to be equal in terms of the full exemption for the primary residence, it is a very clear economic fact that a farm house, no matter how nice it is, never achieves the same market value as does a similar home located in an urban setting. This proposed exemption on the first $100,000 of capital gain would tend to rectify the inequality that exists there.

Indexation is something that I think must accompany any kind of continuation of a valuation day that one must work from. While all of us in the House are, I think, in favour of indexing any valuation day that continues on in the current method of imposing tax, the problem is, which index is to be used? Is the straight cost of living index to be used or is the real valuation of the property, business or farm in that particular Province to be used?

There are wide variations from year to year between regions of the country with regard to capital gains that accrue. In the year that has just finished, many Provinces noted no captial

gain in the value of farmland. Many showed a negative gain with land actually dropping in value. Only one or two Provinces showed a marginal increase in the value of farmland last year. This does vary. The question of indexation, whether a property index, a business index, a combination of both or a general cost of living index, should be studied. The fact that there is no index has created a disproportionate tax load on farmers and small-businessmen who have retired under the current capital gains law, and that inequity should be corrected as soon as possible.

● (1630)

I recommend that a study of the whole area of taxation, particularly capital gains, should be proceeded with post haste. In the interim, there is room for patching up of the well-patched valuation day and the capital gains taxation. I think the proposals I have made today would make the law more equitable.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I should like to commend the Hon. Member for Essex-Kent (Mr. Daudlin) for bringing this motion forward today. It is a timely motion and recognizes an inequity that has been a burden on all farmers and small-businessmen across Canada. It is a tax that was imposed perhaps as a result of a series of discussions and pressures brought to bear by other sections of society that wanted the deletion of the estate tax and the implementation of a capital gains tax as an alternative. Little did the organizations that presented the proposal realize the effect the tax would have during the inflationary 1970s. As was indicated by the Hon. Member for Crowfoot (Mr. Malone), the tax could be regarded as being harsher than was intended, and in fact as being a tax on inflation. I want to commend the Hon. Member for Essex-Kent for his concern.

I think we should look at what has happened over the years. In Alberta the total value of land and buildings increased ten times in 12 years, from 3.5 billion in 1971 to $30.2 billion in 1982; in Saskatchewan it went from $3.8 billion to $26.8 billion in the same period; in Ontario from $5.1 billion to $24.7 billion in the same period.

There is another problem, Mr. Speaker. If we are concerned about the disappearance of productive agricultural land in Canada—and obviously the Provinces, whose jurisdiction this comes under, are not doing anything about it—then we should look further than has been suggested by either Member of the Opposition who spoke. We should examine the possibility of exempting all agricultural land from capital gains tax as long as it is kept in food production. This may be the only way for the Government to prevent its disappearance if the Provinces are not going to assist in this regard. I recognize that the management of these resources comes under provincial jurisdiction.

I have to agree with the Hon. Member for Essex-Kent that over the years of their involvement, farmers and small-businessmen have reinvested in order to improve their holdings or expand their businesses and hope to use the proceeds as their retirement income. I believe the time has come to make some allowance for the toll that inflation has taken of retirement savings. It is for this reason that I wholeheartedly endorse the motion.

I should like to suggest that perhaps it is time for the Government to look at another aspect of farm financing or of financing small businesses. We should examine the possibility of giving a guarantee to any farmer or small-businessman who would take back a mortgage on fixed capital assets, as is done with farm improvement loans or small business loans or even through Canada Mortgage and Housing. I wholeheartedly endorse the motion and hope it will receive speedy passage.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to speak on the motion before the House. The capital gains tax imposed on the sale of agricultural land is one of the major problems that farmers face, particularly when it comes to the continuation of the family farm. In the constituency that I represent, on valuation day in 1971 a quarter section of land sold for approximately $12,000 per quarter. Today that same property is selling for $70,000 or $80,000 per quarter. The resulting capital gains tax is a tremendous burden on the family farm and more particularly on the senior farmer who may want to retire with some dignity. If a farmer owns five or six quarter sections of land and wants to retire to settle in a small rural town in Saskatchewan, he finds that he does not have the cash available to buy a home so that he can retire with dignity. Usually he wants his son to carry on the family farm. The motion before the House would alleviate his problems to a great extent. The rollover provision in the Income Tax Act is of some help but in many cases the senior farmer just does not have the money that would allow him to retire while at the same time allowing the family farm to continue operation. The Income Tax Act has been counterproductive in many areas but if we were to single out one area where it is most counterproductive, it is in the continuation of a farm or business.

I am very pleased to support the motion and to bring to the attention of the House that for several years this Party has called for this kind of move on the part of the Government. I hope the Government will see fit to support the motion and will bring legislation to the House which will benefit the whole agricultural area, particularly the senior farmer who faces these problems.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am happy to speak to the motion although I do not agree with everything that is in it. I think you mentioned my name as seconder of the motion; I do not know how I got that honour. I am happy to second it but I have some reservations about portions of it.

It seems to me that we are talking about two different questions in this little motion and I think they have been mixed up and incorrectly construed in some of the speeches we have heard. We are talking, first, about capital gains tax in general. Then, more specifically, within that broad question we are talking about the indexation of the capital itself, so that the

only portion being taxed is the portion which is a real gain. If that is the principle, I certainly support it.

• (1640)

We have done that in other areas. We have done it with our personal income tax, which is indexed every year. We are about to introduce, on October 1, the indexed security investment plan, which will index capital gains for publicly traded shares on the stock market.

I would like to draw to the attention of every Hon. Member a very important paper which was published in November of 1980 entitled "A Review of the Taxation of Capital Gains in Canada". On page 4 there is a very important principle stated in one brief sentence, which I would like to quote:

An individual who realizes a $100 gain has the same increased spending and saving alternatives as another person who receives an additional $100 in his paycheque.

That is a very important principle. There are three ways to make money in this country: first, from your pay cheque. If you are a factory worker, a school teacher, a clerk in a store, an executive or whatever, your weekly pay cheque is your first way to make money. The second way to make money is from profits from a company. The third way to make money is to invest in a capital gain and watch that gain grow.

When we heard some of the references here about capital gains tax, particularly by the Hon. Member for Crowfoot (Mr. Malone), we learned of some mistakes in the calculation of the tax liabilities on capital gains. Capital gains tax out of those three areas is the easiest tax to carry because it is a half tax. At maximum rates it is a half tax. Half the gain is brought into income and half is overlooked entirely. Then the half which is brought into income is taxed at the subsequent marginal rate. That makes the capital gain out of those three areas the easiest tax to bear because it is, first of all, only a tax on half of the profit.

Let us take the example given by the Hon. Member for Assiniboia (Mr. Gustafson) with respect to farmers in his area and follow it straight through, including in the example the extra provision of capital gains reserves, which makes the capital gains tax even easier to bear. Let us say that the farmer sells a quarter of his land at $80,000 profit. His total sale based on the figures which the Hon. Member gave us would be, let us say, $92,000. The farmer bought the land for $12,000 in 1971 and is selling it for $92,000 today. He has a total profit differential, inflation plus real gain, of $80,000.

What the farmer would do if he sold it to his son or daughter is to report one-tenth of that profit every year. He has a ten-year reserve period. Therefore, every year the farmer reports a gain of $8,000. Because it is a half tax, he then cuts that $8,000 in half and he pays tax on the $4,000.

Let us say, then, that the farmer, like the Hon. Member for Assiniboia, has other income, that he is a rich gentleman; life has smiled on him and he is in the maximum tax rate, the richest rate—like the Hon. Member for Assiniboia. He would then pay tax at 50 per cent. His annual tax, therefore, on that $80,000 would be $2,000 a year for ten years. It is hard to say, Mr. Speaker, as the Hon. Member was doing a few minutes ago, that that is an onerous task if your highest tax on an $80,000 profit is $2,000 a year for ten years. I do not feel the Hon. Member should toss these figures around in quite such a way. It is a bit misleading.

Mr. Taylor: You have missed the whole point.

Mr. Fisher: The Hon. Member for Crowfoot also missed the fact, Mr. Speaker, that the capital gains tax is a half rate tax. We hear this a lot in the House. If we are to deal honestly with the question of capital gains, we should constantly remind our listeners and our constituents that this is the easiest of all forms of tax.

Mr. Taylor: You are haywire. That is his nest egg.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Corbin): Shall all orders listed under Private Members' Public Bills preceding Order No. 490 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

[*English*]

COMBINES INVESTIGATION ACT

AMENDMENT RESPECTING GRANTING, TRANSFER AND OPERATION OF PROFESSIONAL SPORTS FRANCHISES

Hon. Ray Hnatyshyn (Saskatoon West) moved that Bill C-690, to amend the Combines Investigation Act (sport franchises), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this Bill, which received first reading on June 29, 1983, is straightforward and rather narrow in scope. The proposed amendment would make it absolutely clear that the granting, transfer and operation of sports franchises is subject to the full force of the competition provisions in the Combines Investigation Act.

The genesis of this particular proposal which I bring forward today was the arbitrary and rather unsatisfactory treatment given by the governors of the National Hockey League to an application for transfer of franchise from St. Louis, Missouri, to Saskatoon, Saskatchewan. At that time, Mr. Speaker, an application was made not only by the participants in the

project in Saskatchewan, but it was supported wholeheartedly and financially by the City of Saskatoon and the Government of the Province of Saskatchewan. This was an application to the National Hockey League which was given—as I anticipated at the time, and I have not had any change in my estimation since—the overwhelming support of the people of Saskatchewan and, indeed, of people across Canada.

Unfortunately, the treatment which the applicants received from the National Hockey League was, as I have indicated, unsatisfactory. It was arbitrary. The hearing which was held on behalf of the Saskatchewan application was a charade. It raised a level of indignation not only in Saskatchewan but across the country, which is manifest in the fact, as I understand it, that there was support not only from this Party but from the New Democratic Party and the Government represented by the Prime Minister (Mr. Trudeau).

The Minister of Consumer and Corporate Affairs at that time was good enough, at my suggestion, to initiate an investigation under the provisions of this Act. On reviewing the provisions of the Act, it occurred to me that the situation in Canada today is far less strict with respect to the provisions of anti-trust legislation than in the United States. What we have in Canada today is a situation where the provisions of the Combines Investigation Act are excluded as they relate to professional sports leagues. In other words, whereas any other business in Canada is subject to the Combines Investigation Act, professional sports leagues are not, and are specifically exempt from the application of the provisions of this Act. They can, in fact, carry on business in combination with each other, arbitrarily set prices, involve themselves in the whole question of player drafts. They have enormous power, enormous ability, by virtue of the exemption granted by the Parliament of Canada, with respect to the operation of their league.

Let me say at the outset that I understand this exemption. I understand it because I know there are particular exigencies in terms of professional sports, particularly in this country, and I feel the vast majority of Canadians would agree to the exemption from the provisions of the Act. But this does not mean that the governors of any professional sport can deal in an arbitrary way with legitimate applications without a fair hearing. The point of my Bill is simply to send a message to the governors of the National Hockey League to let them know that, even though they have been used to running things their own way for a long period of time, legislators in Canada have the ability to remind them that they have a responsibility, a public trust, regarding legitimate applications received from Canadian sources.

● (1650)

I ask Members of this House to consider the legitimacy of the Province of Saskatchewan's application to be part of the National Hockey League in terms of national unity. Also, were it not for the Province of Saskatchewan a lot of the owners of the NHL would not be making the kind of profits they are today. What would the NHL be today without the likes of Gordie Howe? Or the Bentley brothers from my constituency? The Metz brothers, Bob Bourne from my constituency, or Bryan Trottier, just to name a few of the great hockey players who have come from Saskatchewan.

I am not suggesting that anyone should have the right to come forward and say that because they come from Saskatchewan, or any part of Canada, they have a right by virtue of that fact to have a franchise. The reason I am so anxious to have this Bill go before the Committee on Justice and Legal Affairs is that the Bill simply says that if there is a legitimate application, the applicant must receive a fair hearing from any professional league. There must be legitimate reasons given for the denial of a franchise. I do not think that is asking too much. I want the governors of the NHL to come before the Committee to find out what it is like to get a fair hearing. I am prepared to give them a fair hearing and hear their side of the story, unlike the treatment they gave the Saskatchewan people. They were allowed something like an hour or an hour and a half and the NHL had made up its mind in advance about the whole matter. That hearing was a charade. But when they come before a committee of this House, I can assure them, and I know I speak for all Members, that they will have a fair hearing and we will look at the merits of this matter.

I simply ask the forbearance of Members of this House to have this matter go through to Committee. I realize there are pros and cons to this particular proposal, but this matter has received support from all sides of the House. In Saskatchewan it is a matter of some concern. The people of that Province are watching this debate because they want to see right now whether the Prime Minister and his Party are going to allow this matter to go to Committee. I can assure the House that if it appears to the people of Saskatchewan that this matter is talked out, that will be a message that what was said by the Government at the time of the rejection of the Saskatchewan application was mere words. I say to Members of this House that it is important to let this Bill go forward to the Committee, which is not now seized with any other matter, and to give urgent attention to this matter.

I understand some of the questions which will be raised about my proposal. Fine; we can amend the proposal and cut the cloth to make the suit. If there is any concern by any professional sports league in Canada about the implications of my proposal, if we are concerned about our ability to keep the Canadian Football League Canadian, I can assure Members of the House that myself and Members of my Party will support any appropriate amendment which might be brought forward.

I am not going to speak very long because I know this matter will be given a fair and reasonable hearing, Mr. Speaker. It has already received the endorsement of all Parties in this House. I know the Government Party will allow this matter to go to Committee so we can have a full hearing concerning the implications of my suggestion and send a message to professional sport that, where there are legitimate applications, regardless of where they come from in Canada, all we as legislators want is that a fair hearing be given. Coming as I do from Saskatoon where there are very deeply

held feelings with respect to the way in which we were treated, I can tell you, Mr. Speaker, that that is not asking very much. I ask Members of the House to support this matter to the extent of letting it go to Committee so we may have full opportunity to examine its implications.

Mr. Gilbert Parent (Welland): Mr. Speaker, at the outset I would like to say to the Hon. Member for Saskatoon West (Mr. Hnatyshyn) that I for one do support his proposal. I will go further and say it is my belief that, because of the nature of sport, hockey specifically, notwithstanding the fact we say that lacrosse is our national sport, I think it is well known that every Canadian boy from about the age of two or three is probably as much at home on a pair of skates as he is with a pair of shoes. I would be in favour not only of having a team from Saskatoon, but I believe it should be considered that virtually every capital of every Province in Canada have their own representative team.

What we are dealing with here this afternoon, Mr. Speaker, in Bill C-690 is, of course, an attempt to deal with a very specific case. I believe the Hon. Member's point is well taken in introducing this Bill to amend certain provisions of the Combines Investigation Act as it relates to professional sports.

For my own benefit and the benefit of the House I would like to try and put into perspective exactly what this Bill would do in the over-all Act and perhaps raise a couple of questions, which I know cannot be dealt with extensively here but perhaps some of my other colleagues could address themselves to them in their interventions this afternoon.

We are all aware that the Hon. Member's concern in this matter arises from the decision taken in May of this year by the NHL to not permit a group in Saskatoon to purchase the St. Louis Blues hockey team and move it to the new coliseum which they intended to build in the city. Of course, they wanted hockey there; it is good for the city. In my opinion it would be good for business and I think that Saskatoon could not help but be the winners in this particular instance.

I know a great many people in Saskatchewan and elsewhere were very disappointed, myself included. In fact, some of them were incensed by what they felt to be an arbitrary and high-handed act by the League. Many people, mainly from Saskatchewan but also from other parts of Canada, wrote to the previous Minister of Consumer and Corporate Affairs expressing their concern that our national sport would be completely in the hands of a small group of people who could decide what the ciizens of a Province—which has produced many of the game's greatest stars, as the Hon. Member pointed out—would not be allowed to watch and support their onw NHL team.

Clearly, concentrations of power which may be used to the detriment of the public or some part of it should be dealt with by the provisions of the Combines Investigation Act. My colleague, as far as I can make out, is not opposed to that particular proposition. That is precisely what the Act is for and why Parliament, as long ago as 1889, considered that legislation dealing with monopolies and other restrictions on competition is required. The Present Act does permit the investigation of such situations and, specifically, the action of the NHL in this instance.

● (1700)

The Director of Investigation and Research, who, under the Act, has the responsibility for conducting inquiries, determined that an inquiry is warranted and has acted accordingly. The inquiry which he initiated is being conducted under Section 33 of the Act, and the Hon. Member is nodding his head, which is the Section that relates to monopolies. The Act defines a monopoly as:

—a situation where one or more persons either substantially or completely control throughout Canada or any area thereof the class or species of business in which they are engaged and have operated such business or are likely to operate it to the detriment or against the interest of the public—

The Director is, of course, still conducting his inquiry, and he must determine, after he has gathered all his evidence, whether that evidence proves that the actions of the National Hockey League violate that provision relating to monopolies. If that is the conclusion which he comes to, he can then refer the evidence to the Attorney-General to decide whether the League should be taken to court in a prosecution. At this stage, of course, we cannot know what the outcome of the inquiry will be, but it is clear that the present Act does permit an investigation of this action by the NHL which concerns the Hon. Member and so many other Members of this House.

I might point out as well that the amendment which the Hon. Member proposes would do nothing to alter the situation with respect to the Saskatoon proposal, or the present inquiry. The reason is very simple. The law cannot be amended to apply retroactively. The actions of the League in May in rejecting the Saskatoon application for a franchise were either legal or illegal under the present Act. That will be determined by the inquiry now under way. Any amendment which this House may make now will not, in my opinion, have any bearing on that.

I am sure the Hon. Member hopes that the amendments which he proposes we make to the Act will ensure that in future the National Hockey League, or any other professional sports league considering an application for a franchise, will realise that their actions are subject to the law. However, it is not at all clear, Madam Speaker, that the proposed amendments would have that result. Let me explain my reasoning.

The Section of the present Act which relates specifically to professional sport in Section 32.3. The part of that Section which creates an offence reads:

32.3(1) Every one who conspires, combines, agrees or arranges with another person

(a) to limit unreasonably the opportunities for any other person to participate, as a player or competitor, in professional sport or to impose unreasonable terms or conditions on those persons who so participate,

or

(b) to limit unreasonably the opportunity for any other person to negotiate with and, if agreement is reached, to play for the team or club of his choice in a professional league.

Clearly, this Section relates to agreements which place unreasonable restrictions on the opportunities of players. It does not deal with restrictions on teams or franchises. The problem which the Hon. Member has pointed out, and which his proposal seeks to correct, lies in Subsection (3) of Section 32.3. That Subsection reads:

(3) This section applies, and section 32 does not apply, to agreements and arrangements and to provisions of agreements and arrangements between or among teams and clubs engaged in professional sport as members of the same league and between or among directors, officers or employees of such teams and clubs where such agreements, arrangements and provisions relate exclusively to matters described in subsection (1) or to the granting and operation of franchise in the league, and section 32 applies and this section does not apply to all other agreements, arrangements and provisions thereof between or among such teams, clubs and persons. 1974-75-76, c. 76, s.15.

I suppose we can all pretty well get lost in this legalese. However, I guess one could say, in just common sense English, that the Subsection therefore states that Section 32, the general conspiracy provision of the Act, will not apply to arrangements relating to the granting and operation of franchises but that Section 32.3 will apply. However, that Section does not deal with franchises at all. It only deals with restrictions on the opportunities of players to participate in the sport. The amendment which the Hon. Member proposes would delete the words "or to the granting and operation of franchises in the league". The Bill would also add a new Subsection to the present Section 32, making it clear that that Section, and not Section 32.3, would apply to arrangements concerning franchises. These agreements would then have to be tested against the main conspiracy provisions contained in Section 32 in order to determine their legality. That is the problem that I set out to clarify for myself, as to whether what was being done was legal or illegal.

Section 32 deals, first of all, with agreements or arrangements. Clearly, teams in professional sport agree among themselves on many things—rules, schedules, and so on. They may also agree among themselves on how the revenues obtained from the games they play against each other are distributed. Most importantly, however, the teams must agree to play against each other. That is, if they are organized into a league, they must agree on what other teams will be permitted to join the league. Therefore, any decision a league makes concerning the award of a franchise will have that element of "agreement" which is required by Section 32.

There are also four Subsections to Section 32(1), each of which describes what it is which makes certain agreements illegal. The main Subsection, the one under which most combines conspiracy cases are brought, is Section 32(1)(c). That is the Section which makes illegal agreements "to prevent or lessen unduly, competition in the production or supply of a product".

There may arise certain circumstances under which a league's decision on whether to award a franchise might come under that provision, if the Hon. Member's proposal is adopted. I am thinking particularly of territorial restrictions, where one team is given an exclusive right, or a monopoly, in a certain metropolitan area. A league's refusal to permit another team to establish itself and join the league in the same city or area as an existing team, without financially compensating the existing team, could possibly be illegal under the Act if this Bill is adopted. And, perhaps it should be. But it is important that this House should not pass too hastily a Bill which may have this result.

What about a situation, such as the recent Saskatoon case, where a league denies a franchise to a city which does not already have one? Would that situation come under Section 32(1)(c)? Would it "prevent or lessen unduly competition"? The answer is not at all clear. A court would have to decide, first of all, what the product is in which competition has been lessened. If the product in question is the exhibition of games in a certain sport, or even professional sports in general, would the denial of a franchise lessen competition if there were no professional sports franchises in that city to begin with? Would it do so to an "undue extent"?

These questions must be addressed. I do not want to attempt to answer these questions here and I will not. I hope, merely by asking them, to point out to the House that the bill proposed by the Hon. Member for Saskatoon West does little to clarify the Act as it applies to the granting of professional sports franchises.

Mr. Hnatyshyn: Doug Richardson will be very unhappy with that.

● (1710)

Mr. Parent: Is Mr. Richardson your friend? I have never met the man but I am sure that if he is your friend he must be a very nice fellow.

I very seriously doubt whether the National Hockey League would have acted in any different fashion if the Hon. Member's amendments had been in place last May. I am afraid that not only does this Bill attempt to slam the barn door after the horses have left, but it does not even slam it effectively.

For a number of years now there has been talk of amending our competition laws. Many proposals have been put forward; few have been adopted. In light of that history, it would be ironic if the House should pass a bill to amend the Combines Investigation Act which is so specific in what it seeks to deal with and yet so limited in what it would accomplish.

It may be that the Combines Investigation Act does require amendment in order to deal more effectively with the way professional sports franchises are awarded. When the Act was amended in 1976 and Section 32.3(3) was incorporated into it, it was felt that professional sport had unique characteristics which required that it not be dealt with under the general conspiracy provisions of Section 32. However, as the Hon. Member pointed out in proposing the Bill, Section 32.3 let the question of franchises fall between the cracks.

Perhaps when this House considers proposals for more general amendments, including amendments to the provisions concerning monopolies and mergers, it might also look again at Section 32.3. We could then ensure that a single section, Section 32.3, would contain the entire competition law relating to professional sport. I hope that when this House does set

about the overdue task of amending a number of the major provisions of the Combines Investigation Act, the Hon. Member and others on his side of the House will continue their interest in the subject of competition law and will support its reform.

We have heard a good deal about the outpouring of support from the people of Saskatoon and indeed the people of all Saskatchewan for the proposal to bring a National Hockey League franchise to that city. They, in turn, have been supported by a good many Canadians from all over the country, including my area of the Niagara Peninsula. I am certain that all Members of the House wish them success in their continuing efforts to bring a professional hockey team to Saskatoon. In my opinion it would be good for the city and good for professional hockey.

A fair bit has been written about the National Hockey League and the way it has handled this matter. Not only is the League under inquiry by the Director of Investigation and Research under the Combines Investigation Act in this country, but it has also been sued for $60 million in a private action in the United States by the Ralston-Purina Company. Because their actions are under inquiry at this time, it would be improper for me to comment on them now. I believe, though, that we should all regret the fact that the situation has developed to the point of protracted litigation in both countries.

I understand that the Director's inquiry under the Combines Investigation Act has been slowed down substantially by a series of court actions taken by the National Hockey League to block the inquiry. Back in June, on application by the Director, the Chairman of the Restrictive Trade Practices Commission issued subpoenas to the members of the board of governors of the League and its senior officials requiring them to appear to give evidence in the inquiry. At that time it was announced in the press that the League intended to co-operate fully with the Director's inquiry.

What has happened? Since then the League has tried to stop the inquiry or throw roadblocks in its way. During the summer, the Federal Court of Canada threw out the League's argument that the subpoenas issued were unconstitutional as being contrary to the Charter of Rights and Freedoms. More recently, the court rejected their application to delay the proceedings further pending their appeal of the first decision.

I have a number of other things I wanted to say in this particular debate, but suffice it to say that I believe my colleague for Saskatoon West is wise in bringing this matter to our attention. Like him, I look forward to the time when we can debate it in committee.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am very happy to rise today and speak in support of the Bill of my colleague from Saskatoon West (Mr. Hnatyshyn). Let me go on record as saying that my colleague from Saskatoon West wisely lives in Saskatoon East and is one of our more distinguished members of the constituency. Whenever he is away on trips, I always make sure he has little flags and other things to hand out. He is looking after those matters very well, I understand.

However, today I would like to go on record with him in proclaiming that what happened in Saskatoon this spring was very much against what the people in Saskatoon wanted. Something should be done to see that the wishes of the people in that Province are fulfilled and that Saskatoon will get a major league hockey team.

I accept the fact that the debate up to this point has been in what we would call legalese. It has been strictly on legal terms. I would begin by simply saying that, not being a lawyer, I do not feel competent to speak to the matter in that particular respect.

However, when these matters arise, I can relate to what was said by Robert Service in "The Shooting of Dan McGrew". Let me reflect on how it would relate to lawyers. I am misquoting, but he said: "I am not as wise as those lawyer guys, but strictly between us two, it is between you and me and the rest of us that we will maybe save the Blues". That is not exactly how he said it but it is in that manner that all Parties, as my hon. friend for Saskatoon West indicated, will have to find a way in which this particular problem can be solved.

A group of people in Saskatoon who were extremely interested in hockey, the city and the Province, had put together a financial package to buy the St. Louis Blues. When they finally made their proposition to the NHL they were treated like children and as if they should not be there. In effect, they were simply discarded. There must be a way to resolve this problem in an adult manner.

During the negotiations between Saskatoon and the National Hockey League this past year, I would say that I probably received more mail on this particular subject than anything else. That points very directly to the fact that hockey is part and parcel of life in that Province. As my colleague for Saskatoon West indicated, that area has been looked upon by the NHL over the years as one of the factories of hockey players. Many fans in that area are related to or familiar with National Hockey League players and want to see them playing hockey in Saskatoon.

A friend of mine, Tom Bentley, whose name relates very closely to one of the great hockey families in Saskatoon, is a senior hockey player now, as are many old Saskatchewan people who keep playing hockey years after they should have known enough to stop. He lives in Clavet now. He said that it would be important to have a team in Saskatoon because they are real fans in that city. They understand, are knowledgeable and know who is good and who is not. Since they play the game themselves, they know which players are skilful. This is quite different from other NHL cities where the fans want to see violence or something else. They do not go to see the skills that these players have gained while playing this sport.

I would like to say a word to the Hon. Member for Welland (Mr. Parent) who indicated that he supported the general idea of NHL teams all across the country. I would point out to him that Saskatoon is not the capital of Saskatchewan yet. I hope

that if his motion to have a team in all the capitals of Canada passes we will get one in Saskatoon before Regina.

● (1720)

The Hon. Member indicated that the proposed Bill may not solve the problem, but it is extremely important to find a solution down the road. Hopefully a Bill will be introduced and Saskatoon will have its team. Perhaps it will not be this Bill, but I hope it does go to committee.

When the debate began last spring, people had gut feelings that Saskatoon would have a team. I was nervous that their expectations were too high. The local fans believed that the matter would be easily handled. I have had experience in other parts of the world dealing with multinational corporations. I really felt for the fans because I knew they would probably be let down. This is what happened: they were let down.

The NHL, which is big business in a sense, is out to make a profit. The dimension of the people at the bottom who make it work, the fans, is forgotten. If it happens to be a fruit company in Central America or a sugar company in Brazil, the people at the bottom make it work, but they are frequently the ones who are left out or do not have a say in what goes on. When all this was taking place in Saskatoon last spring, I constantly had the feeling that I was experiencing something I had lived through before in other parts of the world. I felt nobody who would listen to the people at the bottom, the fans or the families of the players. If it were not for these people there would not be a National Hockey League, but I knew that the League would be thinking of other things, such as a bigger drawing centre or more sure profits.

There is a special breed of person in Saskatchewan. They are people who really believe in the game. They are willing to go to great sacrifices to see that this comes about. We in the House of Commons have a duty to see that that is respected. We must find a way to change the law or introduce whatever piece of legislation is necessary to ensure that the National Hockey League cannot step in and say that Saskatchewan cannot have a team, even though the base is there, the money is there and everything is in place to make it operate. We, as Members of Parliament, have a responsibility.

I am very happy that all three Parties were in accord. Last spring the Prime Minister (Mr. Trudeau) wrote a letter to the National Hockey League. The Progressive Conservative Party supported the idea of a franchise in Saskatoon. The New Democratic Party supported the idea. It appeared to be a unanimous decision of the House, but unfortunately the franchise was not given to Saskatoon and in a sense we are still out in the cold.

We support morally and in every way we can the Motion of the Hon. Member for Saskatoon West. I trust the Government will see that the matter gets to committee and that it will be studied there. The National Hockey League will be able to appear and give its point of view. The League could be questioned. Basically there is nothing to hide. If it has a good reason, let us hear it. If it does not have a good reason, let us ask why. It is simple. It is the way the country runs. It is the way committees are set up. It is what Parliament is about. I trust the Government will let this Bill go to committee and that there will be a positive result for all people in Saskatchewan who want a professional hockey team in Saskatoon.

Mr. Chris Speyer (Cambridge): Mr. Speaker, I assure the House that my comments with respect to this Bill will be relatively short. I come from Cambridge. My family has had a considerable amount of history in hockey; this is what really prompts me to speak. My father played in the National Hockey League. Although I do not have the abilities of the Hon. Member for Joliette (Mr. La Salle), I certainly love the sport.

Quite frankly, I was shocked by what I thought was shabby treatment of the application of Saskatoon last spring. I know from watching all professional sports what great fans are the people of Saskatchewan and I know what a great contribution that sport makes to the Province of Saskatchewan. It is unbelievable that people will drive 300 or 400 miles to watch a Roughriders game. That Province has an incredible amount of spirit, it richly deserves a National Hockey League franchise.

There may be good reasons which have not been indicated why the application was turned down, but certainly the manner in which the NHL dealt with the matter does not satisfy me. I think there has to be some accountability of all professional sports teams. In that regard I think of hockey as one of our national treasures. It is one of the sports, like football, which helped to unite the nation. It gives us a real sense of competition. We all care very much about our professional teams. That being the case, there is really a public trust involved. Because this is so, I think there is an obligation on the part of the NHL to be very frank and to indicate why the franchise was turned down.

I remember the Prime Minister (Mr. Trudeau), perhaps it was last June, indicating in a public release that he would see whether there was some way in which he could use his good offices to influence the president of the National Hockey League in the matter. The Prime Minister made a promise to all Canadians; he made a promise in the House that he would use his good offices to see whether or not the Saskatoon application might be accepted. What better way could there be than by referring this matter to committee?

I listened with a great degree of interest to the representations of the Hon. Member for Welland (Mr. Parent) who professed to care about this subject matter but said that the Bill was unsatisfactory. I would like to put the Government side to the test because I believe that the subject matter ought to be investigated by the Standing Committee on Justice and Legal Affairs of the House of Commons. Everyone in the House knows that at this particular point in time there is no reason that it cannot be immediately referred to that committee for a full hearing.

Accordingly, I move, seconded by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour):

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

"Bill C-690, an Act to amend the Combines Investigation Act (sports franchises), be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice ands Legal Affairs."

The Acting Speaker (Mr. Corbin): It has been moved by Mr. Speyer, seconded by Mr. Kilgour:

That Bill C-690, an Act to amend the Combines Investigation Act (sports franchises) be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Is it the pleasure of the House to adopt the said amendment?

Mr. Hnatyshyn: I just want to say that I agree.

Some Hon. Members: Agreed.

Amendment agreed to.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the motion, as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Corbin): Accordingly, the Order is discharged, the Bill is withdrawn and the subject matter thereof is referred to the Standing Committee on Justice and Legal Affairs.

Order discharged and Bill withdrawn.

Mr. Berger: Mr. Speaker, I rise on a point of order. I want to know exactly what it is we are agreeing to. If the purpose of the amendment would be to change the Bill and therefore to refer its subject matter to committee without ending the present debate, perhaps it is something to which we could agree. The question is whether the debate is ended on the motion being proposed.

• (1730)

The Acting Speaker (Mr. Corbin): I should make it very clear to the House that the motion moved by the Hon. Member for Cambridge (Mr. Speyer) was agreed to. That motion had the effect of having the Bill not now read a second time, but that the Order read earlier be discharged, the Bill withdrawn and the subject matter referred to the Standing Committee on Justice and Legal Affairs. The House agreed to that motion. Therefore, there is nothing before the House at this time. The Order was discharged, the Bill withdrawn and the subject matter referred to the Standing Committee on Justice and Legal Affairs.

We will now proceed with the next item of Private Members' Business.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Corbin): Shall all items listed under Private Members' Notices of Motions (Papers) preceding item No. 113 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

AGRICULTURAL SUBSIDIES

Mr. Simon de Jong (Regina East) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all studies, documents, research papers and reports done by or for any department or agency comparing Canadian government agricultural subsidies and United States government agricultural subsidies.

He said: Mr. Speaker, when I placed my question on the Order Paper on July 23, 1982, I wanted to know what research the Government might have undertaken to compare the subsidies Canadian farmers receive and the subsidies that farmers in countries such as the United States receive. I was interested because at that time the Government had already made plain that it was going to change the historic Crownsnest Pass Agreement.

Such changes will directly affect a large number of my constituents who are engaged in grain farming. The increase in the freight rates will diminish their ability to compete against grain growers in other countries, particularly their chief competitor, the United States grain grower.

Many Government members and other proponents for this change in the Crow have argued that it is an unfair subsidy to our grain farmers, that our grain farmers should pay a much higher rate for moving their grain and that the subsidies they supposedly are receiving under the Crow gives them an unfair advantage. Therefore, I wanted to know how direct or indirect subsidies which the Canadian farmers receive compare to those received by their major competitor, the U.S. grain farmer.

To say that I was shocked when I received the response from the Government earlier this year is putting it mildly. The response was: "The Minister of Agriculture is not aware of the existence of the documents requested. I therefore ask the Hon. Member to withdraw his motion". In other words, the Government does not have any studies, documents, research papers or reports on agricultural subsidies. Agriculture is one of Canada's major industries. It is one of our major export items. We are in direct competition with the United States, the European Common Market, Australia and Argentina, all of which give various subsidies and various forms of support.

Through Bill C-155, this Government will drastically change the economics of farming in western Canada yet this Government reports to the House that it has no studies, documents or reports on the subsidies that our wheat farmers receive compared to farmers in other countries. It has done no

study to determine what effect this legislation will have on the competitive position of our farmers. I find this very hard to believe.

The Government must either be lying or be damned fools. Would a Government bring in massive changes to western agriculture without first considering the competitive position in which it would leave our farmers? Do our negotiators to GATT and other international conferences go without any idea what subsidies agriculture in other countries receives? I cannot believe we are that stupid or that naive. Either the Government are lying or they are damned fools.

Perhaps in answer the Government is deliberately misleading the House. Of course, it has studies comparing agricultural subsidies but it does not want to make them public. It does not want to acknowledge the fact that Canadian agriculture, particularly grain farming, is the least subsidized in the world. It does not want to acknowledge that fact because it would show the economic folly of what the Government is doing with a Bill to change the Crowsnest Pass Agreement.

The Government owes this House and the Canadian public some straight answers. I hope that the Government spokesperson who will be speaking today on this motion will give us some answers. I hope he will answer whether anybody in International Trade and Commerce, External Affairs, Agriculture or Transport monitors subsidies in agriculture in Canada and in other countries. Surely such people exist and surely such studies are done. I hope that the Government spokesperson who speaks today will tell the House, yes or no, that we do have these people or we do not have these people.

It is amazing that the Government while in the midst of such massive changes to agriculture in western Canada should come to this House and admit that it has done no studies on the subsidies that the chief competitors receive. Is this possible? I am so flabbergasted that I have difficulty trying to find the words to define how I feel. That is most unusual for a politican.

With massive resources at its disposal, economists and specialists filling tower after tower of highrises in this city, the Government admits that it does not have any studies on the subsidies that agriculture in the United States receives or on the subsidies that farmers in the European Economic Community, Argentina and Australia receive. Does the Government mean to tell me that it actually does not know? If the Government does not know, how dare it proceed with Bill C-155?

If you plan major moves in agriculture, Mr. Speaker, you have to consider the subsidies that are received by farmers throughout the world. Not to do so is ultimate stupidity. Why has the Government not done those studies? Is it afraid to do those studies? Is it afraid to table them for the public to see? I think the latter is the case. I would not tend to think that the Government, with its massive bureaucracy, is that stupid but that the figures, studies and reports are there. The Hon. Member opposite shakes his head no. Is he admitting that the Government is so stupid it does not do any studies on agricultural subsidies in other countries? Is that what the Government member is admitting? In either case, Mr. Speaker, the Government stands condemned as either being a liar or being damned naive and stupid.

• (1740)

I urge the House to pass the motion and force the Government to make these relevant documents public so that Members of the House and the Canadian public can take a good, honest look at the type of competition our grain farmers will be facing in the years ahead.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the world food situation is a matter of concern for many prominent figures in political and economic circles, as it is for people in many countries, for purely humanitarian reasons. That being said, Mr. Speaker, I think the Hon. Member for Regina East (Mr. de Jong) ought to know that there is not a single country, and I am mainly thinking of the industrialized countries with widely differing policies, that is going to divulge exactly the kind of subsidies it grants, either directly or indirectly, to agriculture. I think it is hard to see, what with unilateral, bilateral, multilateral agreements, what kind of direct or indirect subsidies are being granted, considering that production differs from country to country.

The present rate of population growth is such that we can expect an increase in the world demand for food that exceeds the projected growth in food production. For many years, people have been talking about a world food crisis. At a time when demand is expected to continue to increase, when certain developing countries are showing signs of positive economic growth, and we are seeing a growing trend towards consumer societies of the kind that exist in most western countries, it was to be expected that countries that are major exporters of food commodities would compete and will continue to compete most actively for a large share of these lucrative markets.

Mr. Speaker, once again, I am convinced that the countries engaged in this very competitive exercise will not divulge their secrets and tell us how they are subsidizing certain commodities, either directly or indirectly. They are attracted by very substantial economic benefits, for their balance of payments and domestic income, and this is particularly true of western countries that are not yet out of the economic recession. Will this lead to a trade war in the agro-food sector, in the form of fierce competition on export markets and increased protectionist measures on the respective domestic markets of the countries and groups of countries concerned?

I would not go so far as to say that such a war has already started, but the issues being raised today and the concerns that have been expressed with respect to developments in trade relations over the last few years already give some indication of what the foreign trade situation may be in the not so distant future. I have just mentioned that current forecasts indicate

that export markets are expanding. We feel that we have the necessary potential to develop our farm production to benefit from these expanding markets. In my opinion, this is a worthy and legitimate objective. Yet, it is not new. Is it not the very same objective which federal and provincial departments of agriculture have sought from the very beginning in endeavouring to help our agro-food industry meet the needs of our domestic market primarily, and of foreign markets secondly, by producing healthy high quality food at reasonable costs, while providing producers with equitable incomes in line with their efforts and investments?

We shall probably be hearing today this list of objectives for the nth time. It is with these objectives in mind that the government has created and continues to create assistance programs, financial or otherwise, for farm producers and other contributors to the agro-food industry? These assistance programs have sometimes appeared in the form of food production, transport, processing and marketing subsidies. What the Hon. Member for Regina East does not understand when he blames the Government, is why it does not have any study or accurate figures from various countries about the type of subsidies for each particular kind of product. It is simply because these come under various programs. It all depends on the type of assistance. Is the assistance program aimed at production, transportation or marketing boards? In my opinion, this is rather difficult to accurately determine and if, because of the various programs we were to stop tomorrow morning giving this matter special attention, Mr. Speaker, it is almost certain that many agreements would be cancelled.

These programs were designed and implemented to promote the development of the Canadian industry with due consideration being given to Canadian realities and very often Canadian needs. If we want to increase the effectiveness and profitability of the Canadian agricultural food products industry, it is first of all because it is in the interests of Canadian consumers. Canadians now spend 15.8 per cent of their disposable income on food products. Only the Americans use a lower percentage of their income for food. This is now the case in Canada.

How do my comments relate to today's debate? I do not want to be simplistic in my approach, but I want to place my remarks in a more realistic context than has been done until now.

Government agricultural subsidies, whether federal or provincial, were first aimed at ensuring the profitability and efficiency of the Canadian industry. If assistance programs have allowed our farm producers and agricultural food products industry to become more competitive, so much the better since it benefits further our economy! Of course, reference can be made to cases where subsidies seem to benefit other people, outside Canada, for instance. In such cases, the government is expected to subsidize exports, and therefore, Canadian taxpayers are expected to subsidize the consumers in other countries. One can look at it that way. However, I believe there are other ways to look at it. In my opinion, the subsidies which seem to benefit others allow us in fact to maintain our production capacity, to remain effective and preserve the markets sometimes acquired by our producers through relentless and patient efforts.

In the short term, some types of financial assistance can be considered as an export subsidy, but in the long run, the very survival of our industry is at stake. What is involved is our capacity to meet the needs of the Canadian people. Can we afford to abandon some of our agricultural sectors because of temporary problems in which case we would become completely dependent on foreign supplies to meet the demands of the Canadian market? There is an important moral and political choice to be made. Once again, the needs of consumers are involved. Canadians could benefit from short term price reductions, but in the long run, if we no longer have the capacity to produce, we shall have to purchase where we can and at a price dictated by others. This is one aspect of the matter.

From another point of view, many financial assistance or subsidy programs were implemented, not to enable Canadian producers to keep on supplying foreign markets in order to protect our production capacity, but simply to protect our domestic markets which belong to our producers against foreign products which are sometimes subsidized. If we look at the purchasing programs of the Agricultural Products Board these last few years, we can see that in each case its involvement was aimed at supporting our Canadian industry when it was threatened by low-priced imports.

• (1750)

Mr. Speaker, I would simply remind the House that when the Canadian Government decided to buy canned tomatoes in Ontario, it was precisely to maintain the production which had been disrupted by imports of foreign produce. I think that nobody in the House could have claimed then with any degree of certainty whether such imported produce had been subsidized, because there are very subtle ways of doing that nowadays, even though we cannot say so openly since we must abide by multilateral agreements.

All kinds of arguments are defensible in light of current trends on the international market. In that respect, I firmly believe that we can take a wide variety of approaches, including outright protectionism through heavily subsidized markets, both domestic and foreign, in the hope that we will eventually run our competitors into the ground and be left with highly lucrative markets. Then again, on the strength of economic theories and in keeping with absolute principles of free trade, any subsidy program which, one way or another, would protect our existing markets or industries could be opposed.

I think that extreme measures seldom reflect a balanced economy, and the policy we have followed so far is the best: first and foremost, we want our food producers to earn a decent living and to be efficient, so we are prepared to help

them achieve their full potential. Later on, we will be in a better position to determine which resources we might allocate to maintain the lead we will have gained over our competitors through this positive and constructive investment. The fierce fight and competition on the export markets will be all the more beneficial to us if we are on solid ground to defend our positions.

[*English*]

Mr. de Jong: Would the Hon. Member allow a question, Mr. Speaker?

The Acting Speaker (Mr. Corbin): The Hon. Member had time left from his allocated time.

[*Translation*]

Would the Parliamentary Secretary entertain a question?

Mr. Dionne (Chicoutimi): No, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Corbin): I am sorry, the answer is no.

Mr. McCain: Mr. Speaker, I am rather disappointed that the last speaker would not accept a question. It seemed to me that he is in favour of passage of this motion. I wish that could be determined, because if he is in favour of it—I ask that question but I also want to address the subject matter and I do not want to get the two confused—then there is very little reason for our continuing debate. If he is so prepared and Hon. Members on your right are prepared to have the motion pass, I am sure that Members on this side are prepared to support it and debate could be ended forthwith. I hope I might make that as a point of order to be followed by my remarks.

The Acting Speaker (Mr. Corbin): This is an unusual situation. I am not sure what the Hon. Member seeks to achieve.

Mr. McCain: Is he ready to let the motion go through?

Mr. Daudlin: Mr. Speaker, perhaps I might speak to this point.

The Acting Speaker (Mr. Corbin): Let it be understood that I recognized the Hon. Member for Carleton-Charlotte (Mr. McCain) to make a speech. If he now sits down, I presume he has terminated his remarks and I would have to go to another Hon. Member.

Mr. McCain: I sat down out of respect for your rising, Mr. Speaker.

The Acting Speaker (Mr. Corbin): I am still standing and the Hon. Member is addressing the Chair.

Let me clear the situation up. I respect the fact that the Hon. Member was trying to make a suggestion by way of a point of order. Normally the Chair is prepared to recognize that and allow the Parliamentary Secretary an opportunity to respond if he so pleases; if not, I would invite the Hon. Member to continue his remarks if he wishes.

Mr. McCain: Mr. Speaker, I have to take that as a suggestion that the Government is not prepared to put these papers on the desk.

Mr. Daudlin: Mr. Speaker, I rise on a point of order. I would have risen to respond to the point of order had my hon. friend wanted to speak to that. There might have been some substantive reason for doing so, but instead he got himself into difficulty about whether he wanted to continue his speech. He has chosen to continue.

I now rise on a point of order which I think is valid, because he now imputes motives to Members on your right by reason of the fact that neither the Hon. Member nor anyone else on this side has risen to respond to a point of order that was never raised. If he chooses to do so, I respectfully suggest to the Chair that it would be contrary to the rules of order of the House and ought not to be permitted. We cannot have imputed motives. He may have made a judgment in his own mind of what may or may not be meant by a certain action but I suggest it cannot be expressed in those terms here.

Mr. de Jong: Mr. Speaker, I rise on the same point of order. I recognize the difficulty the Chair is in. A suggestion was made by the Hon. Member from the Official Opposition that if Members of the Government were in favour, the item be allowed to go to a vote. Your Honour could not allow debate and discussion on that point. Perhaps the way out of the difficulty is for Government Members to nod their heads indicating yes or no. In this way we would get the necessary indication and could allow the Member of the Official Opposition to proceed with his speech or allow the question to go to a vote. If Hon. Members opposite would just nod their heads, we could proceed.

The Acting Speaker (Mr. Corbin): We do not proceed in this House by nodding our heads; there has to be an audible yes or no or some remark.

First of all, the Hon. Member for Carleton-Charlotte did not make a formal motion which was duly seconded. He rose on a point of order, which is perfectly legitimate, at the beginning of his remarks. The Parliamentary Secretary chose not to respond. At that point I thought I had made myself very clear, that either the Hon. Member for Carleton-Charlotte continue his remarks or I see another Member from any side of the House who wanted to speak.

I accept the point raised by the Hon. Member for Essex-Kent (Mr. Daudlin) at face value. Unfortunately, the Chair did not hear the remarks uttered by the Hon. Member for Carleton-Charlotte. At this point I would respectfully suggest that, of course, tradition forbids an Hon. Member from imputing motive.

I think debate should be allowed to continue at this point and I invite the Hon. Member for Carleton-Charlotte to do so.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I am at your disposal and I appreciate your position.

A certain coincidence makes this motion extremely timely, Mr. Speaker. The information requested is pertinent and is important to a situation which exists in relation to a recent ruling of the Department of Commerce in the United States on a surcharge on the entry of potatoes from Canada to that country. The information requested would be extremely valuable to those who are trying to prepare the case because unquestionably there is an element of subsidy on agricultural products in the United States. In the last ten years this subsidy has increased from $2 billion per year to an estimated $20 billion for this crop year.

The products involved are entering our market directly or indirectly. Whether they enter as corn or meat, as wine or canned products, or however they enter this country, we must ask whether they are receiving the benefit of that subsidy. I sumbit to you, Mr. Speaker, that this information is vital.

● (1800)

I have no intention of trying to talk this Bill out. I submit that if the Garrison Dam project goes forward, it will incorporate more subsidy for the farmers of the irrigated area than all the agricultural subsidies paid in Canada. Yet part of the ruling with respect to the surcharge on potatoes going into the United States is that there might be some subsidies in Canada. I suppose you might say it is the case of the pot calling the kettle black, but our agricultural budget in no way approaches $20 billion, which will be theirs in this year. I do not want to impute, and I did not mean to do so; I had to draw a conclusion. There was nothing else which I could do a few moments ago under the circumstances. I heard nothing from the Parliamentary Secretary to the Minister of Agriculture (Mr. Dionne) which indicated an objection to tabling these figures. These figures are important to Canada.

Not too long ago it was my pleasure to be in Europe and to discuss the movement of agricultural products. I have repeated, perhaps not in this House but many times to my friends on this side of the House, that 500,000 tonnes of barley was exported from the European Economic Community, and that the subsidy paid on that export exceeded the price paid by the Canadian Wheat Board to the Canadian farmer. That is the extent to which Canadian farmers are competing with subsidies given by other countries in the world market. Not too long ago we received grape concentrates from France at little more than the cost of freight and container. This concentrate arrived in this nation of ours in competition with our wine industry on that basis and without the application of additional duty.

I submit that this motion is indeed timely and that we should get every single aspect of subsidy, direct and indirect, which is paid by the Government of the United States of America to its agricultural producers. It should, for instance, include the benefits which accrue to farmers through the FHA because they get loans and second loans and third loans through the FHA and those farmers are not closed out. They are given a chance to recover, a chance which our Farm Credit Corporation, because of its underfinancing, has been absolutely and utterly unable to do.

When we are talking about a country imposing surcharge of duty on us, I would like to point out to you, Mr. Speaker, that the potato is the subject matter of today. I want to point out to every Hon. Member of this House, and I ask them to listen carefully, that there are at the present time agricultural organizations in the United States, commodity by commodity, looking at what will be the ultimate outcome of the potato ruling. Anyone in this nation who is interested in agriculture, and who thinks that this process is going to stop with the consideration of the potato application from the State of Maine, has to be blinding himself to the realities which exist in the area of trade in the United States, and for which protection is being sought in every way possible.

It would be a tremendous bonus to the case of Canadian agriculture to be able to present a totally knowledgeable presentation outlining the subsidies which are paid by the Government of the United States, directly or indirectly, to its farmers.

I am not going to take any more time, Mr. Speaker, because I want this motion to pass. I want that information this week because, as the Parliamentary Secretary said, "We have it". Then why not put it on the Table so it might help all of our agriculture all across Canada? Whether it be meat, grain, fruit, or vegetables, nothing is immune to a regional application from any commodity group anywhere in the United States to the Department of Commerce of the United States. I am deeply concerned. Let us please have that information.

● (1805)

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I, like the Hon. Member who has just spoken, have experienced first hand the effect of the discussions surrounding Maine potatoes and the eastern Canada potato issue. The Hon. Member will know that we have just come from deliberations with respect to tomato imports which so drastically affected production during the 1982 crop and threw into complete disarray Canadian marketing of canned tomatoes. When put together with the production which took place in the 1982 crop year, which was exceptional, this exacerbated the entire problem and put us into a situation where we have our already struggling canning industry going into a tailspin.

I must confess that I did not have the opportunity to hear in their complete form the remarks addressed to the House by the Parliamentary Secretary. However, I would find it difficult to believe that we are able at this point to respond to what is obviously a very difficult request at best, if not impossible, to delineate all the subsidies, direct or indirect, there might be on agricultural products. I wonder if we would not end up comparing apples and oranges, or comparing indirect subsidies involved in putting an agricultural student through a Canadian university with, say, the value to farmers of a major irrigation project the likes of which were referred to by the Hon. Member.

Mr. McCain: Throw away the red herrings and let us get down to the nuts and bolts.

Mr. Daudlin: One wonders just how you do these comparisons and whether we assist the situation by suggesting for the moment it is easy to do, that we can snap our fingers and get it, and whether at the end of the day it is not a real description that we give, whether we are not in fact clouding the issue as opposed to helping it.

I know the Hon. Member seeks, for very valid reasons and out of the depth of sincerity, the kind of clarity and information he is looking for to support the case for the producers he represents. But I ask him sincerely whether or not he is potentially putting us in a position where we might be doing them harm as opposed to good? I suppose we could include, for instance, as a subsidy such things as education, the roads which take farm goods to market, the inspection services performed on agrifood products, research, technology transfer programs, drainage, and export missions.

Mr. McDermid: You are reaching.

Mr. Daudlin: As well as more obvious things like the Agricultural Stabilization Act, crop insurance, the western grain stabilization program and the dairy subsidy. Surely we expose ourselves to those considerations if we are going to have the kind of deliberations we are talking about. From any of these programs and services it would be nearly impossible to decide how much of the public expenditure was strictly speaking a farm subsidy and how much was a benefit to the whole of society. How many of us have stood in this place and argued how much better off we would be if the true cost of goods was being paid by the consumer as opposed to being partially borne by the taxpayer? How do we define that?

We would also have to consider, Mr. Speaker, all of the programs offered by the Provinces and then duplicate the entire process in the U.S., adding up all the federal and state programs which were of some assistance to farmers. Clearly, if not impossible, that is very, very difficult.

However, this is a good opportunity to discuss, as I think we should be, some of the aspects of agricultural policy in this country and the degree to which they constitute a subsidy to farmers. The place to start might be in the entire budget of Agriculture Canada, which Members will agree is approximately $1 billion. When you add in the spending on grain transportation, the grain and oil seed programs for Industry, Trade and Commerce, and the programs offered to farmers through the Department of Regional Economic Expansion, you are talking about a grand total of roughly $1.7 billion in fiscal 1981-82. In the same fiscal year the total expenditures in agriculture by provincial Governments was something in the order of $1.1 billion.

● (1810)

Therefore, just by adding up those figures, $1.7 billion in the federal sphere and $1.1 billion provincially, we are already up to $2.8 billion. By comparison, if one takes that figure and considers the farm cash receipts for 1981 of $18.6 billion, one could say that in the biggest, ball park terms, public expenditure on agriculture amounted to around 14 per cent of cash receipts.

Since we are also discussing subsidy levels in other countries, we should consider what was said by Claude Villain, Director General of the Commission of European Communities, in a speech to the University of Minnesota in April of last year. Hon. Members can appreciate that the major theme of his speech was to the effect that the United States should not be angry with the Community for the degree to which it subsidizes its producers and its exports. Surely we have heard the same sort of concerns expressed by our own producers here in Canada, not only producers of the primary products, but also secondary producers, the processors, people in transport and what-have-you. He said: "I will simply say that if you compare budget spending on agriculture with the value added of the agriculture industry, you will find that in 1976 to 1978, the ratio in the European Economic Community was 39.2 per cent and in the United States it was 37.6 per cent". Today I do not have the data that went into that particular computation. However, in a general way, it shows that compared to the United States and the EEC, Canadian farmers receive considerably less subsidy than do their competitors in other countries. I do not know that that is a particular issue here today, but it is important to know.

Some, especially those connected with the Economic Council of Canada, might argue that the system of agricultural marketing boards in this country also constitutes a subsidy to farmers in that marketing boards in many cases guarantee farmers a decent return for products produced within a certain quota. The magic figure of a $1 billion subsidy was produced for the sake of headlines. It was derived by neatly adding up the value of the whole quota in the country. That was a patently ridiculous way of approaching the subject. If, in fact, all of the quota in the country was offered for sale at once, its value would have nothing like the value which it now attracts in the limited quantities in which it is traded.

I do not want to get into great marketing board debates at this particular time. This is neither the place nor the time when it should happen. Allow me, rather, to return to the general comparison of subsidy levels in the United States, the EEC and in Canada. I draw Your Honour's attention to a report in *The Globe and Mail* earlier this month in which subsidies on major grains were compared. The figures were taken from a study prepared by an Ottawa consulting company for the Manitoba Government. It showed that in the ten-year period ending in 1981-82, the level of subsidy to the Canadian grain producers was vastly less than their competitors in the Community and in the United States. In a ten-year period, wheat subsidies in Canada amounted to 4 per cent of the marketing price compared to 8.6 per cent in the United States and 10.5 per cent in the EEC. For barley, the figures were 5.7 per cent, 7.2 per cent and 20.8 per cent for Canada, the United States and the EEC respectively. I know that there are other subsidies that made the level of subsidy between

Canada and the United States more equal. Again, that recalls my introductory disclaimer about comparing apples and oranges.

● (1815)

The most highly subsidized aspect of all Canadian agriculture is the dairy industry. In all, the dairy program costs the federal Government about $300 million a year. That is $100 million more than Agriculture Canada will spend on research this year. But if we are going to be truthful, we must say the dairy subsidy is almost entirely a subsidy to consumers. If the farmers did not get the subsidy, the price to consumers would have to be higher and then one gets into that dilemma which I mentioned at the beginning of my short intervention: how do we keep track of this if we define, as we have done time and again, the subsidy to the dairy producer as being, in effect, a consumer subsidy? Is it one that should be taken into account when doing a comparison? Should it be discounted completely and removed from the figures? It becomes a problem of definition.

As it stands, the dairy subsidy, as an integral part of the dairy program, has brought large benefits to both producers and consumers. Our supply management system has kept dairy production running reasonably closely in line with market demand. Of course, there has been some overproduction in past years but it is nothing compared to the excesses in the EEC and the United States.

If one refers back only to the Question Period of this day and recalls the question asked and the answer made by the Minister, he referred to the milk powder surpluses that exist and the fact that the European Economic Community now has tremendous surpluses unlike anything we have ever seen in Canada. The Americans are also experiencing the same kind of surpluses. In Canada we have our powder sold until at least June of next year. One wonders whether the program should be criticized as it has been from some quarters.

As it stands, the dairy subsidy is an integral part of the dairy program and has brought large benefits to both producers and consumers.

The EEC now has a mountain of butter in storage amounting to approximately 650,000 tonnes. As of last April, as stated by the Minister, the United States had nearly 600,000 tonnes of skim milk powder and a quarter of a million tonnes of butter. Combined, the EEC and the U.S. will probably spend $8 billion in their dairy programs this year and I think that makes our $300 million program look pretty good.

Looking at the over-all stabilization program, in recent years we in Canada have paid out in the neighbourhood of $50 million a year in deficiency payments to farmers for times when their receipts fell below the trigger price. I can speak with some conviction and personal knowledge with respect to the stabilization payments. As I have already indicated to the House, 80 per cent of the greenhouse production in Canada finds itself in my riding. Without the stabilization program, I can say that it would be far below 80 per cent which I could represent in the House today. Even in the last two or three years they have had to have access time and again to the stabilization program when the markets have not provided the cost of production let alone a reasonable and decent profit.

This year the budget for stabilization is approximately $70 million. Is that the kind of program that our compatriots in the United States would look upon as a subsidy program, or is it, in effect, a social program that continues to have the agricultural sector alive and well and viable, or at the very least maintained in an effort to become viable in the following year?

We will also contribute about $140 million to the western grain stabilization fund, although it is not expected that a payment will be made. In comparison, the United States has spent $22 billion in farm supports so far, mostly for the PIK or Payment In Kind program. By some estimates it could go as high as $30 billion by the end of the year.

If the dairy subsidy is deducted, Canada has spent just over $1 billion in support payments since the Agricultural Stabilization Act was passed in 1957. In the past few years provincial Governments have become involved in various red meat stabilization programs. We estimate that they have spent about $500 million on these programs in the past eight years while we have spent about $214 million at the federal level.

Mr. de Jong: Mr. Speaker, I wonder if the Hon. Member would allow a short question.

● (1820)

Mr. Daudlin: Mr. Speaker, I would be delighted to answer a question if time permits once I have completed my intervention. There are some items which I would like to have on record. If time permits, I would be delighted to—

Mr. Taylor: You haven't said anything yet.

Mr. Daudlin: It is unfortunate the Hon. Member across the way has been listening so inattentively. He has not heard much of what I put on the record. If in fact he concentrates a little, which I know he finds difficult, I would be delighted if he found even one item—

Mr. Taylor: Tell us something other than a lot of baloney.

Mr. Daudlin: It is unfortunate that one would classify information so vital to the agricultural sector as baloney. I thought the Hon. Member came from an agricultural area.

Mr. Taylor: You are full of baloney.

The Acting Speaker (Mr. Corbin): The Hon. Member for Essex-Kent (Mr. Daudlin) has the floor in order to make a speech. He should not be interrupted.

Mr. Daudlin: Let us look at crop insurance. This year the federal Government will provide about $140 million for this excellent program, matching the premiums paid by participating farmers. It is true that we subsidize crop insurance. The simple fact is that without our contribution the premiums would be too high for farmers to pay and we would see a

situation in which hundreds or even thousands of farmers would be wiped out by one or two major crop losses.

The value of our program is reflected in the way in which the United States moved to adopt a similar program. There are those who contend that lending programs for farmers are actually subsidy programs which cost the Government money. In my view that is a fallacy. Anyone who would support that argument is obviously misinformed, at least as far as the federal Government of Canada is concerned.

Let us consider the Farm Credit Corporation. During the current fiscal year, between April 1 and September 15 the corporation approved 3,257 regular loans for a total of $406.5 million. During the same period, 60 loans valued at $1.8 million were approved by the corporation under the Farm Syndicates Act. In addition, the FCC approved 902 loans for a total value of $166.8 million under the corporation's Special Farm Financial Assistance Program.

However, the Farm Credit Corporation does not subsidize farmers. All of its costs are covered by the interest margins charged to farmers and it is in fact working toward a progressively larger return on the Government's capital. If one consults farmers in Ohio on the other side of the border of my constituency, one finds that they look upon the FCC as a subsidy arrangement of a kind and type that they deem should be counted when one determines whether or not a subsidy is being provided to our growers.

The Special Farm Financial Assistance Program is somewhat of an exception, because it is an interest rebate program. Between November, 1981 and the spring of 1984, the FCC expects to approve $345 million in loans under the special program. The way it works is that farmers who received loans under the first $45 million of the program will receive a 5 per cent interest rebate for the first two years of their loans. The interest rebate on loans approved out of the other $300 million is 4 per cent.

But let me stress that the corporation estimates that about $29 million in rebates will be paid out by the federal Government altogether. Let me re-emphasize that the Government will not be losing money on this program. Also I point out that in 1981-82 the FCC had $10.9 million in retained earnings. As well, in the three years prior to that the corporation actually made a profit. All in all it is extremely difficult to compare domestic programs, but perhaps we should look a bit longer at the export scene.

The Acting Speaker (Mr. Corbin): Order, please.

• (1825)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker in the remaining few minutes those on the Government side can contemplate whether this motion should be accepted.

The Hon. Member for Essex-Kent (Mr. Daudlin) presented some information that causes us to wonder about the honesty of the response we are getting to this request to table studies having to do with the amount of subsidies which apply to different agricultural commodities. The Member clearly stated the proportions of subsidy that exist for barley. On three or four other commodities, he went right down to the last decimal point on the proportions of subsidy that apply in the United States, Canada and in the European Economic Community. We do not understand how those figures can be arrived at when the Government can reply to my colleague from Regina East (Mr. de Jong) that it does not have such figures and, therefore, it cannot table them and make them public. The only way to arrive at a percentage or proportion is to have figures from which you can work. This gives a very clear indication that the studies have been done but, for reasons not made clear in this debate, the Government has chosen not to make them public.

I hope that Members opposite will see that there is no advantage in keeping this information from the Opposition and the public and that it will table the papers requested by my colleague for Regina East.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I do not want to talk out this motion. Therefore, at what time must I resume my seat?

The Acting Speaker (Mr. Corbin): The Chair should inform the House that, in keeping with the order passed earlier by the House and in the spirit of that order, the debate will adjourn at 32 minutes past the hour.

Mr. Gustafson: Mr. Speaker, it will be too bad if this motion is talked out because it is very important to agriculture. It will indicate the priority which this Government places on agriculture. We have had a long debate on the statutory Crow rate, Bill C-155.

One could spend hours on the importance of research and on what has not been researched by this Government. The farmers will spend hours on it. I have been appointed the Wheat Board critic. I have done a bit of research. The intensity that is required to bring together the necessary research to point out how important it is for farmers to compete in the international marketplace is most important to agriculture today.

The remarks made by the Hon. Member for Essex-Kent (Mr. Daudlin) are very contradictory in the area of supporting the position of agriculture and the position of the farmer. This is most important. Some research that I have done indicates that Canadian farmers are being supported by less than 17 per cent while in the United States it is 33 per cent and in the European Economic Community it is up to 55 per cent. It is most important that this information and this research be laid upon the Table so that farmers can understand the direction being followed.

It would be a major mistake for the Government to move against this kind of motion because of the repercussions it would have on agriculture and our farmers. The debate on the statutory Crow rate, Bill C-155, is a prime example as the Government is imposing a freight rate increase which the farmers cannot afford at this time. Research would prove this without a doubt and would support our amendment which

suggests freezing the Bill until the year 1986 so that more of this research could be done.

I am going to sit down, Mr. Speaker, to make sure that I do not talk this motion out. It is in the best interests of the Canadian farmer that research should be done to provide for what we in the country need to put agriculture in a better position.

Mr. Gilbert Parent (Welland): Mr. Speaker, I would like you to clarify once again exactly how much time I have left because I do not want to take more than a few minutes to say what I have to say. I wonder, Mr. Speaker, if you might tell me how much time I have.

The Acting Speaker (Mr. Corbin): The debate will be adjourned at 6.32 p.m.

Mr. Parent: I thank you very much, Mr. Speaker, and I thank—the Hon. Member is trying to say something to me?

Mr. Taylor: There is enough time for you to read the rest of your speech.

The Acting Speaker (Mr. Corbin): Order, please. Hon. Members should not talk to each other across the aisle during debate. Remarks should be addressed to the Chair, please.

Mr. Parent: Of course, Mr. Speaker. I understand that and I apologize for not speaking through you to the Hon. Member who just woke up.

I would like to add my own few words to the debate. Hon. Members on this side of the House spoke earlier about the different problems we are having. All in all, it is extremely difficult to compare domestic problems, but let us look a little more closely at the export scene. The agricultural community throughout Canada, especially my area which produces 85 per cent of the grapes and therefore wine of Canada—and we do indeed import a great deal more of those products than we have in years gone by—are very much relieved to see that the so-called grain war between the United States and the EEC has cooled off in recent months. We believe that this is a forerunner of things that we wish would come in the days ahead. It has certainly threatened to have a disastrous effect on Canadian farmers over-all, and our farmers rely on exports for fully 50 per cent of—

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being past six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to the provisions of Standing Order 2(1).

At 6.32 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, September 29, 1983

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House proceeded to the consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport.

Madam Speaker: Hon. Members are aware, of course, that there are a great many report stage motions on the Notice Paper relating to Bill C-155. I have had an opportunity to examine a number of the motions and I am ready this morning to make what I will call a preliminary ruling. The Chair must say that the Table officers have worked through the night in order to examine these motions and to do some of the groupings which allow us to enter into debate today. Hon. Members will understand, however, that it was not possible to go through the totality of these motions, and I would be prepared to rule on the others later.

• (1115)

The Chair is concerned about the procedural acceptability of Motion No. 1 since it seeks to introduce a disguised preamble and it is extremely difficult to amend the Bill in such a way as to include a preamble. As far as the Chair is concerned, this motion does not meet the very stringent conditions imposed on such amendments.

I hope the House Leaders have a copy of this ruling. I asked that it be distributed because I think it is easier for Members to follow if they have a copy. Does the Hon. Member for Hamilton Mountain (Mr. Deans) have a copy of this?

Mr. Deans: Yes, I have.

Madam Speaker: The Minister has a copy.

Motions Nos. 2 and 59, Motions Nos. 3 and 4 and Motions Nos. 5 and 61 cause the Chair some misgiving as they appear to go beyond the scope of the Bill, and Motions Nos. 5 and 61 appear to be substantive amendments being introduced into an interpretation clause which, as Hon. Members know, is not procedurally acceptable.

Motions Nos. 6, 7, 8, 9, 10, 11, 12, 66 and 67, which appear to be related, are also of concern to the Chair as they appear to be contrary to the intent and purpose of the Bill as it was read a second time. Certainly some of them appear to infringe upon the financial initiative of the Crown.

Motions Nos. 13 and 14 appear to be substantive amendments to the interpretation clause and beyond the scope of the Bill. Thus the Chair has serious reservations about allowing them to be put to the House. Motions Nos. 15, 16, 17 and 134 give the Chair similar problems.

Motion No. 18 also gives the Chair misgivings as the Hon. Member appears to be attempting to enlarge the interpretation clause. Further, it would seem that the motion is substantive in relation to the interpretation clause and is beyond the scope of the Bill.

Motions Nos. 19 and 70 appear to be beyond the scope of the Bill and, in effect, seek to destroy the purpose of the Bill which the House has already approved in principle.

Motion No. 20 also appears to be beyond the scope of the Bill as read a second time, and the same reasoning applies to Motion No. 21 and to Motions Nos. 22 and 23, as it does to Motions Nos. 36 and 41.

Motions Nos. 24, 25, 26 and 29 standing in the name of the Hon. Member for Regina West (Mr. Benjamin), and Motion No. 27 standing in the name of the Hon. Member for Assiniboia (Mr. Gustafson) appear acceptable to the Chair and should all be grouped for debate. Motion No. 24 should be voted on separately and an affirmative vote on Motion No. 25 would also dispose of Motions Nos. 26 and 27; however, a negative vote on Motion No. 25 would require further voting on Motions Nos. 26 and 27. Motion No. 29 will be voted on separately.

Motion No. 28 appears to the Chair to be beyond the scope of the Bill and thus should not be proceeded with.

Motions Nos. 30, 31, 32, 33, 34 and 35 should each be debated and voted on separately.

Motions Nos. 37 and 38 will be debated together but will be voted on separately.

Motions Nos. 39 and 40 should be grouped for debate and an affirmative vote on Motion No. 39 will dispose of Motion No. 40.

Motions Nos. 42, 43, 44, 45 and 46 will be grouped for debate but ought to be voted on separately.

Motions Nos. 47, 48 and 49 will be grouped for debate and Motion No. 47 will be voted on separately. An affirmative vote on Motion No. 48 will dispose of Motion No. 49; however, a

negative vote on Motion No. 48 will require the question being put on Motion No. 49.

Motion No. 51 appears to the Chair to be beyond the scope of the Bill as voted at second reading; and further, it appears to infringe on the financial initiative of the Crown and thus should not be proceeded with.

● (1120)

Motions Nos. 50, 52 and 53 should be grouped for debate. Motion No. 50 should be voted on separately and a vote on Motion No. 52 will dispose of Motion No. 53.

Motion No. 54 appears to the Chair to be beyond the scope of the Bill, as is Motion No. 57.

Motions Nos. 55 and 56 should be debated together but voted on separately.

It is my intention to give Hon. Members an opportunity to speak to the procedural regularity of the motions which I have just noted. Members may wish to have this discussion later and, if so, I suggest we now proceed to the first acceptable motion, which is Motion No. 24 standing in the name of the Hon. Member for Regina West (Mr. Benjamin).

I am setting these 20-some motions aside. This is a preliminary ruling. At first reading of them, as I say, the Chair has misgivings about them. However, there has not been time to look into them in more detail and to mount the arguments and precedents which would support my decision. Therefore, that is the reason I am setting them aside and asking Hon. Members also to reflect on these preliminary arguments that I have given the House so that when the time comes and I am ready to give a more considered opinion on these amendments, we can then enter into the procedural debate if there is a need to have such procedural debate. I will be ready to rule on the remaining motions either tomorrow or Monday, at which time the procedural debate could take place.

Hon. Erik Nielsen (Yukon): Madam Speaker, I thank you for the consideration you have given to the question of calling for submissions as to procedural regularity at a later time. Having regard to the fact that the entire first page of your statement and the entire second page, except for the last paragraph thereof, and Motions Nos. 51, 54 and 57 on page 4 of your statement, are all motions with which the Chair has some concern—and I think you will agree that it is a considerable number that give the Chair concern—my only concern now is your stated intention to make a ruling tomorrow or Monday. That may not give us enough time to consider the concerns and make the submissions that we may wish to make.

In the meantime, however, the remaining portion of Your Honour's statement has opened enough motions which the Chair considers to be regular to allow debate, certainly to carry on today, tomorrow and Monday, and perhaps the Chair might consider a greater degree of leniency before making a definitive ruling either tomorrow or Monday. I do not know how much time we need, but we will certainly try to be ready by Monday. We certainly will not be ready by tomorrow, but we may be ready by Monday, given the weekend. However, if we need more time, I may wish to ask for it at a later stage in the debate.

Madam Speaker: I do not disagree with that. I think it would accommodate the Table officers considerably if Hon. Members would accept that I not rule tomorrow, because they do need the time and they are working through the night to do these things. I would therefore be quite prepared to leave it at least until Monday, at which time I think I could give the House some indication of our thinking on most of these amendments. Then we could determine when the procedural debate could take place.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I fully agree with the comments of the House Leader for the Official Opposition. I am concerned, however, that the scope of the rulings today, preliminary though they are, covers such a multitude of different amendments and topics that it will be extremely difficult for people adequately to analyse both those and others which I believe to be of concern to many of us.

● (1125)

I was wondering whether it might not be more appropriate if the Government were to go ahead with some other business today and allow the Chair and the Opposition the opportunity to review the whole question of the appropriateness of amendments and prepare for discussion on them.

Quite clearly, the amendments that are being ruled upon, even in a preliminary way, not only touch upon amendments from the Opposition but also amendments that the Government may feel have some substantive requirement for its purposes. I would ask whether it might not be appropriate simply to call another order and allow that this be dealt with properly, rather than in a staged and haphazard way.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, with regard to this particular point, I think the suggestion made by the Hon. House Leader for the Conservative Party is by far the appropriate technique to follow. We recognize that there are a number of very critical amendments that should be allowed further review and, as he said, further submissions. The suggestion made by the House Leader of the NDP I believe would just be delaying further what is a very critical and important piece of legislation. Therefore, we would certainly be prepared to follow the proposal put forward by the House Leader of the Conservative Party and support his submission that perhaps further time can be taken to examine those amendments on which you would like further review. But we would hope that we could proceed with the amendments that are already acceptable and start today forthwith.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I too agree with the proposal put forward by the House Leader for the Official Opposition. I myself would like to have a little time to look at some of the rulings you have made. I have some idea of the complexity of the report and I am not surprised that you call into question some of the amendments that were made because there was much lively

discussion on some of them in the committee. Indeed, it was very difficult to decide in some instances whether or not amendments were in order from the point of view that you have expressed in your notes today. They were accepted in the committee on the basis that there was some question as to their procedural acceptability. They were not obviously out of order to the Chair. Therefore I may want to argue in favour of some of the motions about which you raised questions in your preliminary ruling.

Mr. Deans: Madam Speaker, I really do feel quite strongly that some time should be given in order to consider this. Therefore, I would move that this House recess until 2 p.m.

Madam Speaker: I am afraid that the motion is not in order. We must proceed with the business of the House.

Mr. Les Benjamin (Regina West) moved:

Motion No. 24

That Bill C-155 be amended in Clause 3 striking out line 35 at page 3 and substituting the following therefor:

"tion or board, the business of".

Motion No. 25

That Bill C-155 be amended in Clause 3

(*a*) by striking out line 38 at page 3 and substituting the following therefor:

"(*e*) not more than twelve other members."

(*b*) by striking out lines 3 to 18 at page 4 and substituting the following therefor:

"(i) five members, representing the following organizations in Canada: one member representing the Manitoba Pool Elevators, one member representing the Saskatchewan Wheat Pool, one member representing the Alberta Wheat Pool, one member representing the United Grain Growers Limited and one member representing the privately-owned primary elevator licensees, as prescribed by regulations made by the Governor in Council,".

Motion No. 26

That Bill C-155 be amended in Clause 3

(*a*) by striking out line 38 at page 3 and substituting the following therefor:

"(*e*) not more than fourteen other members".

(*b*) by striking out lines 3 to 12 at page 4 and substituting the following therefor:

"(i) six members, each representing one of the six largest primary elevator licensees in Canada as prescribed by regulations made by the Governor in Council, and determined on the basis of elevator receipts and cash purchase tickets,".

● (1130)

Mr. Len Gustafson (Assiniboia) moved:

Motion No. 27

That Bill C-155 be amended in Clause 3 by striking out lines 3 to 12 at page 4 and substituting the following therefor:

"(i) six members, each representing one of the six largest primary elevator licensees in Canada as prescribed by regulations made by the Governor in Council, and determined on the basis of elevator receipts and cash purchase tickets,".

Mr. Les Benjamin (Regina West) moved:

Motion No. 29

That Bill C-155 be amended in Clause 3 by striking out lines 19 to 22 at page 4.

Madam Speaker: Is the House ready for the question?

Mr. Benjamin: Madam Speaker, may I be clear on something? Are you reading all of the amendments Nos. 24, 25, 26, 27 and 29 and then we will begin the debate with No. 24? Have I got that correct?

Madam Speaker: Yes. These motions were grouped for debate, as the Hon. Member will recall. If he reads the preliminary ruling I have just given to the House, he will see that these motions were grouped for debate and debate can start with Motion No. 24 in the name of the Hon. Member.

Mr. Benjamin: Madam Speaker, I rise on Motion No. 24. In light of the earlier discussions, the preliminary ruling of the Chair, what the Clerks at the Table have had to go through day and night and what Members on all sides will have to go through to sort out where we stand on each of the amendments and the arguments we want to make, I do not think this debate should proceed at this time. I therefore move:

That this House do now adjourn.

The Acting Speaker (Mr. Blaker): As Hon. Members are aware, no debate is permitted on a motion to adjourn. Accordingly, those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

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

(*Division No. 369*)

YEAS

Messrs.

Althouse	Darling	Keeper
Andre	Deans	Kempling
Baker (Nepean-Carleton)	de Jong	Kilgour
Beatty	Fennell	King
Benjamin	Forrestall	Knowles
Blenkarn	Fraser	Kristiansen
Bosley	Fretz	Kushner
Bradley	Friesen	La Salle
Broadbent	Gass	Lewis
Carney (Miss)	Greenaway	Lewycky
Clark (Yellowhead)	Gurbin	MacDougall
Clark (Brandon-Souris)	Gustafson	Malone
Cooper	Halliday	Manly
Corbett	Hamilton (Qu'Appelle-Moose Mountain)	Mayer
Cossitt (Mrs.)	Hargrave	Mazankowski
Crosbie (St. John's West)	Hawkes	McCain
Crosby (Halifax West)	Hees	McDermid
Crouse	Hnatyshyn	McDonald (Ms.) (Broadview-Greenwood)
	Howie	McGrath
	Huntington	McKinnon
	Jewett (Miss)	McKnight
		McMillan

House of Commons

Messrs.

Mitchell (Mrs.)	Paproski	Taylor
Mitges	Patterson	Thacker
Murta	Riis	Thomson
Nickerson	St. Germain	Towers
Nielsen	Scott	Vankoughnet
Nowlan	(Hamilton-Wentworth)	Wenman
Nystrom	Siddon	Wilson
Oberle	Speyer	Wise
Ogle	Stevens	Wright
Orlikow	Stewart	Young—90.

NAYS

Messrs.

Appolloni (Mrs.)	Duclos	Lapointe
Axworthy	Dupont	(Beauce)
Beauchamp-Niquet	Erola (Mrs.)	LeBlanc
(Mrs.)	Evans	Leduc
Bégin (Miss)	Ferguson	MacBain
Berger	Fisher	MacGuigan
Blais	Flis	Mackasey
Blaker	Foster	MacLaren
Bockstael	Fox	Malépart
Bossy	Francis	Marceau
Breau	Garant	Massé
Bujold	Gauthier	Masters
Burghardt	Gendron	McCauley
Bussières	Gimaïel	McRae
Campbell (Miss)	Gingras	Nicholson (Miss)
(South West Nova)	Gourd	Olivier
Campbell	(Argenteuil-Papineau)	Ostiguy
(Cardigan)	Gourde	Ouellet
Chénier	(Lévis)	Parent
Chrétien	Gray	Penner
Collenette	Guilbault	Pinard
Comtois	Harquail	Portelance
Corbin	Henderson	Regan
Corriveau	Herbert	Roberts
Cosgrove	Hervieux-Payette	Robinson
Côté (Mrs.)	(Mrs.)	(Etobicoke-Lakeshore)
Cousineau	Hopkins	Rossi
Cyr	Hudecki	Roy
Daudlin	Irwin	Savard
de Corneille	Isabelle	Schroder
Demers	Ittinuar	Simmons
Deniger	Joyal	Smith
Dingwall	Kelly	Tardif
Dion	Lachance	Tessier
Dionne	Lalonde	Tobin
(Chicoutimi)	Lamontagne	Tousignant
Dionne	Lang	Turner
(Northumberland-	Laniel	Veillette
Miramichi)	Lapierre	Watson
Dubois	Lapointe	Whelan
	(Charlevoix)	Yanakis—110.

● (1420)

Madam Speaker: The motion is defeated.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HER ROYAL HIGHNESS PRINCESS MARGRIET OF THE NETHERLANDS, AND HER HUSBAND, MR. PIETER VAN VOLLENHOVEN

Madam Speaker: Before going into the next proceeding, may I call the attention of the House to the distinguished presence in our gallery of a beautiful princess who was born in Canada, Her Royal Highness Princess Margriet of the Netherlands, and her husband, Mr. Pieter Van Vollenhoven.

Some Hon. Members: Hear, hear!

POINT OF ORDER

MR. NIELSEN—LENGTH OF QUESTION PERIOD

Hon. Erik Nielsen (Yukon): Madam Speaker, since we in this Party were here between 12.30 and one o'clock ready to vote, and since the bells rang until now as a result of the Government, I wonder if there might be a disposition to extend Question Period since we have gone 30 minutes into it, so that we have the full time of a normal Question Period.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not know whether the Hon. Member was referring to the Energy debate or the debate on the Crow. In any event, he is aware of our traditional generosity, and so, as far as I am concerned, there is no objection to having the usual forty-five minutes for oral question period.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

CONFERENCE BOARD FORECAST

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for—

Some Hon. Members: Where is your Leader?

Mr. Crosbie: Where were they for the last three hours? Now they are yelling like jackasses.

Some Hon. Members: Hear, hear!

Mr. Crosbie: My question is for the Minister of Finance.

Some Hon. Members: Oh, oh!

● (1430)

Mr. Crosbie: The Minister of Finance will know that yesterday Statistics Canada released a report showing that the economy has slowed down in the first half of the year and there has now been a significant slowdown in the second half of the year. The leading indicators for household income have slowed. Yesterday the Conference Board of Canada showed that the current economic recovery may already be over. Growth is sluggish.

In view of those facts why did the Minister, in his speech of Tuesday, September 27, say to the Canadian Chamber of Commerce that we have a real recovery that is becoming increasingly well rooted? How could the Minister make that statement knowing the facts as indicated by these two bodies, and what steps—

Some Hon. Members: Order, order.

Mr. Crosbie: You may not be interested, but the unemployed are.

Madam Speaker: Order.

Mr. Crosbie: What steps is the Minister taking to overcome the decline in personal disposable income, the decline in housing starts, the decline in momentum of retail sales? What steps will he take so that the recovery will be well rooted?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is not easy to answer all the Hon. Member's rhetoric in a few words. I may remind him that the Conference Board, to which he was referring, very clearly indicated this week, when it published a summary of forecasts made by 18 major organizations and forecasters, that this year and next year, growth in Canada would be very substantial and compare favourably with growth in the United States. I can assure him that the discussions I had at the International Monetary Fund and the World Bank in the last few days with my American and other colleagues have confirmed this trend, and international analysts expect that both Canada and the United States will experience greater growth than other industrialized countries in 1983 and 1984.

As far as personal disposable income is concerned, Madam Speaker, there will not be a decline but an increase in the personal disposable income of Canadians in 1983. Instead of declining, total housing starts will be close to 200,000 units this year, compared to 96,000 last year. As far as retail sales are concerned, the Hon. Member ought to know that their momentum has increased this year compared to last year. Retail sales in 1983 are expected to be substantially better than they were in 1982, and we need only look at sales in the automobile industry, which have been doing very well in recent months.

[*English*]

DECLINE IN PERSONAL INCOME

Hon. John C. Crosbie (St. John's West): Madam Speaker, this is not rhetoric. I refer to the Minister's own Statistics Canada report of yesterday. That report reads:

> Personal disposable incomes . . . declined by 5.8 per cent at annual rates in the first half of the year—

This is because of a number of factors, including the weak recovery of labour income, and increased taxes. Then it goes on to read:

> Housing starts declined by 27.0 per cent in July—

Madam Speaker: Order, please.

Some Hon. Members: Oh, oh!

Madam Speaker: Order. I am sure the Hon. Member realizes that that quotation is too long. All that is necessary at this particular time is to ask questions.

Mr. Crosbie: Madam Speaker, my question to the Minister is this: in view of these facts, the only thing well rooted in Canada is the Minister's propensity for deceiving the Canadian people. When will the Minister take steps to assist in raising the personal disposable income of Canadians by reducing taxes, or by taking other steps to help the recovery that he says is so well rooted?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as far as deceiving the Canadian people is concerned, I do not think anybody could beat members of the Conservative Party at that, particularly when one considers their Leader's statement in the House last week concerning the International Monetary Fund.

Some Hon. Members: Hear, hear!

BOARD'S PROJECTION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my final supplementary question is directed to the same Minister. Why does the Consumer Board of Canada say at page 3 of its report that real disposable income, or household incomes, once taxes and inflation have been accounted for, is expected to decline by nearly 2 per cent, thus giving the lie to the Minister who says the exact opposite in his answer?

Some Hon. Members: Order, order.

Mr. Crosbie: Why is it that the Minister is not telling the truth to the Canadian people and is attempting to deceive the Canadian people with these slanted statistics that he offers the House, while ignoring his own Statistics Canada and Conference Board Reports?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, one must assess the validity of the Hon. Member's claim in light of the fact that he refers to the Consumer Board when he is really talking about the Conference Board. He cannot even get the names right, so how can he get the figures right?

Mr. Crosbie: Statistics Canada.

Mr. Lalonde: As far as the personal disposable income of Canadians is concerned, I have indicated before and I repeat again that it is expected that, by the end of this year, the personal disposable income of Canadians will have gone up and not down as compared to last year.

LEVEL OF INTEREST RATES

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is also directed to the Minister of Finance. In the Conference Board Report which was released yesterday, the Board takes the view that fears about inflation and huge government deficits will keep interest rates high for a long time to come. I would like to ask the Minister of Finance, therefore, if he agrees with the statement made in the House last week by the Deputy Prime Minister in response to a

question from the Leader of the Opposition, to the effect that the high Canadian deficit has absolutely no bearing on our economic performance. That statement is directly contradicted by yesterday's statement from the Conference Board.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member knows of the Government's concern about the growing inflation that we have known in the last few years and the damage that that has done to industrial economies all over the world. The Hon. Member also knows that we are concerned about the size of the deficit, and I referred to this extensively in my last budget. I initiated a number of steps that would gradually reduce the deficit. However, at the present time all analysts in Canada and the United States recognize that for this year, and most likely for next year, the deficit itself will not have a significant impact on interest rates. The source of concern is the medium level of the deficit in the last years of this particular decade, and this issue must be addressed. I proposed a number of steps in my budget that would address this issue.

As the Hon. Member knows, a year and a half ago the spread between the Canadian and American short-term interest rates was as high as 4 per cent and 5 per cent, but for the last three months the Canadian interest rates have been lower than the American rates. We have exploited to the maximum the existing room for manoeuvring.

Again, at the International Monetary Fund meetings it was stressed by representatives from almost every country that it was important for the United States particularly to aim at reducing its deficit in the medium term, and I am confident that the U.S. administration will want to address this issue.

Mr. Siddon: Madam Speaker, the Minister of Finance seems to defy the credibility of the Conference Board of Canada in that reply. It is evident that the Government merely follows the trends and projections established by Statistics Canada analysts and others.

GROWTH RATES IN CANADA AND UNITED STATES

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would like to ask the Minister, who is so confident that Canada is moving in the right direction, why yesterday's Conference Board report shows that growth in Canada will fall considerably below that of American growth for the next five-year period. That indication defies the answer he gave to the Hon. Member for St. John's West a few moments ago. Growth in Canada will be less than 1 per cent, while it will be 3 per cent to 6 per cent in the United States during the next five-year period. The unemployment rate in Canada will be—

Madam Speaker: Order. This is an abuse of enumerating statistics. These preambles are simply too long. I cannot allow them to go on. Ask the question immediately.

Mr. Siddon: Madam Speaker, does the Minister concur with the projections of the Conference Board of Canada, or will he continue to mislead the House by citing out of context the trends to which this report points?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the best answer I can give to the Hon. Member is to refer to another statement issued by the Conference Board last week, I believe. That statement included a survey of the 18 main forecasters in the country who have arrived at different conclusions than the conclusions arrived at in the statement issued by the Conference Board yesterday. The Conference Board statement is only one out of 19 forecasts. It is one that is very much on the low side and it does not correspond to our own forecast.

Our own forecast corresponds very substantially to the forecasts of the 18 other forecasters as indicated by the Conference Board last week. My friend can pick and choose what he wishes. I can tell him that the international analyses made by organizations like the OECD and the IMF also correspond with the forecasts made by the 18 forecasters referred to in my answer. We are trying to look into a crystal ball. The only thing I can say to the Hon. Member is that he should consider the 18 other forecasts which take totally different views from those of the Conference Board.

* * *

● (1440)

WESTERN GRAIN TRANSPORTATION ACT

REQUEST THAT LEGISLATION BE DIVIDED INTO THREE PARTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Government House Leader that concerns the important piece of legislation that is now before Parliament. As the Minister knows, the Crow legislation contains three key elements: first, the revitalization of port and rail facilities; second the disposition of some 50,000 acres of coal lands in British Columbia and, third, the change in the Crow rate. The Conservative Party has now joined the New Democratic Party in opposing a change in the Crow rate.

I should like to ask the Minister if he will tell the House what conclusion he has reached in response to a letter sent today by our House Leader. The letter said that if the Government breaks the Bill into three elements, we on this side will be willing to dispose of those sections that deal with the coal lands and the revitalization of the ports and rail facilities by the end of next week. Will the Government indicate if it is prepared to take action that will produce results, by accepting that idea?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have two things to say in reply. First of all, I am sure that the Hon. Leader of the New Democratic Party wants to respect the Standing Order and apply them. He knows very well that when a Bill is debated in the House he is not allowed to ask questions on the subject. That is the first point. Besides that, if, rather than delaying things this morning and using dilatory tactics by moving the adjournment of the House, thus preventing debate from occurring, he had used

that time to try to make his point, that would have been much more useful than wasting three hours of the time of the House.

Mr. Nielsen: You rang the bell.

Mr. Pinard: As to the second part of the Hon. Member's question in reference to a letter that, I gather, was sent to me by his colleague, the House Leader of the NDP, I have not received that letter yet. Even if I had received it I would have invited my hon. colleague to join me in a House Leaders' meeting that I am willing to have at any time to discuss all the business of the House, including the Crow. Of course, to try to score political points it is useful to be able to refer to a letter which has been sent to me but which I have not received.

I speak in good faith, Madam Speaker. I am willing to negotiate anything on any Bill. His colleague knows that all he has to do is call me and I will have a meeting anytime.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I say to the House Leader that we are serious. My understanding was that the letter had been delivered to his office by hand this morning.

If I understand the rules correctly, one can ask procedural questions but not substantive questions about Bills that are before the House. Let us forget those matters; we are concerned about the substance of this matter.

I should like to clarify what the Minister has just said. Is the Minister telling the House that the Government is now prepared to do what ought to have been done sometime ago, which is to break the Bill into its three key elements and bring two of them before the House so that they can be disposed of quickly?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think the Hon. Member contradicted himself in the preamble to his question. I would rather not go into this any further, because I would be insulting the intelligence of most of the members of this House by elaborating on the issue. I may therefore remind the Hon. Member that discussions on how the business of the House should be conducted usually take place at meetings at the parliamentary House leader level. I offered to suggest that his colleague, who is well aware of this procedure, advise me that a meeting would be desirable. I am willing to discuss the form and duration of the debate. I am also willing to negotiate any agreement that will help the House dispose quickly of the Bill in question. However, I think the Hon. Member should understand that a good way to get one's views across is to refrain from using purely dilatory tactics like the one used this morning by the New Democratic Party when it moved an adjournment motion on the spur of the moment, at eleven o'clock this morning, thus preventing Parliament from considering this important matter. I think there are more useful ways of speeding up the debate than preventing the House from sitting and trying to make political points during oral question period by making proposals usually made during private meetings among the parliamentary House leaders.

[*English*]

REQUEST FOR HOUSE LEADERS' MEETING

Hon. Edward Broadbent (Oshawa): Madam Speaker, that would all have sounded a model of sweet reason but, as the House Leader knows, the reality is that there was no House Leaders' meeting today, nor is one scheduled for tomorrow. We are quite serious in making the proposal now. This part of the Bill that is totally unacceptable—and that is the change in the Crow rate—to Canadians almost from coast to coast—

Madam Speaker: Order. Order, please. The Hon. Member is giving the Chair some difficulty. First of all, just now he is debating, and I wish he would keep to questions concerning the procedure of the Bill and be very careful not to surpass that.

Mr. Broadbent: I will be very reasonable with the House Leader, Madam Speaker. Since the House is supposed to debate this measure for the rest of today and tomorrow, and since it is evident that this Party does not intend to allow that Bill to pass—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —and the Conservative Opposition has taken the same view, will the Government House Leader meet with the House Leaders of the two Opposition Parties this afternoon to discuss breaking up the Bill so that we can proceed in an orderly fashion in the House of Commons?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I can only repeat what I just said, namely that I am always prepared to meet with my colleagues. I indicated yesterday to the Hon. Member's parliamentary House leader that although I was unable to hold a meeting this morning, I was willing, if he wanted a meeting, to have one later on, even this afternoon. Meanwhile, I think we ought to proceed with the debate, and since the Hon. Member says he wants to be reasonable, in that case perhaps the House could be allowed to sit so that the debate can take place. I realize he may be opposed to the bill, but I feel that if he has any respect for democracy, he will allow the debate to take place and let his party express its views and dissent, and support amendments it has proposed, and at the appropriate time, allow the House to speak out in favour or against the amendments at the report stage and third reading. That is what the parliamentary system is all about. In that case, the House can proceed intelligently, and the Opposition, while making its dissenting views known, can, at a given point, allow Parliament to speak out in favour or against a question. Nevertheless, this procedure does not preclude having meetings at the parliamentary House leader level to negotiate what can be done during the

debate, and if his colleague wishes to meet this afternoon, I am available, provided the House Leader of the Progressive Conservative Party is willing to attend the meeting as well and make his views known.

* * *

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF KOREAN AIRLINER—PRIME MINISTER'S STATEMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Prime Minister who, I understand, will not be in the House until next week, I put my question to the Acting Prime Minister.

An Hon. Member: Where is Mulroney?

An Hon. Member: We want Joe.

Madam Speaker: Order, please.

Mr. Stevens: Madam Speaker, as Members of the Government know, the Leader of the Opposition is attending the funeral of one who has served Canada well for many years—

Madam Speaker: Order, please. That is not part of Question Period. The Hon. Member owes no answer to the House in these things.

Mr. Stevens: Thank you, Madam Speaker. My question is directed to the Acting Prime Minister. In the context of a statement made by the Secretary of State for External Affairs in the House on September 12, who quoted our ambassador to the United Nations as saying, when referring to the KAL 007 tragedy, as reported at page 27025 of *Hansard* as follows:

> The deliberate in-flight destruction of this civilian, unarmed, easily identifiable passenger aircraft by sophisticated fighter aircraft of the Soviet Union, no matter where it occurred, is nothing short of murder.

● (1450)

Would the Acting Prime Minister indicate if in fact the Prime Minister was stating the present position of the Government, when he said in Sault Ste. Marie on Sunday that the same shooting—

Madam Speaker: Order, please. Order, please. Really, this is an abuse of quotations, the second one in the same question. There must be a simple question which can be asked, and the House need not be reminded of all of these quotations.

Mr. Nielsen: A simple answer.

Mr. Stevens: Thank you, Madam Speaker. Was the Prime Minister expressing the present position of the Government when he stated that the downing of the KAL 007 flight was an accident, as he stated last Sunday?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am not aware of these statements. I will report them to the Prime Minister. I am sure he will be able to handle the question when he returns from his trip to New York where he is attending a meeting of the UN. Of course, I would like to report to the Hon. Member that the Leader of the Opposition is having a very good week this week in the House; he did not open his mouth at all. I have nothing else to add.

Some Hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, the Acting Prime Minister at least concluded his remarks with something we all agree with; he has nothing to say.

GOVERNMENT POSITION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, if the Acting Prime Minister does not want to comment on the unfortunate comment made by his Prime Minister, would he tell the House what in fact is the Government's position with respect to the shooting down of the Korean aircraft? Was it an accident, or was it a deliberate act of murder?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the position of this Government is very well known on this issue. Canada was the first country to move on this issue. It was the first country to apply sanctions against the Russians. I believe the policy of this Government on this incident is very well known in the Canadian and the international community.

Mr. Stevens: What is it?

Mr. Chrétien: We took many initiatives. I am sure that the statements made by the Prime Minister here in the House or anywhere else can be read by everyone, but the facts remain the same. This Government was the first to condemn the action of the Russians and to take action to ensure there would be adequate compensation for the lives of the Canadians who died. I have not read the two statements referred to by the Hon. Member. I will read them and will be in a position to comment after I have done so. I have not seen them yet.

* * *

[*Translation*]

PUBLIC WORKS

MIRABEL AIRPORT—EXPROPRIATION OF LAND

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Public Works. Some time ago, I sent a press clipping from a Montreal daily which indicated that in 1970, the Government had asked its experts to make a study of land expropriation in connection with Mirabel Airport. The document clearly condemns and acknowledges the monumental error made by the Government in expropriating so much land, and I would like to know

whether the Minister could confirm today that this document is genuine?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, this is a newspaper clipping that was sent to me by the Hon. Member. I referred the clipping to my Department's legal section and asked the archivists to find out whether such a document existed and what it was about. I have not yet received a reply, but as soon as I do, I shall inform the Hon. Member accordingly.

Mr. La Salle: Madam Speaker, I should be delighted to hand over to the Minister a so-called confidential document, dated March 31, 1970, which acknowledges the monumental error of the Government with respect to land expropriation and makes other recommendations I will not have time to quote in the House today. In the circumstances, could the Minister of Public Works undertake to make this document public, with a view to providing all Canadians with further information on the reasons why, for 14 years, the Government has refused to cede back land to owners who were expropriated and who have reason to accuse the Government of having treated them unfairly?

Mr. LeBlanc: Madam Speaker, first of all, I think the Hon. Member is misinforming the House. It is not a matter of refusing. We have already announced that we were prepared to sell back 30,000 acres. I feel that this is an excellent indication that we are acting in good faith. As for finding out what the document exactly contains, the Hon. Member, who was briefly in the same position I am now, and I am referring to that of having to answer questions, will surely allow me to examine the document if it is transmitted to me and to find out under what conditions it can be made public and to what extent I could or would not be able to comment.

HOUSE RESALE PROGRAM—MIRABEL AREA

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, my question is also for the Minister of Public Works.

Since I just heard the Hon. Member for Joliette say that the land at Mirabel is badly administered, I would point out to the House that when his Government was in office, it did suggest that the land be handed back to the former owners. Madam Speaker, I would ask the Minister of Public Works to tell the House whether the house resale program in the Mirabel region was successful.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the fact that a great many people—including many former occupants and owners—jumped at the chance to buy back the houses is a clear indication of the success and generosity of that program. I hope that the Hon. Member will indeed support my efforts to defuse that situation rather than make it worse.

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT LTD.—DEALERS' OFFER TO PURCHASE

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce and of his Parliamentary Secretary, perhaps the Minister of State (Small Businesses and Tourism) could answer this question. It refers to the White Farm Equipment Company. Last week in response to a question put by my colleague, the Hon. Member for Brant, the Minister indicated that the Government would be open to consideration of any kind of bids from companies which were concerned about keeping White Farm equipment as an ongoing concern. The Minister mentioned other points as well.

I wonder whether the Government is aware of the recent offer made by a consortium of some 75 dealers, headed by Mr. John Buhler, a successful businessman, to salvage this company? I would like to know whether the Government is encouraging the receiver to consider this particular offer so that many, many dealers and small businessmen in rural constituencies could remain viable and not go bankrupt if there were a liquidation of White Farm Equipment?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, the Minister of Industry, Trade and Commerce has in fact been monitoring the situation with regard to White Farm Equipment quite closely. I will take the question as notice in order that he may respond upon his return to the House.

COMPANY'S RESEARCH PROGRAMS

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I appreciate that response from the Minister. When he is making the representation to the appropriate Minister, could the Minister also inquire whether the Government will ensure that various research programs which have been committed, or have been offered to White Farm Equipment, would continue if this bid is successful? As the Minister knows, research is a very important element in the whole operation. May I have the assurance that the Minister will convey this request to the Minister as well?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Yes.

URGENCY OF ISSUE

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a supplementary question addressed to the same Minister. The Minister should know that there is a certain amount of urgency about this issue because I understand that tomorrow morning the proposals must be in the hands of the receiver by nine o'clock. If he is going to make representations to the Minister of Industry, Trade and Commerce, I would hope that

he would do it in such time that this proposal from Manitoba can have some impact.

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to assure the Hon. Member that the Minister of Industry, Trade and Commerce has in fact been monitoring the matter very closely and he is aware of all of the time frames involved.

* * *

THE ADMINISTRATION

CABINET USE OF EXECUTIVE AIRCRAFT—REQUEST FOR NEW GUIDELINES

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. Since the Minister recently moved to withdraw some perks from some public servants, will he now move with equal dispatch, as one of the most senior public servants, to establish a new set of guidelines for Cabinet use of executive aircraft, such guidelines not to be subject to individual judgment of purpose or passenger?

● (1500)

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as the Acting Prime Minister pointed out yesterday, the use of the government executive fleet has existed now for some 30 years. It was designed to ensure that Ministers of the Crown, as well as Royalty and other people who need convenience—

Some Hon. Members: Oh, oh!

Mr. Axworthy: Madam Speaker, I am sorry that members of the Opposition would be so disrespectful of the Royal Family.

The fact of the matter is that the fleet is at the disposal of Ministers, taking into account the pressures of time and the need to fulfil responsibilities under the very heavy agenda to Parliament and Cabinet. The guidelines established in 1977 are being applied with the responsibility and standards which I think are necessary. However, as the Hon. Member knows, we are taking a look at a number of aspects of the operation of my Department and that may be one of the areas which will come under review. If the members of the Opposition would give us a chance to get rid of the Crow Bill soon, I would have more time to look at such matters as that.

Mr. Nielsen: You kept the bells ringing today.

Mr. Nowlan: Madam Speaker, perhaps we should start calling Members opposite Royal Hon. Members, instead of Hon. Members.

Madam Speaker: Order, please. Does the Hon. Member have a question?

PUBLICATION OF PASSENGER LISTS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I am talking about the revelations of the abuse by Cabinet, at a cost of $10,000 a day for 100 days. If the Minister has nothing to hide and feels there is no abuse, then surely as a preliminary step of resurrection he would undertake to publish the passenger manifest list from both the Transport and Defence fleets on a monthly basis, so the public would find out what is going on and there would not be any suspicion of a cover-up. Will he do that?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, to begin with let me make it very clear there are no abuses of that system, nor is there any attempt to cover up. We will review the regulations, and perhaps the Hon. Member's recommendation might be accepted. I will look at his proposal because I want to assure him and other Members that there are no abuses and there will be no abuses in the use of that fleet.

* * *

CANADIAN WHEAT BOARD

INITIAL PRICES FOR GRAIN

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is for the Minister of Transport. Since he and the Minister responsible for the Canadian Wheat Board are both in the air, is he aware of the serious cash flow situation that farmers have? The Canadian Wheat Board, as well as grain companies, have been calling for an increase in the initial payment for grain to farmers. When will the Minister announce it, and how much will it be?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, just to correct the record, the Minister of State for the Wheat Board is in China selling grain, and I was in Saskatchewan selling the Crow.

Mr. Hnatyshyn: Eating crow.

Mr. Axworthy: No; selling.

Some Hon. Members: Eating crow.

Mr. Axworthy: No. Well, Madam Speaker, in comparison to the members of the Opposition who are eating turkey all the time.

Mr. Nielsen: Then I find you most distasteful.

Mr. Axworthy: Madam Speaker, in response to the Hon. Member's question, if his colleagues will allow me to answer, the fact is that the Wheat Board has made recommendations and the Minister responsible has discussed those recommendations with members of the Grain Advisory Board. They are now being formulated into Cabinet proposals and I expect that, as soon as the Minister of State returns from his selling mission overseas, the Cabinet will take that under immediate

advisement. We hope to have a decision very soon on that very critical matter.

* * *

ATOMIC ENERGY CONTROL BOARD

POSSIBLE CONFLICT OF INTEREST ON PART OF BOARD MEMBER

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources who will know that Mr. Roy Olsen, President of Phillips Cables, is an Order in Council appointment to the Atomic Energy Control Board. He will also know that this company has sold over $10 million worth of cable to Ontario Hydro's nuclear system. Does he not believe this is a conflict of interest?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): This question was asked of me some months ago and we have looked into the matter. The advice we have received from the people looking into this matter is that there is no conflict of interest.

ADVICE GIVEN TO MINISTER

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, the Minister has guidelines which were prepared by the Government in 1974 for Order in Council appointments. Those guidelines mention in several places that those who are appointed to the Board should not be involved in any commercial enterprise. I ask the Minister who advises him, and on what basis does he consider this not to be a conflict of interest.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think this gentleman was appointed because he is an expert in the field and it is an advisory board, not a full-time job. I do not think the Hon. Member is suggesting that we should not appoint anyone part-time on any boards. Most of the members appointed are on a part-time basis. At the time I asked the question I was informed that the people who looked into this matter reported to my Department that they did not feel it was a conflict of interest situation. But I will certainly review the situation again and report back to the Hon. Member.

* * *

CRIMINAL CODE

SAFEGUARDS FOR WORKS OF ART

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Justice who is no doubt aware, because I gave him notice of the question, that the Canadian Association of University Teachers has made representations on the inclusion in the new obscenity legislation of some safeguards to ensure that the new laws cannot be used to go after genuine works of art, to hinder scientific research or political discussion of pornography. Would the Minister agree that these are sensible safeguards, and give a commitment to introduce them at the same time as the provisions he has already put into the draft legislation?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I do thank the Hon. Member for notice of her question. I am, in any event, aware of the representations of the Canadian Association of University Teachers. There already is a safeguard provision in the Criminal Code for work of that kind. Section 153 (3), which is known as the "public good defence", does exempt works of that merit. I am not aware of any history of persecution by Attorneys General in their administration of the legislation which would justify changing the character of the existing Section to put the onus entirely on the Crown. I really do not see why there should be any need at this time for a change of that kind to give a broader protection than now exists, because the existing Section seems to be quite adequate.

BALANCE URGED IN LEGISLATION

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, the existing provision refers to the public good but is not as specific, I trust the Minister will realize, as what is being proposed, which says quite specifically serious artistic, scientific, medical, literary or political value. It also gives some other specifications about use in universities and so forth.

Does the Minister realize that what the community wants is a much more vigorous implementation of the law, and in order to get that we need new safeguards as well? We do not want new vigorous laws to go overboard and in the wrong direction. The CAUT proposal would be a means of giving some equilibrium to the law. The new law would be tough, but it would be directed to real pornography and could not be used as an excuse for a new witch-hunt of people like D. H. Lawrence or own Margaret Laurence.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I welcome the assertion by the Hon. Member that what is desired is a more effective law on obscenity. That is the objective on this side of the House as well. It is inconceivable to me that under the present law, or the law as we propose it, a court would find there is undue exploitation of sex or violence or any of the other categories in a situation where there was serious artistic, literary, or scientific merit. I do not really believe, Madam Speaker, that there is a problem here which needs to be addressed beyond the way in which it is now dealt with in the Code. Obviously when that legislation is introduced we will be having discussions about that, and the Hon. Member can make her point again.

Oral Questions

PROVINCIAL AFFAIRS

FEDERAL EXAMINATION OF PROVINCIAL LEGISLATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question was for the Secretary of State but in his absence I will direct it to the Minister of Justice who, last week in an answer to a question by the Leader of the New Democratic Party, said:

—the Secretary of State has already granted funds to at least one group in British Columbia to consider the implications of the legislation and to engage in public education with respect to it.

In view of the routine nature of that answer, as though that practice is routine, is it the policy of the Government to examine provincial policies to see which ones the Government disagrees with, and then fund organizations in each of the Provinces if it disagrees with the aims of particular legislation? I would like to ask the Minister what are the criteria that the Government uses to make those judgments.

● (1510)

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, my hon. friend may also have a question to address to my college, the Secretary of State. However, let me remind him that one of the reasons that we were looking at the legislation in British Columbia is that we were asked to do so by the Leader of the New Democratic Party, who raised the question in the House last week.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: Obviously there are occasions when the federal Government does have to look to provincial legislation. However, in this case, to the best of my knowledge the grant which has been made by the Secretary of State is a perfectly proper one for normal purposes.

Mr. Friesen: It is apparent, then, Madam Speaker, that the Minister of Justice takes his marching orders from the Leader of the New Democratic Party.

GRANT TO BRITISH COLUMBIA ORGANIZATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): My supplementary question is directed to the Secretary of State. In view of the statement made by the Minister of Justice with respect to the grant made to a British Columbia organization, would the Minister confirm that, first of all? Second, to what organization was the grant made, and how much of it was made to the organization? In view of the statement made by the Minister of Justice that it involves at least one organization, is the Secretary of State intending to make further grants to other organizations and, if so, which ones?

Hon. Serge Joyal (Secretary of State): Madam Speaker, I would like to inform the Hon. Member that since 1970 we have had a program to support human rights groups all over Canada, not only in British Columbia but in all the ten Provinces. Any groups that want to apply to the program are free to do so, and the conditions and criteria are well known. We do study each request individually. If the request meets the objectives of the program, we do grant the money as appropriated by Parliament.

* * *

INCOME TAX

REQUIREMENT THAT SENIOR CITIZENS MAKE QUARTERLY PAYMENTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of National Revenue. Could he explain to the Canadian people, especially the senior citizens of this country, why they must pay income tax quarterly to the Government?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I would like to refer the Hon. Member to the provisions of the Income Tax Act, which state that when part of your income is not subject to deductions at the source, taxes due on this income must be paid quarterly. Naturally, this situation can cause problems to certain groups, such as senior citizens, which the Hon. Member mentioned. However, I cannot preclude one group from meeting the requirements contained in the Income Tax Act without parliamentary approval. The Act would therefore have to be amended accordingly to meet the wishes expressed by the Hon. Member. This requirement of the Act as it relates to senior citizens concerns me as well as other Members on both sides of the House. We are looking at solutions to correct the situation. I have already discussed this with the Minister of Finance. I will have other opportunities to discuss the matter with him and if it is possible to implement special provisions for a particular group of taxpayers, we shall see what can be done.

[*English*]

REQUEST THAT EXCEPTION BE MADE FOR SENIOR CITIZENS

Mr. John McDermid (Brampton-Georgetown): Will the Minister make a firm commitment today to request the Minister of Finance, in his next budget, to make that allowance? The Government makes exceptions for all kinds of people. Surely it can make an exception, in this instance, for senior citizens.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, whatever the sympathy we may feel for a particular group of taxpayers, I think that it would be irresponsible to change the provisions of the act without having first examined the consequences of such action. I can assure the Hon. Member that we are looking at the various groups and at the consequences of a possible change. If with such a

change we can lighten the burden which a particular group of taxpayers must now bear, we shall do so.

* * *

MUNICIPAL AFFAIRS

AID TO QUEBEC MUNICIPALITIES FOR JOB CREATION—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of Employment and Immigration.

Last week, the Union des municipalités régionales de comté et des municipalités locales met in Quebec City. One of the items on the agenda was of course Bill 38, tabled by the Government of Quebec some time ago to prevent municipalities from receiving federal assistance for job creation, and as a result of this meeting, both participants and the Quebec Bill made the headlines. The Union des municipalités is having a convention at this time.

I would like to ask the Minister of Employment and Immigration what the federal Government's position is on this issue. Does the Minister intend to meet the Quebec ministers in order to find a solution to the problem of distributing funds earmarked for municipalities?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I am, in fact, meeting the Quebec Minister, Mr. Léonard, on October 4 to discuss this matter. I quite understand the Quebec Government's insistence on respecting provincial jurisdiction over municipalities, but in turn, I must also insist on the right of the Government of Canada to treat Canadian citizens residing in Quebec as it treats other Canadian citizens across the country, and I hope Mr. Léonard will show his good faith and intelligence by agreeing with the position taken by the federal Government.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, September 28, 1983, meet the requirements of the Standing Orders as to form.

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I have a question to direct to the Government House Leader. May we take it for granted that we will be dealing with Crow for the remainder of this day, the Crow on Friday, the Crow next Monday and the Crow next Tuesday?

Mr. Pinard: No, Madam Speaker, the business of the House is always subject to change with notice. But in principle, theoretically, I think the Hon. Member is right.

Some Hon. Members: Oh, oh!

Mr. Pinard: We intend to proceed with Bill C-155 today, tomorrow, and Monday and Tuesday of next week unless we change the order of the day, as is our prerogative.

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COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS—PRESENTATION OF TWENTY-SECOND REPORT OF STANDING COMMITTEE

Mr. John Evans (Ottawa Centre): Madam Speaker, I have the honour to present the twenty-second report of the Standing Committee on Finance, Trade and Economic Affairs. If the House gives its consent, I intend to move concurrence in the report later today.

MISCELLANEOUS ESTIMATES—PRESENTATION OF NINTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Madam Speaker, I have the honour to present the ninth report of the Standing Committee on Miscellaneous Estimates.

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

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PETITIONS

MR. MITGES—MEDICAL TESTING OF IMPAIRED DRIVERS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I would like to present a petition from concerned citizens in the form of a resolution, distributed to many municipalities in the Province of Ontario and approved, which petitions the Government of Canada to amend the Criminal Code to allow for the testing of blood samples for blood alcohols levels in cases where, because of injuries sustained in motor vehicle accidents, drivers are not now subject to testing when suspected of driving while impaired.

Some Hon. Members: Hear, hear!

Order Paper Questions

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN TWENTY-SECOND REPORT OF STANDING COMMITTEE

Mr. John Evans (Ottawa Centre): Madam Speaker, if the House gives its consent, I move concurrence in the twenty-second report of the Standing Committee on Finance, Trade and Economic Affairs presented earlier today.

Madam Speaker: Does the House give its unanimous consent to the motion presented by the Hon. Member for Ottawa Centre?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following question will be answered today: No. 4,969.

[Text]

ECONOMIC COUNCIL OF CANADA BOARD OF DIRECTORS

Question No. 4,969—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Economic Council of Canada and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Council?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): 1. The Economic Council is composed of up to 25 part-time Members and three full-time Members all of whom are Governor in Council appointments. The term of the former is three years and the latter seven years. Part-time Members receive no remuneration. The following are part-time Members:

Philip C. Barter
Partner
Price Waterhouse and Co.
Vancouver

Roger Beauchemin
Senior Associate
Beauchemin-Beaton-Lapointe
Montreal

Raymond Blais
President
Confédération des caisses populaires et d'économie Desjardins du Québec
Lévis

Pierre Brien
Vice-President
Canada Lands Company (Mirabel) Ltd.
Ste-Scholastique

Paul-Emilien Dalpé
Former Labour Leader
St-Jérôme

G. Campbell Eaton
Managing Director
Newfoundland Tractor and Equipment Co. Ltd.
St. John's

Shirley B. Goldenberg
Professor
Faculty of Management
McGill University
Montreal

Gerald V. Schuler
Chief Executive Officer
Co-operative College of Canada
Charlottetown

Patrick Shimbashi
Farmer
Taber, Alberta

Ralph G. M. Sultan
Vice President
Starlaw Holdings Limited
Toronto

T. Earle Hickey
Former Minister of Finance of P.E.I.
Charlottetown

Gordon Hill
Vice-Chairman
Ontario Bean Producers Marketing Board
London

Kalmen Kaplansky
Senior Fellow
Human Rights Centre
University of Ottawa
Ottawa

Pierre Lortie
President
Montreal Stock Exchange
Montreal

Donald H. McDougall
Partner
Stewart MacKeen & Covert
Halifax

Peter Podovinikoff
Chief Executive Officer
B. C. Central Credit Union
Vancouver

Alastair H. Ross
President
Allaro Resources Ltd.
Calgary

Douglas P. Thomas
Vice-President
Toronto Investment Management Inc.
Toronto

Roy Vogt
Professor
St. Paul's College
University of Manitoba
Winnipeg

J. Irving Zucker
President
Re-Vest Holdings Limited
Hamilton

The three full-time Members are:

David W. Slater
Chairman
Economic Council of Canada
Ottawa

Peter M. Cornell
Director
Economic Council of Canada
Ottawa

Patrick Robert
Director
Economic Council of Canada
Ottawa

2. Compensation: Chairman—DM-2 ($86,250 to $101,500), Directors (2)—GIC-8 ($73,000 to $85,920).

Paid Benefits: The Chairman and Directors (2) receive the benefits associated with the Public Service Compensation Plan for Senior Executive Officers and Equivalents.

* * *

[English]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if Question No. 4,942 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is it the pleasure of the House that Question No. 4,942 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

FM BROADCASTING IN CANADA

Question No. 4,942—**Mr. Beatty:**

1. How many different programming formats for FM radio does the CRTC license and what are those formats?

2. For what reason does the CRTC require strict adherence to particular formats?

3. What studies, if any, have been done for the government or for the CRTC to determine whether there is greater variety in programming in comparable United States or Canadian markets?

4. How many persons are employed by the CRTC to monitor (a) all broadcasters' (b) FM broadcasters' compliance with all federal programming requirements for broadcasters?

5. How often are individual FM stations monitored to ensure their compliance with CRTC programming requirements?

6. How many FM stations are there in Canada?

7. How many FM stations are monitored each year for their compliance with federal programming requirements?

8. What records must be kept by FM stations in order to permit the CRTC to ensure compliance with the federal requirements?

9. What is the direct cost to FM broadcasters of compliance with CRTC requirements?

10. Was an estimate made of the loss to FM broadcasters from foregone revenue as a result of compliance with CRTC regulations and (a) if so, on what date and how was such an estimate made (b) if not, for what reason was it not made?

11. If an FM broadcaster wishes to adjust his format as a result of market requirements, how does he go about receiving the CRTC's approval?

12. On average, how long does it take to achieve a decision from the CRTC on a proposed format change?

Return tabled.

[*English*]

Mr. Evans: I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motions Nos. 24, 25, 26 and 29 (Mr. Benjamin) and Motion No. 27 (Mr. Gustafson).

Mr. Len Gustafson (Assiniboia): Madam Speaker, I am pleased to stand and participate in the debate on Motion No. 27 which deals with representation on the Senior Grain Transportation Committee. I am somewhat surprised that the Hon. Member for Regina West (Mr. Benjamin) had so little to say on the matter of the statutory Crow rate. I believe his speech consisted of less than a couple of lines.

I was also surprised that Government Members were not here for two hours and delayed debate on this Bill this morning.

Since this is a historical piece of legislation with which we are dealing and because representation on the Transportation Committee is so important, I believe it is fair to say that the farmers in western Canada are very concerned about who is represented. I believe if one studied the action and direction which the Progressive Conservative Party has taken with this Bill, one will find that we have constantly recommended producer representation on the Transportation Committee. While certain Members have said that the Conservatives had taken one position then and another position now, I suggest that nothing is further from the truth. I have reread some of the speeches made by the Hon. Member for Vegreville (Mr. Mazankowski) and also went as far as to read some of mine. I want to suggest that since the outset of debate on Bill C-155 this spring, which has gone on for some time, we have constantly defended the position of the primary producer and the farmer.

The statutory Crow rate was originally established so that produce could be delivered to the open water ports of this country which, in most cases, are more than 1,000 miles away. It was most important that the agreements which were reached at that time would allow the producers the right to believe that their products would get to the markets of the world, and it is our position that this Bill in no way would obstruct the rights and the privileges of the producer to produce his grain and realize a fair return for his production.

In dealing with Motion No. 27 in particular, I want to go back to the original proposal that was put forward and amended by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). In keeping with the direction that our Party has taken, it was suggested that there should first be a producer representation of one from the Province of Alberta, two from the Province of Saskatchewan due to its high production of grain as compared to Alberta and Manitoba, and one producer from the Province of Manitoba. It was the Hon. Member for Kindersley-Lloydminster, on behalf of the Progressive Conservative Party, who implemented this on behalf of the producers.

Our reason for moving Motion No. 27 is that we believe it is important that there be equal representation from producer elevators and grain line companies. Basically, this motion states that there will be three members from the grain line

companies and three representatives from the Pools, which are the Alberta Pool, Saskatchewan Pool and Manitoba Pool. Once again, our Party has mapped out a direction that is fair and equitable in respect of the Senior Grain Transportation Committee.

Since this Committee will play a very important role in directing the activities of transportation and making suggestions to the council, it is most important that it has fair representation. I also suggest in regard to the smaller grain companies that they have representation according to Clause 3(e)(ii). The smaller companies such as Parrish Heimbecker, Weyburn Terminal and others will have the right to elect one member to represent them on the board.

I want to re-emphasize the importance of having broad representation and producer representation. If the Government has made one major mistake in the Bill, if the former Minister has made one major mistake—one of several, I believe—and the Minister who was in charge before him has made a mistake, it is that they have not investigated the situation of the primary producer. They have not researched the problems that the producer faces and do not realize that the producers are incapable of meeting the increased freight rates that they will be expected to pay. I suggest that is the greatest mistake which has been made in Bill C-155. Producer representation is the most important element in this Bill.

The Hon. Member for Vegreville and the Conservative Party have justifiably made great attempts to make sure that one producer is not played against another. That is exactly what the Government has done and we have tried in every way possible, through our amendments, to make sure that that kind of obstruction does not exist.

If the prairie producer is not considered when we deal with this or any other clause of the Bill, our country faces a very serious situation. I want to draw a comparison because I think it is helpful.

• (1530)

The Government, through its national energy policy, took action while not understanding that it was putting Canadians out of work and putting the primary producer in the oil fields of western Canada out of business. The Government chose to buy oil from Mexico. The Canadian oil fields were shut down and put out of business. I am glad the Minister is here. I want to say to him that if the primary producers in agriculture are put out of business because they cannot meet the costs, and research shows that the costs to the primary producer are high, the impact will be great. The impact of the national energy policy will be small in comparison to the impact it will have on agriculture throughout this country.

This and other amendments we have put forward protect the primary producer. They are most important. We ask the Government to accept these amendments in the interests of the primary producer.

I see I have about half a minute remaining, Mr. Speaker, so let me say that if the farmers are to be represented, it will be the Progressive Conservatives who represent the interests of the farmer and the primary producer. I have said that in the House, in my riding and across southern Saskatchewan. It is important that they be represented. That is no more important than Motion No. 27 which puts the producer into a position of responsibility and a position where the producer has some input with the Minister in charge.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I will be very brief. Motion No. 27, of course, would be impossible unless Motion No. 26 was passed. Sub-clause 3(e) states, "not more than 11 other Members", and the three Members cannot be increased to six other Members without increasing the 11 to 14, a move which I shall oppose for a number of reasons.

First, I have always believed that the committee is too large to be functional. It is very difficult to get advice from a committee with that many members. One would probably get conflicting advice all down the line. My second reason for opposing it is that Clause 3 as it is now written is amended from the original clause in the Bill by an amendment put forward by the Progressive Conservative Party in the committee and accepted by the committee. I intend to stand by the proposal adopted by the committee.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I was very interested to hear the Hon. Member for Assiniboia (Mr. Gustafson) talk about the Conservative Party, the co-operative movement, and how they are supporting farmers in the Province of Saskatchewan. He has moved Motion No. 27 which would, in effect, have three Members on the Senior Grain Transportation Committee which is referred to in the Bill.

When the Bill was originally drafted, the three prairie Wheat Pools were to have three committee members on the Senior Grain Transportation Committee. During the summer, the Conservative Party, in a blatant attack upon the Wheat Pools and co-operative movement of this country, introduced an amendment—I believe it was introduced by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—which reduced the number of committee members from three to one. Now we have the Member for Assiniboia saying in the House that they made a serious mistake. Once again they are changing their mind. It is like the Leader of the Conservative Party who is on both sides of every single issue that comes up in the House, that is when he has the courage to come into the House. During the summer, the Conservative Party said that the Wheat Pool should not have three members on the committee. Their amendment was passed, supported by the Liberal Party, and now the Member for Assiniboia contradicts his own Party, once again saying that the Wheat Pool should have three members on this committee. That shows the confusion there is in that Party over the Bill now before the House. It shows that they do not know where they stand on the important issue of the Crow rate as it affects western Canadian farmers.

I am concerned also about where they stand on a number of other motions before the House. We are not debating just this motion. By the way, Motion No. 27, moved by the Hon.

Member for Assiniboia, is exactly the same as the motion that was put on the Order Paper by my colleague, the Hon. Member for Regina West (Mr. Benjamin), that is, Motion No. 26.

My colleague from Regina West was the only person in the committee who voted to have three Wheat Pool members on the committee. The Conservative Party voted against it. He is the Member who led the attack on behalf of the Wheat Pools, which market the majority of grain in my Province. He was the only Member who stood up and defended them against the combined forces of the Liberal and Conservative Parties.

Mr. Thacker: He is the only one who showed up. We never saw you there.

Mr. Nystrom: We only have one Member on that committee. That Member was at the committee throughout the summer. We also had one alternate and we made sure he was there at every hearing. The Conservative Party often went day after day after day without its full delegation of representatives on the committee or their full delegation of alternates. Where were they?

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I hate to do this, but I am not going to sit here and listen to the Hon. Member attack Members who spent a great deal of time this past summer on the committee. What the Hon. Member just said is patently not true. The Conservative Party was fully represented there at all times.

The Acting Speaker (Mr. Corbin): The Hon. Member for Northumberland-Miramichi (Mr. Dionne) may agree or disagree with the remarks made by the Hon. Member for Yorkton-Melville (Mr. Nystrom), but that is basically a matter for debate. Matters like that should not be raised under the guise of points of order.

Mr. Nystrom: It is very interesting to see the Liberal Party jump to the defence of the Conservative Party once again. I guess it shows the true alliance in this country. That is why when the motion was moved last summer reducing the number of Wheat Pool representatives from three to one, the Liberal Party supported that Conservative amendment. It shows who are the true friends of the farmer.

The other motion that is important here is Motion No. 24, moved by the Hon. Member for Regina West. That motion would delete the word "co-operative" in Clause 3 of the Bill. This is another indication of a blatant Conservative attack on co-operatives and the United Grain Growers. It makes it impossible for wheat pool directors, officers or committee members of the Saskatchewan Wheat Pool, Manitoba Wheat Pool, Alberta Wheat Pool, or UGG to be members of the Senior Grain Transportation Committee.

I do not know whether the Conservative Party believes in democracy. However, this kind of clause in the Bill virtually eliminates thousands and thousands of ordinary farmers in all three prairie Provinces from running for democratic office and being a member of the Senior Grain Transportation Committee. In my riding—and I am sure the same is true in the riding of Assiniboia—there are hundreds of ordinary farmers who are Wheat Pool Committee men. They work for the Canadian Wheat Pool or for United Grain Growers. With Clause 3 of the Bill in effect there is no way they could seek office.

• (1540)

Another point is that we have taken the time and trouble to obtain a legal opinion. We were told by a lawyer that this meant that ordinary Wheat Pool Committee men or farmers who are out there trying to work for the Wheat Pool would not be eligible to run for office. Yet the Conservative Party would eliminate thousands of ordinary farmers in my Province from the democratic process. I believe in freedom, I believe in liberty, and I believe in the right of every man and woman to seek elected office. I believe in true democracy and in economic democracy. It makes me very angry as a Member of Parliament to see hundreds of my friends in my constituency being excluded from the democratic rights they should enjoy by the Conservative Party.

Mr. Benjamin: And supported by the Liberals.

Mr. Nystrom: Unfortunately, their leaders, such as Ronald Reagan and Margaret Thatcher, talk about freedom and democracy, freedom and democracy if one is wealthy and rich, freedom and democracy for the elite. When it comes to ordinary citizens or farmers in Kamsack, Canora, Churchbridge, Melville or Ituna in my riding, that same Party will deny them the right to be members of the Senior Grain Transportation Committee. I cannot understand it. I would be very interested in knowing whether or not there would be any support whatsoever for that among Canadians. I am absolutely sure that there would not be.

An Hon. Member: They are not bad guys, just misled.

Mr. Nystrom: I believe I hear the Hon. Member for Lethbridge-Foothills (Mr. Thacker) making utterances from his seat. I would be very interested in hearing him rise in the House to defend the stand of the Conservative Party that ordinary Wheat Pool Committee men cannot seek office on this Senior Grain Transportation Committee. I would be very interested in seeing him rise to make an undemocratic speech. Also I am interested in ensuring that all farmers in the prairie Provinces know where the Conservative Party really stands. It is interested in giving the private grain trade seats on that committee. It is interested in giving the railways seats on that committee.

I see the Hon. Member for Bow River (Mr. Taylor) is present today. He must be embarrassed because his face is turning the same colour as his jacket. He must be embarrassed to know that his Party is supporting a clause in the Bill which is undemocratic. It stands against freedom. His Party moved that particular clause. Members of that Party are denying basic rights to ordinary men and women. It is something which goes back to the nineteenth century and tells us where the Conservative Party really stands.

One of the motives for its amendment is that it is attacking the Wheat Pool movement and the United Grain Growers. It is defending its friends in the private grain trade and in the private grain exchange. The co-operative movement in Canada has been very important. The people who built the wheat pools, the co-operatives and the credit unions made a tremendous contribution to the country. As I travel throughout my riding I see wheat pool elevators in village after village, town after town. Those people want to be treated fairly and squarely. They want at least three members on the Committee. They do not want the membership reduced to one, as the Conservative Party would like it. Also they want to ensure that ordinary grassroot farmers have a chance to be members of that committee, not just bureaucrats, Government officials and the corporate elite which the Conservative Party would like to see running the affairs of the country.

I do not apologize for standing up for ordinary citizens in the House of Commons. It is very interesting to see how the Conservative Party, when push comes to shove, will not stand up for ordinary Canadian citizens. I am very shocked that several of my friends in that Party, who I know believe in democracy, fair trade and equal treatment, will sit on their hind-ends and allow their Party leadership to get away with this nonsense and discrimination against western Canadians and ordinary farmers in my constituency and indeed right across the land.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I find it rather strange that Members of the New Democratic Party started out in this debate by saying that they would do everything in their power to kill the Bill and now they are making various proposals and deals with the Government in an attempt to get some parts of it through. That was the essence of their press release and their questions today. If there is any caving in, it seems to be coming from the NDP.

I rise in support of Motion No. 27 presented by the Hon. Member for Assiniboia (Mr. Gustafson). The motion would establish a representation on the Senior Grain Transportation Committee from the primary elevator system in Canada. In part it reads:

> —six members, each representing one of the six largest primary elevator licensees in Canada as prescribed by regulations made by the Governor in Council, and determined on the basis of elevator receipts and cash purchase tickets.

This would mean that each of the three prairie pools would have one representative, United Grain Growers would have a representative, Pioneer would have a representative, as would Cargill.

The Hon. Member for Regina West (Mr. Benjamin) moved two of the motions we are now debating. In Motion No. 25 he proposes five members, and then as a safety valve he proposes six members in Motion No. 26. Motion 24 is a perfectly logical and reasonable amendment. I certainly want to support it. It is consistent with the proposition of fairness, and consistent particularly with our major thrust in ensuring that producers have adequate representation on the Senior Grain Transportation Committee and in ensuring that the producers' interest is incorporated in the Bill.

One of the many deficiencies in the Bill is the lack of any mention of producer interest and the requirement to maximize returns to the producer. We have incorporated that into several clauses of the Bill as one of the primary obligations of the Senior Grain Transportation Committee as well as the Grain Transportation Agency Administrator. It is important to recognize the welfare of the producer. We are really setting up a new grain handling and transportation system and a new grain handling and transportation administration. We were appalled by the fact that there was hardly a mention of the producer. We sought to incorporate that in the Bill. The thrust of our amendments to the Senior Grain Transportation Committee concerns grassroot producers who are not necessarily tied into any grain handling company, grain handling system or co-operative.

We think that the pools can adequately maintain representation on these kinds of organizations through their administration and management, but we thought it was very important to include individual producers whose sole aim, objective and purpose in life is to produce grain. It is important to have them there functioning and representing the interest of the producer, not the interests of grain elevators or any other association.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) became excited and indicated that the Conservatives were trying to exclude ordinary producers. The fact of the matter is that we are doing just the opposite. We are trying to include ordinary producers and to ensure that ordinary producers who have no other vested interest, have an opportunity to sit down with the Senior Grain Transportation Committee. That committee will be attended by the Chairman of the Canadian Wheat Board, the Chairman of the Canadian Grain Commission, representatives of the railways and representatives of the grain elevator companies so that they can say, "Look, guys, there is a problem here," and so that they can speak directly to the railroads, so that they can speak directly to the Chairman of the Canadian Grain Commission and the Chief Commissioner of the Canadian Wheat Board. We think that that is very important.

● (1550)

The Hon. Member for Yorkton-Melville has become very excited when talking about attendance of Conservative Members. This committee travelled across western Canada and visited his home Province. He did not even attend the hearings in the Province of Saskatchewan. Out of the 66 meetings that this committee held, the Hon. Member for Yorkton-Melville attended only one meeting. That only goes to show his interest in the Bill and his interest in the welfare of the producers. Yet he stands here today and pontificates and chastises Conservative Members and Liberal Members.

I am pleased that the chairman of the committee stood up in defence of all Hon. Members who worked very hard and very diligently and for long hours to try to dissect each and every clause of the Bill and to try to seek out solutions. There

certainly were differences of opinion, and there will be still more as the Bill proceeds, but the fact of the matter is that the Members worked very hard. I take violent exception to the fact that the Hon. Member for Yorkton-Melville chastised us after attending only one committee hearing.

I should add, Mr. Speaker, that the chairman of the committee was very generous. Whether an Hon. Member was a member of the committee or whether he just attended as an observer, the chairman allowed all Members to participate. He was very generous with the committee's time, and certainly when we travelled to Regina, Edmonton, and Winnipeg, any Member who was located in the area had the opportunity to sit in on the committee hearings and to participate in any way, shape or form excepting only for the opportunity to vote. I commend him for it, and I think as a result of that, the committee hearing process was much better.

I take violent exception to the fact that a Member such as the Hon. Member for Yorkton-Melville can come to the House in such an excited state and try to suggest that we as members of the committee were attempting to exclude the primary producer when the opposite is the fact.

We moved a motion, Mr. Speaker, that would incorporate four producer members into the Senior Grain Transportation Committee. I guess the difference between the position taken by Members of the Conservative Party and the position taken by representatives of the pools was the fact that pools collectively wanted to exclude the producers. We do not know why the representatives from the pools wanted that. They made the point that they wanted to exclude the producers. Rather than having three producer members as originally called for in the Bill, they suggested that that be deleted and that the Chairman of the Wheat Board Advisory Committee and the Chairman of the Livestock Feed Board Advisory Committee represent the producers. We found that totally unsatisfactory and, as a result, we moved an amendment which allowed four grain producers to be members of the board, two from the Province of Saskatchewan and one each from the Provinces of Alberta and Manitoba.

In addition, we moved another amendment which allowed for a feed grain producer to be represented on this committee. We also made other changes to the Senior Grain Transportation Committee by allowing for representation from the trucking industry. When we are talking theoretically about the movement of grain, we must remember that every bushel of grain that moves travels by truck. The trucking industry is an important component of the whole grain moving system.

In terms of enlarging the objectives and the terms of reference of the Senior Grain Transportation Committee, we have endeavoured to have the members of that committee commit themselves in their duties and obligations to the principles of maximizing the returns to producers and representing the best interests of the producers. We endeavoured to do the same regarding the terms of reference of the Grain Transport Administrator and we think that that is a step in the right direction because, throughout the course of our hearings, we were told time and time again that the producers' interests were not clearly enunciated in the Bill, and that is what we wanted to change.

I would like to speak briefly to Motion No. 29. Hon. Members of the New Democratic Party want to stop the railways from having a seat on the Senior Grain Transportation Committee. How absurd could they be, Mr. Speaker? The producers want to get their hands on the representatives of the railroad at committee. That is where the decision-making process, the communications process and the entire co-ordination and consultation process should take place.

I find the position taken by Members of the NDP to be absolutely ludicrous and absolutely absurd. In my opinion, the real action will take place at committee, because I can see producers who have been shortchanged by improper allocation of cars, shortage of cars or lack of service tangling with the railroads there. I can see them tangling with the Chief Commissioner of the Canadian Wheat Board and the member from the Canadian Grain Commission, but it is important to have the railway representatives present because if they are not at the table, then this committee will be worthless. I say to you, Mr. Speaker, that I hope the Government will see fit to support Motion No. 27 and reject Motion No. 29.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to say a few words respecting Motion No. 27 which was so excellently moved by my friend, the Hon. Member for Assiniboia (Mr. Gustafson). It appears to me that the Hon. Member for Yorkton-Melville (Mr. Nystrom) either did not listen when the Hon. Member was speaking or did not bother reading the amendment, because the allegations he made are simply unfounded. They are not right. That is not what the Hon. Member for Assiniboia said at all. As a matter of fact, the words of the Hon. Member for Assiniboia were fair and just. Fairness and justice is what we want and what our people and our farmers want.

I would ask the Hon. Member for Yorkton-Melville if it is fair and just for a group that handles 20 per cent of the grain in western Canada to be entitled to membership on the committee. He suggests that we designate members according to the organization. The Hon. Member for Assiniboia is suggesting that we designate members in accordance with the amount of business done. That is sensible and I am sure every farmer in the country would support that. It makes sense.

As a matter of fact, I received a phone call from a member of the Alberta Wheat Pool recently. He said: "This isn't fair at all. We handle far more grain than another company and we have many, many more elevators. But our representation isn't anything near what it should be. We should have more than one representative for the three prairie Provinces." I agree with that. I am not going to argue the case for the Alberta Wheat Pool or the Saskatchewan Wheat Pool or the Manitoba Wheat Pool. I am arguing the case for the farmer who is entitled to fair representation.

If a large percentage of farmers take their grain to the Alberta Wheat Pool, that indicates that there should be more representation from the pools than from independent compa-

nies, and vice versa. If farmers take 50 per cent of their grain to an independent company, are we to leave that company out because it does not happen to be one of the big boys with big elevators? That is what the Hon. Member for Yorkton-Melville is suggesting. He is suggesting that we are to designate them. I say that that is offering special favours and special privileges and we are against special privileges. We want to be fair to every individual farmer in the country. This amendment is fair to every individual farmer in the country.

The Hon. Member for Yorkton-Melville talked about killing the Bill. He is more concerned with killing the Conservative Party because he is frightened that, day by day, he is getting closer to losing his seat.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. I wonder if it is in order to distort what I said. It was Members of the Conservative Party who moved the motion to reduce the Wheat Pool representation from three to one. They did it.

The Acting Speaker (Mr. Corbin): Order. That is hardly a point of order. That is debate. Hon. Members will have the opportunity to contribute additonal remarks to the debate later on. The Hon. Member for Bow River (Mr. Taylor) has the floor.

● (1600)

Mr. Taylor: Mr. Speaker, this is the kind of misrepresentation which the Hon. Member tries to make continually. He is not getting through to the people of western Canada because he is not telling the truth. This Party is not trying to reduce the membership of any particular organization. We want to have representation according to the way individual farmers deal with them. That is the basis of it. If ten farmers take their wheat to one pool and 100 farmers take it to another, why should we insist on one having ten members and the other one maybe no members?

The Hon. Member for Assiniboia tries to be fair but, by misrepresentation, the Member from the NDP tries to hide the facts. The resolution of the Hon. Member for Assiniboia calls for six members—the original motion says three—each representing one of the six largest primary elevator licencees in Canada as prescribed by regulations made by the Governor in Council and determined on the basis of elevator receipts and cash purchase tickets. The interpretation given by the Hon. Member for Yorkton-Melville is completely different from that.

I want the farmers in my riding to know what the Conservative Party is doing. We do not stand for special privilege. We want the farmer to have a fair show, whether he has five cents in his pocket, whether he has 1,000 hogs, whether he has five elevators or whether he is a quarter-section farmer, he is an individual, a Canadian and is entitled to representation. When the Hon. Member for Yorkton-Melville tries to mislead the House, we have to be suspicious of his motive.

I support the amendment and I will be prepared to stand anywhere in Canada and fight for the principle. All too often I have seen the big shots get in where they have a vested interest instead of the people who go in objectively for the good of the country, not for their own pocketbook. That is what we want in Canada and that is what the Hon. Member for Assiniboia is fighting for. That is what his motion says in black and white for anyone to read. The trouble is that the NDP Members do not read anything unless they like it. If it is socialistic, they will read it.

The Hon. Member for Yorkton-Melville said he had legal opinion. I would like to know where he got that legal opinion because I have legal opinion that is completely different. The man who gave me the legal opinion will stand head and shoulders above any solicitor his Party can put forward. If he wants to name his legal opinion, I will be glad to name mine.

Let us forget the legal opinion for a moment and get down to the common sense of the ordinary, every day farmer. Let each of them interpret Clause 3(d) of the Bill. They are not illiterate. The clause deals with the membership of the Senior Grain Transportation Committee as follows:

> Four members who are active grain producers currently holding a Canadian Wheat Board permit book—

They have to be growing wheat and selling it to an elevator and have a Canadian Wheat Board permit book. It goes on:

> —and who, in the opinion of the Minister, have been duly elected as representatives of grain producers—

Not appointed but elected, Mr. Speaker:

> —one representing the producers of Manitoba, two representing the producers of Saskatchewan and one representing the producers of Alberta, and who, at the time of their election, and for the duration of their service as members of the Committee are not nominees, officers, directors, agents or representatives of any corporation—

This is not one from a corporation that has a vested interest, or a co-operative that has a vested interest or a business that has a vested interest. The NDP Members would leave all of them in, however, except the co-operatives. They would delete co-operatives but apparently all the others are fine with them. Why should there be a special privilege for the co-operatives? I deal with co-operatives because I like their business, but they have never asked for a special privilege and I am not going to give them a special privilege. They will take their share along with everyone else.

The Hon. Member for Yorkton-Melville indicated that an individual farmer would not get on the board, but that is who we want on the board, Mr. Speaker, not someone with a vested interest or someone who holds a high position in some agency or corporation or co-operative. We want the ordinary, every day farmer who will deal with things objectively. My hon. friends should take this back to their lawyer and tell him to read it. It does not bar the individual farmer, it perpetuates him. It gives us a chance to get a fresh, net opinion from the farmer fighting for a livelihood, not the rich, wealthy and special people.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to speak on the amendment to this Bill that would provide for farmers to be members of the Senior Grain Transportation Committee. I submit that the amendment ought to be accepted if for no other reason than that the history of the Crow rate

relates to the movement of grain. From its inception, this legislation was directed toward producers. For as long as the Crow rate has been in existence, there has been an intention to serve producers of the country. It only makes sense that when changes are made to the legislation, its fundamental purpose must be kept in mind. And the fundamental reason for the Crow rate originally was for the movement of grain in western Canada.

There are those who argue that we would deny representation to Wheat Pools, but it should be remembered that in the original draft of the legislation there was an opportunity for farmer-producer representation. It was the Wheat Pools, in their own interest, which took the view that they should be represented and not the producer. The Hon. Member for Bow River (Mr. Taylor) asked why we should single out the co-operatives for attention when it comes to having vested interests. How can we say that among all grain traders only they should be represented? Is there any reason that we should single them out for that privilege, among all grain traders?

I see I have the ear of the Minister of Transport (Mr. Axworthy). I would ask him if it is not obvious that the purpose of grain companies is to buy and sell grain and that this leads to the export of grain? Is it not also obviously the case that producers may do other things with grain than export it, particularly in Alberta where 47 per cent of grain grown is what we call "value added"? It goes into the production of poultry, pork, beef, or is in some other way used for some purpose other than being sold as whole grain. Those producers, who represent virtually one half of the agricultural income of Alberta, surely ought to have some say as opposed to those whose only objective is the export of grain. Those who are members only of a pool organization will reflect a perspective which is primarily self-serving, and that perspective will mean that grain will move from the Province without value added. I hear a little heckle coming to me from the New Democratic Party to my extreme left, whose Hon. Members, Mr. Speaker, are very pink and very ill read. Since that Hon. Member comes from the Province of Saskatchewan, he ought also to be aware enough of western agriculture to know that while he may be arguing his individual point, the truth of the prairies is that we are not homogeneous, and we ought not to be.

● (1610)

One of the great challenges which comes often from the Government side on this question is that the prairie people cannot get their act together. I hope we do not because our acts are in fact different. Saskatchewan exports almost 85 per cent of what it grows. In Alberta, a sister and neighbouring Province, virtually half of the grain grown is feed grain. Our producers have a different purpose from that of those who belong to grain companies whose first priority is to export. I submit, Sir, that it is counter to prairie production to say that it ought to be a grain company which sits on the Senior Grain Transportation Committee when in fact it is producers, for whom this Bill was designed originally, and for historic reasons who should continue to be the representatives from this day forth. This Bill is intended for the producers of western Canada, and there is a variance in what Alberta and Saskatchewan do with their production. This variance can only be expressed with adequate producer representation.

I believe that the Hon. Member for Assiniboia (Mr. Gustafson) has done western Canada a great service by submitting that it should be those with the particular mental bent only to buy and sell grain and little else who should be removed by method of amendment in order to allow producers a variety of representation on a board which is sensitive to the needs of western Canada. A challenge was put forward by the Hon. Member for Bow River. How can the Government possibly select one set of grain traders and say that they are to be the privileged few is a question which absolutely demands an answer. We cannot pick out a grain company and stamp that across the three prairie Provinces, and say that it is privileged above all other companies, without any system of vote or any system of determining how it gets there. The Government surely cannot set up a committee which will have the power that this one will and not allow for some kind of input from the producers.

You will note, Mr. Speaker, that the Hon. Member for Mount St. Helen's is over here blowing his top again. He is a Member of the NDP and will probably not have the courage to speak himself, but he will stand here and shoot off steam and blow off ash as he always does. He sits over here and hollers through my microphone. I challenge him. He has a chance to rise and speak. We will allow him to do that any time that I sit down.

I would like to read into the record what the Province of Alberta, in its official submission, had to say with regard to this question of the Senior Grain Transportation Committee. It said this:

> The Senior Grain Transportation Committee should be restructured so that a majority of the members represent Western farmers and are free of vested interest in the grain handling/transportation system.

In short, Mr. Speaker, what I am saying is that that is the official position of the Province of Alberta. The submission goes on to read as follows:

> The grain farmer who has the responsibility to pay future cost increases is not adequately represented. The Crown is well represented through the Canadian Wheat Board, Canadian Grain Commission and the Administrator: the trade interests are covered through their appointed representatives, the railways' interests through their representatives but direct grain farmer representation is restricted to 3 out of the total 21 memberships.

What we find is that the Province of Alberta, as a provincial Government, stands opposed to the position of this Government. It would favour the amendment presented by the Hon. Member for Assiniboia. I feel it is important that I read into the record the position of the Alberta Wheat Pool. I quote directly as follows:

> The Pools submit that representation on the Senior Grain Transportation Committee should be composed of those parties having a significant interest in and a direct responsibility for the transportation of western grain. This is considered desirable as it is anticipated that the Senior Grain Transportation Committee will be involved in significant grain transportation matters affecting Western Canada.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt but the Hon. Member's time has expired. He could be allowed to continue with unanimous consent of the House.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It is agreed.

Mr. Malone: Thank you, Mr. Speaker. I appreciate the fact that the House has extended extra time. I would not want to take very much time but that the point I have been making hangs in limbo if I do not add some words to the quote I just read.

What the pools are saying in essence is that this is a transportation matter and it is only a transportation matter. The original debates, as they related to the Crow rate, back in the earlier history of this country, clearly showed that the establishment of a Crow rate was not purely a transportation matter, and in western Canada today it is not believed to be purely a transportation matter. This, Sir, is an economic development matter. If it were only a transportation question, as the pools are trying to submit that it is, their argument might be a more viable one.

The question is which way the economy of western Canada, and in turn the whole of Canada, is better served. I submit for your consideration, Mr. Speaker, and through you to the Minister, that the economy of western Canada is much better served if the members of that committee, which will have some considerable power, reflect the interests of those who are the growers of grains and the users of grains. We cannot conclude, Sir, that those who are intermediate to the process of bying and selling grain can be guaranteed to have the best interests of the growers always at heart. They have a vested interest. We would be fools to believe otherwise.

I submit in conclusion, Sir, that the Hon. Member for Assiniboia has presented an amendment which commands that we lend an ear and be respectful to the producers of this country, consistent with our history, with the fact that the principle of this Bill is to serve producers, and consistent with the fact that this is an economic initiative, not just a transportation initiative.

Now is your chance to speak.

● (1620)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Hon. Member for Crowfoot (Mr. Malone) said that now it is my chance to speak. I do not know what he is getting at. Perhaps he is alluding to one of the Members who was standing behind me and shouting at him occasionally during his speech. He may have thought it was me, but it was not.

There are a number of things which have come up in this part of the debate, and what we are looking at is some amendments to set up the membership of the Senior Grain Transportation Committee as it will be called under the new legislation. What we have seen in the debate so far, particularly from my friends to the right, is a fair bit of misunderstanding, to put it charitably, and a lack of information as to what actually went on to get us to where we are. I would like to put on the record what the process was from the time the original Bill was put before committee, what it said, and what happened to it in committee. Apparently the Hon. Member for Bow River (Mr. Taylor), in particular, is quite ignorant of what went on in committee.

The original Bill had the precise same wording as the amendment proposed by the Hon. Member for Assiniboia (Mr. Gustafson). But that was not good enough for the Conservative Members on the committee, so they got together with their friends across the way and proposed an amendment to that portion of the Bill, Clause 3, which we now see before us here today. That is a Conservative amendment proposed on September 1 at 9.40 in the morning by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). It is word for word exactly what he proposed, with one change. The Hon. Member for Red Deer (Mr. Towers) came in at 11.40 a.m. and proposed an amendment to the amendment, which was also incorporated in the Bill, and that is what we have here now. It was supported by the Liberals. The vote in each case was Liberals and Conservatives against the one lone New Democrat who sits on the committee.

In the course of the amendment by our good friend, the Hon. Member for Red Deer, the various organizations were named. Great issue has been taken with that by two or three previous speakers, but it was not until the Hon. Member moved his amendment that we were told who those committee members would represent. We were told very clearly that there would be one representative of the Canadian Co-operative Wheat Producers Organization, which is the umbrella organization for the three prairie pools; one member representing United Grain Growers Limited, and one member representing the two largest privately owned primary elevator companies. So it was the Hon. Member for Red Deer who put names on who would sit for whom. It was the Conservatives who changed the Bill as it was written and to which we are now proposing to return by the motion of the Hon. Member for Assiniboia; they changed it themselves. It was set up to provide a certain amount of equity, or the possibility of it. By having the six members you can see it would be possible to have at least one member representing each of the three prairie pools which collectively handle a little over 60 per cent of the grain in prairie Canada. The other two or three members could have been divided among the private grain companies and the United Grain Growers. They were not satisfied just to reduce the proportion of representation from those prairie co-operative grain companies; they have to go a step further. When they got down to the point of adding producer representatives, they made it very clear that they did not want anyone who had anything at all to do with prairie Wheat Pools to be part of that committee by way of being producer representatives.

Mr. Mayer: Or the United Grain Growers; be fair.

Mr. Althouse: That is right. I do not know whom we have got.

Mr. Mayer: We would have got farmers.

Mr. Althouse: The Hon. Member says it would have been farmers, but they would have been a very special kind of farmer. They would have been farmers who did not have anything to do with the local committees of the United Grain Growers or the various Wheat Pools. By placing them outside without ability to take part in this committee, you are eliminating a great many farmers in western Canada. I do not know the figures for Manitoba and Alberta, but I know from my own Province of Saskatchewan that there are approximately 800 Wheat Pool Committees made up of some 12 to 20 farmers each. Given a legal opinion and the reading of the resolution as it is now, all of those will be eliminated from being able to participate as representatives on the Senior Grain Transportation Committee. You are eliminating 15,000 or 16,000 farmers in Saskatchewan alone.

Mr. Malone: Not true.

Mr. Althouse: I have not even made allowance for the committee members who are part of the UGG structure. The history of the Wheat Pool movement is perhaps not well understood on this side. I do not know how they could forget, but the Wheat Pools and farmers are very closely allied, always were and always will be. I remind the House that the Wheat Pool movement began in my riding with some individuals from the Kelvington and Ituna areas who pushed to begin signing up people for the Wheat Pool which was finally begun in 1924, with a president from Bankend, again in that little triangle.

The membership is very much involved in the marketing of wheat pool grain. That was the reason they started. They started with at least 50 per cent of the grain signed up and committed to a five-year contract, a commitment which continues to this day. In our Province the pools have over 60 per cent of the business and they do not get that kind of commitment without having the full support of the Wheat Pool Committee members and individual members out on the farm. I think no one with that kind of involvement in his community activities, including the marketing of grain and the interest he would have in being part of the local Wheat Pool Committee, should be eliminated from taking part as member of the Senior Grain Transportation Committee. Those are the very kinds of people we want on that committee. The legislation proposed by the Hon. Member for Kindersley-Lloydminster and amended by the Hon. Member for Red Deer prevents them from taking part.

Mr. Malone: Wrong.

Mr. Althouse: I think it was a misinterpretation of what Members of Parliament are suppose to be doing here, a misinterpretation of the input individual members have within their organizations. The way this motion is written it would even prohibit a person who was part of a co-operative farm. To be a member you have to be a director in most of the co-operative farms I have in my area, and those people could not take part, simply because of the kind—

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) rises on a point of order.

Mr. McKnight: Just for clarification, Mr. Speaker, on debate, I wonder if the Hon. Member could describe the amendment in the Bill that he is speaking of?

• (1630)

The Acting Speaker (Mr. Corbin): Order, please. Let it be clearly understood that before a Member is allowed to ask a question of the Member who has the floor, that Hon. Member must consent to receiving the question. That is hardly a point of order in the way in which it was done. Rules of debate require that an Hon. Member who has the floor be not interrupted unduly. In any case, the question has been asked. The Hon. Member may respond if he so wishes.

Mr. McKnight: On a point of order, then, Mr. Speaker, there is a rule of relevancy, and if the Hon. Member who is speaking could bring himself to the amendment as the Bill is printed in his references, it would certainly make debate much more lucid and we could carry on in a much more economical manner.

The Acting Speaker (Mr. Corbin): The Hon. Member for Humboldt-Lake Centre has 30 seconds left.

Mr. Althouse: Mr. Speaker, to the poor Hon. Member to my right, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) who is getting lost, I will say that if he looks at the Bill, we are on Clause 3. We are on amendments to Subclause 3. I have been discussing Clause 3 the whole time in my speech. Perhaps he would call a page and get himself a copy of the Bill so that he could follow along as well. The pages will, I understand, if requested, even read to the Hon. Member what is being said in the Bill, if he has difficulty there as well.

The Acting Speaker (Mr. Corbin): Order. I will now recognize the Hon. Member for Lethbridge-Foothills.

Mr. Thacker: Mr. Speaker—

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I wonder if the courtesy which was just extended would also be extended to the Hon. Member for Humboldt-Lake Centre so that he may complete his remarks.

The Acting Speaker (Mr. Corbin): Is there unanimous consent to allow the Hon. Member to continue his remarks?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It is agreed.

Mr. Althouse: Mr. Speaker, I was in the process of pointing out the very clear connection between the grass roots farmers and their Wheat Pools. Some Members of the House were concerned that these farmers might not be represented on the Transportation Committee, and were therefore defending their position of ensuring that anyone who is a member of a

co-operative or corporation must not be allowed to be included in that committee. Farmers who have taken an interest in marketing grain have done so, to a very large extent, through the Wheat Pool movement by becoming members of the pool as young farmers and participating in local Wheat Pool Committees which are comprised of 12 to 20 people. Some of them are even larger than that. At each elevator delivery point, there is a Wheat Pool Committee with a chairman and a secretary. With the Bill as it is now worded, thanks to the amendment of the Hon. Member for Kindersley-Lloydminster, these people would be denied the privilege of participating as advisers and representatives on the Senior Grain Transportation Committee with which this Clause of the Bill deals. This is where the potential leadership for the farm movement originates, almost without exception. It is not doing anything for the agricultural movement in western Canada to try deliberately to eliminate these kinds of people from taking part as elected or appointed representatives of their organizations.

We think that this whole debate shows a bit of hypocrisy on the part of the Conservative Members, since they had the exact same clause in the original Bill as they are now attempting to put back in. They eliminated it themselves.

Mr. Benjamin: They repented.

Mr. Althouse: Now I am pleased to see that they have repented. There have been a great many repentances on the part of that Party. The Conservatives fought a very weak fight at second reading. Halfway or two-thirds of the way through the committee stage, they decided that perhaps the NDP was right and that perhaps they should be opposing the Bill with a little more power and a little more influence than they had before.

Mr. Malone: Tell us about Mission-Port Moody.

Mr. Althouse: At second reading, we heard barely one Conservative for every New Democrat who spoke. The normal process is three to one. They could not disturb themselves to take part in the debate at that time. I am pleased to see today that they have been stirred up enough to keep their usual share of the debate going and that they now find that the original way in which the Bill was written was fine. I hope they will be able to convince their Liberal friends again, as they did in committee, that a mistake has been made. I hope that we will be able to get this part of the Bill back to where it will be of some use to farmers so that farmers, who are members of the co-operative movement, either the United Grain Growers or the pools, will be eligible to be part of the Senior Grain Transportation Committee.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is always a delight to follow the Members of the NDP, because when they speak of hypocrisy, they just reflect it themselves. They are always so sanctimonious in their comments. They purport to represent the ordinary producer, yet they voted against Clause 3(c) which would provide for four active producers. The facts speak for themselves. One can look at the record. They purport to represent the senior people, the labouring classes of the country, yet what do they do? They keep a Government in power that goes into deficit so far that the people who are hurt are the senior citizens, the poor people who can never get out. It is because the NDP keeps the Government in power.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member's remarks are not relevant to the motions now being debated. I would invite him to come back to those motions, please.

Mr. Thacker: Mr. Speaker, then the Hon. Member went on to another point. I think the truth of the matter is that Members of the NDP are speaking for the body corporate of the Wheat Pools, which are huge organizations. They have the vast majority of grain sales in the West. They are speaking for the body corporate, not for the little man who owns them. However, are they prepared to apply the Combines Investigation Act to them? No way. They are prepared to see the corporations getting 100 per cent of the market. However, concerning a newspaper or something that has 20 per cent of the market, they are prepared to attack it viciously. If an oil company happens to be a little larger, they will attack it viciously, but not the corporation.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) said that the reason the membership was reduced and the PC moved the amendment was that the Wheat Pools acted as one corporate body on the issue. The Hon. Member himself said that they always acted together, and therefore, why would they be given three votes? Would the Hon. Member be prepared to give Cargill three if it split itself into Cargill Manitoba, Cargill Saskatchewan and Cargill Alberta? Would he give the United Grain Producers three votes if it split itself into UGG Manitoba, UGG Saskatchewan and UGG Alberta? Of course it just has one vote because it has one legitimate interest. Of course, that is where the Minister and the Government made their largest mistake, when they went from the Gilson proposals which, concerning the method of payment, was 81 to 19, to what the former Minister of Transport then proposed, which was 50-50. By listening to the Wheat Pools, the body corporate, and giving it more power and legitimacy than it deserved, the Government acted as if it were representing all the farmers, but it was not. It represented the corporate interest. It was its duty. If I were the president or the director of the Alberta Wheat Pool and went up to a meeting, I would act for the corporation. That would be my job. I would be a director of the corporation. Therefore, the Government should have been seen in that light. The Government should not give the weight to the corporate interest that it did. It acted in unanimity, together, when it went into Quebec. It acted in unanimity when it came in and said, "Take off the active producers and put on only our three body corporates."

Mr. Malone: Take off, eh?

Mr. Thacker: We simply would not agree with it. We felt that the interest of the man on the soil was different from that

of the corporate body, whether UGG, Cargill or the Wheat Pool.

● (1640)

The Wheat Pool, as a body corporate, has become very large. It has professional management, directors and the whole body. It is just as unrepresentative of the man on the soil as other corporations such as Esso. The NDP Members constantly rise to attack large corporations because they have a professional management body, but the Wheat Pools are no different.

Therefore, I stand in favour of the motion and I hope the Government will accept it. I have no doubt at all that the people of Canada will see through the NDP arguments purporting to represent and protect people and that they are actually injuring the very people whom they purport to represent.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), Shipbuilding—PIP grants—Loss of jobs in shipyards. (b) Construction of drilling rigs; the Hon. Member for Portage-Marquette (Mr. Mayer), White Farm Equipment Ltd.—Urgency of issue; the Hon. Member for Bruce-Grey (Mr. Gurbin), External Affairs—Nuclear technology—Possible exchanges between Argentina and Libya. (b) Relations with Argentina.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport, and on Motions No. 24, 25, 26 and 29 (Mr. Benjamin) and Motion No. 27 (Mr. Gustafson).

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise to take part in this debate on Bill C-155. I will read the amendment I am speaking to very slowly so that the Member for Humboldt-Lake Centre (Mr. Althouse) will be able to keep track of it.

At the outset I will say that the Hon. Member for Humboldt-Lake Centre did participate during several days as a member of the standing committee. Since the Hon. Member for Yorkton-Melville (Mr. Nystrom) was in briefly to make a statement one afternoon and, for some reason, we did not see him again at all the remaining sittings we had throughout Canada, I can understand the mistakes and misinterpretations he made concerning this amendment. However, I believe the Hon. Member for Humboldt-Lake Centre must be making a deliberate attempt either to take things out of context or else be relies on old reports which Members have.

I would like to review for the House what occurred with Part I dealing with the Senior Grain Transportation Committee. At the outset, we who travelled with the committee across western Canada heard from approximately 20 Wheat Pool Committees that appeared before the Standing Committee on Transport. They said time and again that they were not sure that the Wheat Pool speaks for them. They indicated that they were not convinced that the Saskatchewan Wheat Pool, for instance, is representing them in a fair and open manner. They believed it might be tinged by some bias it has as directors for members of the corporate board. Therefore they wanted to express their views to the Members of the Standing Committee on Transport in the House of Commons and not those of the directors and officers of the company. They did so on several occasions.

We then had a submission made to us on behalf of the Canadian Co-Operative Wheat Producers Organization, which is an umbrella group for the Alberta Pool, Saskatchewan Pool and Manitoba Pool. When we examine the original Bill as it was first presented to the House by the previous Minister of Transport, we see that it provided for three representatives from the three pools. There was a representative from the United Grain Growers and a shared representation from what could be considered Richardson or Pioneer and Cargill Grain. The pools considered that to be a very large and cumbersome committee, as stated in their brief to the standing committee on behalf of the Canadian Co-Operative Wheat Producers Organization. They said they did not want to have those three men or women, who actively earned their livelihood from month to month and day to day by producing grain representing them but that the elected chairman of the Canadian Wheat Board Advisory Committee should represent all the producers in the three prairie Provinces. The chairman is probably elected by a 35 per cent voter turnout and probably receives 25 per cent of the vote. Nevertheless, he is elected.

The pools then came and said that in order to protect the feed grain producers in the Maritimes, Quebec, Ontario and B.C. we should have the chairman of the Canadian Livestock Feed Board, who is not elected but appointed, on the board. The pools wanted him rather than three feed grain producers. It was obvious to people who studied that situation that it did

not allow representation from the Maritimes but only from Ontario, Quebec and British Columbia.

We put forward an amendment to reduce the size of the Senior Grain Transportation Committee to comply with the request of the pools since they said it was too large. We eliminated two pool representatives but said they could have one, because this committee is not really one where votes will count. It is not a committee where votes will be decided for or against but one where views can be expressed. We felt that they could be expressed on behalf of those pools by the Canadian Wheat Producers Organization. To counterbalance that, we said that the producers should have four members consisting of one from Alberta, one from Manitoba and two from Saskatchewan.

Furthermore, rather than the only person to protect the consumers of feed grains being someone from the Canadian Livestock Feed Board, we suggested having one user of feed grains from the prairie basin, the three prairie Provinces. That made a lot of sense and was supported by members who wished to have producer representation.

As these hearings progressed we wanted to make sure that there was not a vested interest or duplication of interest in the expression of views on the Senior Grain Transportation Committee. Therefore, we took steps similar to those we take when we prescribe the ability to vote in a federal or provincial election in Canada. We enunciated the eligibility of those who could run in an election, such as we do for elections to this House or to legislatures across the country.

I would like to quote from page 12586 of our standing committee reports. An amendment was made that caused some concern as to whether the committee Members of the pools and the UGG would be eligible to serve on the committee. The amendment read, "... is an elected or appointed representative of any board or committee involved in an advisory or other capacity with respect to the grain trade." We debated that amendment and asked for a legal opinion. We asked for that legal opinion from Mr. Thompson, counsel to the Standing Committee on Transport and a member of the Canadian Transportation Committee and from Mr. Lefebvre, who is the General Counsel to the Department of Transport. Both counsels were asked for their opinion with regard to the concern expressed by the Hon. Member for Regina West (Mr. Benjamin) as to whether committee members of the pools would be eligible. If it is a real concern that he has raised, it is something we should be concerned about. The question concluded:

So, Mr. Chairman, I think now is the time to raise it with the counsels while we have them here.

Mr. Thompson stated:

In my opinion, if such a person were a member of such a local advisory committee he could not, unless he resigned, be elected as a member of this committee.

That was Mr. Thompson's information. We then asked Mr. Lefebvre, and he said:

I do not know enough about the role or the structure of the wheat pools, their committee members, what their role is. It could go either way, but I do not know enough—

The Hon. Member for Regina West then interjected and reiterated his concern. The Chairman, the Hon. Member for Northumberland-Miramichi (Mr. Dionne), then said:

Mr. Benjamin, I think your point is well taken, and I remind committee members that I asked the question this morning as to whether or not a delegate to the wheat pool would thus be ineligible to the elected—

MR. BENJAMIN: We amended it; we took that out.

THE CHAIRMAN: —and I was told so.

No meaning he would not be. The Committee report goes on to read:

● (1650)

MR. NEIL: Mr. Chairman, I understood from Mr. Lefebvre when the question was put to him that this would not restrict those people from being part of the—

THE CHAIRMAN: That was my understanding.

AN HON. MEMBER: It is mine too.

MR. BENJAMIN: But they have to resign.

MR. NEIL: Not, no, no; that was not our understanding from counsel this morning. It was asked specifically. It is not the intention of the members on this side to prevent members of local pools or UGG organizations from being elected or named to this committee.

Then we have the workhorse of the NDP. I pay tribute to him. He singlehandedly put forward their point of view day after day, hour after hour. Referring to the statement by the Hon. Member for Moose Jaw (Mr. Neil), he said this:

MR. BENJAMIN: Mr. Chairman, I appreciate that; I agree that was not the intent of the movers of that addition. I think by unanimous consent we can do anything. We could go back and reword that, or else an appropriate amendment is going to have to be done at the report stage.

Hon. Members who spoke for the New Democratic Party have completely taken out of context any representation that was made in the Bill. The Member for Regina West recognized that it was not the intention of this Party to deny local Wheat Pool men or women or UGG Members the right to be elected to the Senior Grain Transportation Committee.

Mr. Simon de Jong (Regina East): Mr. Speaker, we are moving into what I am sure most Canadians viewing this debate must find very confusing. We are talking about different clauses in the Bill, in particular the makeup of the Senior Grain Transportation Committee.

The Conservative Party has been quite loud and vociferous in its hooting at our speakers. That generally indicates there is something that disturbs those Members. When Government Members begin to hoot and holler, you realize you have touched a sore point, something is there and they do not want it heard. In fact, they try to drown you out, as Members to my right have been trying to drown out the major point we have been trying to make. Many of the amendments we are dealing with today, amendments to the report from the Committee, are really amendments to Conservative amendments. The point which the Hon. Members for Humboldt-Lake Centre (Mr. Althouse) and Yorkton-Melville (Mr. Nystrom) made is that the amendment introduced by the Hon. Member for Assiniboia (Mr. Gustafson) in essence reverts to what the

original Bill said. It negates the Conservative amendment introduced in committee on which the Liberals and Conservatives voted together. I have the records here.

When the sessions started at 9.40 a.m. on Thursday, September 1, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) moved the major amendment, "that Clause 3 be amended by deleting lines 11 to 39 on page 3 and lines 1 to 17 on page 4 and substituting the following therefor". What follows is close to what we have now. There were some further subamendments, for example, at 11.12, the Hon. Member for Red Deer (Mr. Towers) moved a further refinement to Clause 3(e)(i).

The Bill before us today is a combination of Liberals and Conservatives voting together to reduce the number of delegates from the Wheat Pool on the Senior Grain Transportation Committee. That is clear. Regardless of what the Hon. Members for Bow River (Mr. Taylor), Assiniboia and Kindersley-Lloydminster had to say, the truth is here and it is substantiated in the records. It was their amendment which reduced the number of representatives from the Wheat Pool from three to one.

In the debates today we heard justification of that original amendment introduced by the Conservative Party how the Wheat Pool, indeed, is one organization. As I listened to the speakers and read through the transcripts of the original debate, it was as though these Members were arguing the cause that they were arguing on Thursday, September 1. The arguments that many of them presented today were indeed the same type of argument that they were presenting on September 1. It is as though they are still arguing the cause that the pool should, in fact, have only one representative and not three.

I wish these Members would have heard the speech of my dear friend from Assiniboia who laid out the new line today. It is quite different from the line laid out on Thursday, September 1. The new line today, as it is in Motion No. 27, is to go back to what was in the original Bill. The line today is to support what the Hon. Member for Regina West (Mr. Benjamin) was saying in committee on September 1.

The line today is never to admit that you made a mistake. The Conservative Party can never admit that it made a mistake. It will not admit it made a mistake on September 1. Instead of admitting this basic mistake, it is totally changing direction from September 1 to today. They are now trying to bring in a group of red herrings: how often the Member for Yorkton-Melville attended the committee meetings, questioning the personal motivation of Members, shouting down our Members and trying to do everything possible except to admit that they have changed direction totally.

What they are proposing today and urging this House to accept is what they were arguing against on September 1. That is the simple truth. As the Canadian public listens to this debate, I hope they will not be influenced by the catcalling and all the red herrings from the Members on my right, but will realize one simple fact, that what the Conservative Party is proposing today was what they were opposing on September 1.

Today is September 29. That was on September 21. In 28 days we have seen a major turnaround. Why? I suspect that when it was finally realized what the Conservative amendments on September 1 did, the farming members in Alberta, Saskatchewan and Manitoba started ringing their Members of Parliament and saying, "Are you guys crazy? Do you realize what you guys have done? You have totally emasculated the ability of the Wheat Pool to represent or make representations to this committee. You have reduced them from three to one."

The Conservative Party suggests that the Liberals always rule by poll. It is quite right. I might also suggest that today the Conservative Party enunciates its positions according to polls. It realizes that the producers in western Canada were totally outraged at the amendments it forced through committee, supported by the Liberals, and now it is desperately trying to backtrack from that position.

● (1700)

Unless we live in 1984 in the George Orwellian world—and we have not reached that yet—the record stands. Hon. Members interested in the topic can refer to the transcript of the committee hearings. They can go back to Thursday, September 1 and they will realize the greater mess into which the Conservative amendment put the producers of western Canada. It made a terrible Bill even worse. If the aim of the Progressive Conservative Party was to make a terrible Bill so obnoxious that no one could support it, indeed with its amendment on September 1 it moved in that direction. I think the Conservatives were surprised to learn that the Government would go ahead with the legislation and that their obnoxious amendment would be written in stone, included in the legislation and become a reality. They desperately want to backtrack from their position but, when they backtrack, they must clothe the issue in some good rhetoric—"we want to see more producers; we want freedom". The Conservatives have misused the term "freedom". Historians will shake their heads in shame. It has been a total misuse and abuse of the word.

Of course they are suggesting that the pools are like any other corporation and that they are not co-operatives. Sometimes one has criticisms about Wheat Pools as one has criticisms of all organizations, particularly democratic ones. There is no doubt that the Wheat Pools are representative of their members. I see Mr. Speaker indicating that my time is up. I wonder whether, with the unanimous consent of the House, I might have just another minute to conclude my remarks.

An Hon. Member: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Benjamin: What Tory said, "No"?

Mr. de Jong: Mr. Speaker, did I hear you correctly that there was not unanimous consent? According to the established custom we have given consent to Conservative speakers to wind up their remarks.

Mr. Deputy Speaker: The Chair heard a negative voice in reply to the request for unanimous consent.

Mr. de Jong: It is very surprising.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, just to set the record straight, I did not hear any "no" from our side.

Mr. de Jong: It was from your side.

Mr. Benjamin: Yes, it was.

Mr. Mayer: Certainly we were prepared to listen to the Hon. Member. It is always interesting to listen to people making fools of themselves. If he had continued, I would have had no objection. It is very interesting to listen to the comments of this great grain farmer from Regina East. He talked about producers, representing producers, and what was in their best interests. I did not hear any NDP Members say whether or not they were in favour of additional producer representation on the Senior Grain Transportation Committee. I did not hear any of them talk about what that committee would do. Those Members did not see fit to support the Hon. Member for Regina West (Mr. Benjamin) in his "Lone Ranger" vigilance before the Standing Committee on Transport. Now they are instant experts and want to talk about everything in the Bill. They want to explain the intricacies of the amendments and everything that occurred on September 1.

Where was the Hon. Member for Regina East (Mr. de Jong) on September 1? I do not think he was working as hard as the Hon. Member for Regina West or the rest of us who worked on the Transport Committee. Had he attended the hearings, he might have had a better idea of what those of us who attended went through regularly.

Mr. de Jong: Stop attacking people and address the issue.

Mr. Mayer: I hear him shouting and hollering and catcalling. That was the very thing he was blaming Hon. Members on this side for doing. I have with me a Canadian Wheat Board permit book. I wonder how many permit books the Hon. Member for Regina East has had in his long career as a farmer. That is the nub of the issue.

Mr. de Jong: That is an old line.

Mr. Mayer: I do not understand why he is shouting and hollering. He made mention of the fact that when people become excited and shout, it is because a nerve was struck. If he is as good at his word as he is with his lungs, what I am saying must offend him and have some validity. I wonder how much grain he has produced. I wonder what kind of a feel he has for producers. I wonder how many line-ups he has had the privilege of standing in on a hot day, trying to deliver grain at the end of a crop year. These are the kinds of things producers understand. These are the kinds of things which many of us in the Official Opposition have done in terms of farming, trying to stay in business and meeting commitments to our bankers or business people who gave us credit. These are the kinds of things the Official Opposition attempted to represent.

In many ways the Bill was drafted in favour of the railways. Our main purpose on the Transport Committee was to get some amendments through which would in fact favour producers. I would be interested in knowing whether or not NDP Members were against additional producer representation. I did not hear them bemoan that fact. Why are they so strangely silent? Are they against producers, as the Hon. Member for Bow River (Mr. Taylor) pointed out? Producers are really the foundation of the whole system. Without producers producing grain, we would not need the Bill, the Senior Grain Transportation Committee or all the things we will discuss in days ahead.

NDP Members talked about red herrings. I submit that this whole issue is nothing more than a red herring for them because they did not once address the substantive issue of what in fact the Senior Grain Transportation Committee would do. For the benefit of the NDP Members who did not attend the committee meetings this summer and fall, I will attempt to clue them in. It may be tough because I think it is very difficult to explain things to some of them. Basically the Senior Grain Transportation Committee will function as a group comprised of the various sectors involved in grain. Certainly the producer is the primary one, but it will also include elevator companies, shippers, people who handle grain on the coast, truckers, railway companies, elevator operators and terminal operators. This committee should function with all those participants at the table. It is important to have them all there. That is why this Party saw fit to include producers. Without producers, who are the first in the chain of production, we would really miss a very important link.

In addition, I would argue that producers have a basic, common sense understanding of what goes on. They are basically mechanics. They are able to farm because they understand machinery and they know about the grade of grains. They know what is involved in terms of cleaning and shipping grain of the same grade on unit trains to get away from shipping carloads of different grain and to get away from some of the switching at the terminals.

Mr. Benjamin: What does that have to do with the amendments before the House?

Mr. Mayer: Producers have a lot of common sense and a basic understanding of the grain handling system. Some of the witnesses who appeared before the committee this summer thought there was no room for bona fide producers on the Senior Grain Transportation Committee. We were successful in moving an amendment to have additional producer representation on the committee. It was interesting that the Hon. Member for Regina East bemoaned that fact, but my Party moved an amendment which actually provided for an additional producer representative from his own Province. I would be interested to know if he was against that. Four producers will be elected: one from Manitoba, two from Saskatchewan and one from Alberta. I wonder whether the Hon. Member wants

to shout, hoot, make noises and raise red herrings about that. At the moment he is strangely silent.

Returning to the Senior Grain Transportation Committee, it should involve all those factions so that problems can be settled at the table or in the room so that people do not go elsewhere to point fingers, blame someone else or raise false concerns in the press. There would be a chance to address issues right in the room.

Certainly there is concern about the size of that committee. Any of us who have been involved in committee work know the interesting saying that the best committee in terms of size is one of three with two absent. That goes a little too far, but if the amendment of the Hon. Member for Assiniboia (Mr. Gustafson) is accepted, I believe the committee will have 21 members. It will be a very large committee. Therefore, it is very important that the committee be structured properly, that the meetings be well organized, that the people who are to attend the meeting will have a chance to look at an agenda beforehand, will be well prepared, will know what the problem is and how it will be addressed and will proceed in that very businesslike fashion. Although we agree that a committee of that size can be rather cumbersome, I think there are ways for that committee to organize itself so that it will function and function well.

• (1710)

I also think that it is important for producers to be involved, Mr. Speaker, and that was essentially our feelings in committee. I point out to the Hon. Member for Regina East that I represent a rural riding that consists largely of farming communities. I do not think there are many farmers in Regina East, but in my travels to my constituency every weekend, I did not see that any producers were outraged. I did not receive any phone calls from producers who were upset that additional producers were to become members of the Senior Grain Transportation Committee. I do not know who members of the NDP were talking to, but my experience, Mr. Speaker, was not like their experience.

The Hon. Member said that it was a terrible Bill. In many ways, it is a terrible Bill. I believe that the Government itself realizes that the Bill has some shortcomings. The Government has indicated that by moving an amendment to establish review processes which would immediately begin looking at the Bill once it is passed.

I would agree with the Hon. Member for Regina East who said that the Bill is in many ways a flawed Bill, but I do not understand why members of the NDP did not take the opportunity of this amendment to raise some of the things that they think are wrong with the Bill and point out to the Government why they think it is terrible and where it can be improved. All we have heard from them is a tirade by these instant experts who did not see fit to attend any of the committee meetings. They abandoned the Hon. Member for Regina West and left him to do that very important job on the Transport Committee by himself all summer.

I do not particularly want to prolong this debate, but I would like to raise a point that may or may not be significant regarding its procedure. If this amendment is accepted, there should be a consequential amendment moved at the bottom of page 3 that would allow for the addition of the three members as moved by the Hon. Member for Assiniboia. That consequential amendment would raise the number of members on the Senior Grain Transportation Committee from 11 to 14. I assume that if the Government is prepared to accept this amendment, that will be taken care of, Mr. Speaker.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I too am happy to be afforded the opportunity to make a few remarks on this first day of debate of the Crow freight rate Bill. Without a doubt, this is a historic day in the House of Commons. It is a day that Canadians have been talking about, thinking about and asking questions about for a long time.

I am very happy to see that the Minister of Transport (Mr. Axworthy) has been present through the whole debate today. I respect his presence although, with all due respect to my friend, the Hon. Minister, I would have to say that when I heard that he had been removed from the role of Minister of Employment, a very difficult role, and placed in the role of Minister of Transport in order to bring the Crow debate to western Canada, I could not help but think of the poem entitled "The Charge of the Light Brigade". I could see the Minister swashbuckling along in his cavalry uniform, with his helmet, sabre and pistol, on his horse and saddle as he heard the order: "Charge for the guns". If this Bill is passed and the Crow rate is changed, the Minister will be as flat on the ground politically as those 600 poor cavalrymen who rode against the guns. I think that he is probably well aware of that, so I will not continue with that line of thinking any longer.

It is true that we are participating in a historic debate today. During the preliminary discussions, there have been many friendly interventions between the Parties.

I am a western Canadian from the Prairies who grew up on a farm. I grew up within the system of co-ops and pools that are very much part and parcel of Canadian life in the West. From the time I was small, I knew that the things that were important in life were grain elevators, schools, churches and the like. I also knew, from listening to my father and my uncles and others, about the great difficulty that Canadian farmers had with handling their grain in the beginning.

I heard this summer that an amendment had been moved during the committee hearings. I give full credit to all Members of the House who sat through those committee hearings because they were long, hard and complicated and were held during a very hot summer. I have much respect for the people from all Parties who sat in on those hearings. Because of the work of those Members, we have before us what might be called the tracks of that committee. The committee's reports speak about the discussions and debate that occurred, about the people who were interested and presented statements and position papers to the committee. I must say that when I heard that the Wheat Pools would have only one representative on the Senior Grain Transportation Committee representing

Alberta, Saskatchewan and Manitoba, realizing that the Wheat Pools still handle the majority of grain sales in the West, I was very surprised. I was surprised because it seemed to me to be a very unfair way of handling that particular situation.

The pools that handle the largest amount of grain sales in the West were built upon a historic way of handling grain that began when our fathers and grandfathers realized that they were not going to be able to cope with the big grain companies. They built their own pools, which afforded them a democratic, co-operative way of looking after themselves. I think that that must be greatly respected. I have a feeling that Members of the House have that respect, but when I heard that an amendment had been moved that would limit the three pools to one representative rather than three, I was shocked.

I would like to point out that it is extremely important for Members who are participating in the debate but who were not present at the committee hearings to go over the reports of the committee hearings because much of the debate has been handled in those reports. From his remarks this afternoon, I would say that the Hon. Member for Bow River (Mr. Taylor), for whom I have much respect, should do a little bit of reading. He should read the reports of the committee because I felt that some of his remarks did not, in my opinion, properly indicate the historic development of the amendments.

I would repeat again that I have great respect for the parliamentary form of the Hon. Member for Bow River. I know that he is an outdoorsman and has done a great deal of good work with young people. He knows very well that one cannot cover one's tracks in the snow. I would suggest that the tracks made by the committee in preparation for today's debate are contained in the minutes of the committee hearings. I would suggest to the Hon. Member that he go and check those tracks, because I felt that he was unconsciously offering the House information that was not contained in the minutes.

I was surprised by the remarks made by my good friend, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). From his remarks I understood he was suggesting that it was more important to have somebody represent views than represent votes on the Senior Grain Transportation Committee that will be established by the new Act. I personally believe that views are extremely important, naturally, and every sector should have its views properly represented. But when it comes to the crunch, I think everyone in the House and most people in the democratic process in Canada, realize that votes finally make the decision. I insist that the three pools be represented on the Senior Grain Transportation Committee because, in the final analysis, it will be extremely important that they have voting rights so that they can put their views into the democratic process.

● (1720)

During the debate this afternoon the tone of some of the remarks by my colleagues to my right spoke against the notion of co-operation, the basic notions that set up the co-ops and the pool systems and that one vote be represented in those organizations and that they are basically different in their structure, philosophy and the way they operate from the grain companies.

I suggest that the Hon. Member for Lethbridge-Foothills (Mr. Thacker) should check his remarks. When he spoke I heard a tone that I think was condescending toward most of the grain farmers I know. He was almost attacking the people that this Bill is all about. It is important in the debate today and in the days following that we show respect for people on the farm.

Regarding the pools and their representation, I feel that the three prairie Provinces, a great wheat producing area of the world, should be represented by a member from each of the pools on the Senior Grain Transportation Committee.

I see that my time has come to an end, Mr. Speaker.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to speak on this Bill. I am rather surprised that no Liberal Members have spoken on any of the amendments since they supported all the Tory amendments in committee. It is rather interesting that they are not willing to speak on the Bill now.

I should like to begin with a reference to my own constituency on Vancouver Island, a reference which may not seem to be too well related to the Bill but really it is. Some nine years ago I visited some retired prairie farmers who then lived in my riding. I noticed that in their homes plaques were exhibited in celebration of the fiftieth anniversary of the Saskatchewan Wheat Pool which, as my hon. friend from Saskatchewan pointed out, was founded in 1924. They had a great feeling for their Wheat Pool because it represented them as basic, grass roots farmers. It was their organization and it represented a degree of emancipation from the elevator owners who had ripped them off for years. They were very proud to be members of the Wheat Pool and so the plaques had a prominent place in their homes.

I think it is significant that when the Bill was before committee the precise wording that Motion No. 27 is trying to introduce, was there. The Hon. Member for Assiniboia (Mr. Gustafson) is now trying to restore it but the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) had changed that. I think it is very important that we recognize the importance of Wheat Pool members and the contribution they have made to farming in Saskatchewan, Alberta and Manitoba. They should have proper representation on the Senior Grain Transportation Committee. This is a committee that will be responsible for making basic representations concerning the allocation of freight cars, and recommendations about how the system will operate.

It is interesting to note that some 60 per cent of grain shipped from the prairies comes from the three Wheat Pools, 17 per cent from the grain growers and about 20 per cent from the private organizations—about 20 per cent from the United Grain Growers and about 20 per cent from private organizations. The New Democratic Party suggests and it seems reasonable to me, that because some 60 per cent was being

shipped through the pools they should have three representatives on the committee, one from each of the prairie pools, the United Grain Growers, which shipped between 17 per cent and 20 per cent, should have a representative, and the private elevator companies, which ship about 20 per cent, should have a representative. That would make five representatives in all.

On the other hand, the Conservatives say that the three pools, which ship come 60 per cent of the grain, should have one representative, and the United Grain Growers should have one representative, making two from the total co-operative sector which accounts for 80 per cent of the total shipments. They add a representative from the private sector. We see where the Conservatives stand. It is interesting that they are now trying to repair some of that damage and changing their positions. This is typical of their approach to the Crow. They now say they are opposed to any changes for three years. We would like to see something more than this flip-flop policy. We would like to know where they stand.

I urge that the amendments put forward by my colleague, the Hon. Member for Regina West (Mr. Benjamin) be accepted. All Members paid tribute to his sterling work on that committee. This proposed committee should be made much more representative than it is as a result of the Conservative-Liberal coalition which stripped the pools of their proper representation.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, perhaps before I address my remarks specifically to the amendments I could express my sincere appreciation to Members of the Standing Committee on Transport who have spent a good part of the summer on this Bill.

Some Hon. Members: Hear, hear!

Mr. Axworthy: One of my staff travelled with them, and in his last gasping moments before he expired at the end of the committee hearings he indicated to me that the committee met for 31 days over the summer and heard over 240 witnesses. That is quite a remarkable tour de force on the part of the committee. I believe the fact that we had well over 80 amendments moved by the committee and accepted, is also an indication that the work was not in vain but in fact produced an improved piece of legislation.

• (1730)

It is in that spirit, Mr. Speaker, that I would like to address the series of representations being made today. At the first opportunity I had to meet with that committee, as the new Minister of Transport responsible for this Bill, I indicated quite clearly that because of the very extensive debate which had taken place, and the representations which had been heard concerning membership of the Senior Grain Transportation Committee, that was a set of proposals which I was prepared to accept as a committee recommendation. Speaking on behalf of the Government, we were not taking a hard and fast line that it was something which was Government policy. We felt that that was something which should reflect the best wisdom which could be accumulating during the course of the committee hearings. It was in that spirit that our own Members supported the initial motion to reduce the number of members on the Senior Grain Transportation Committee.

I am interested to know, Mr. Speaker, that we now have a change in that position. It is a change which I personally welcome. Coming from western Canada I share many of the same sentiments which have been expressed during the course of debate, and I feel that representation of the producer groups is a very important element to have on the Senior Grain Transportation Committee. I share the notion that that committee is a central component of the whole change which we are introducing. It is the first time we will bring together all the different players in the game who will have to share information, knowledge, and also begin to share some responsibility for making the new system work. There will be the producers, the railways, the terminal companies and the truckers, all now sitting around the same table on a regular basis, and if they go back to some good old fashioned labour/management procedures, they will realize that if you get all the parties in the same game sitting on a continuous basis, then the likelihood of an agreement is much higher. Furthermore, we might achieve a higher rate of efficiency in the system because each of the major players will have an opportunity to realize that he has an obligation and responsibility to get the best price for the farmers and the best cost in the system.

We sometimes tend to make the mistake of assuming that the delivery system of grain is purely railways. It is not. There are a number of other major players. Certainly, the terminals and the companies which gather the grain, the ports themselves, and the other forms of transportation, are all part of that linkage which comes together. In this particular committee we will have all those people having to get into that kind of discussion and, I believe, out of that will emerge degrees of consensus about the improved implementation of the grain delivery system in western Canada.

In saying that, Mr. Speaker, I want to indicate that we are quite prepared to accept the proposals put forward by the Hon. Member for Assiniboia (Mr. Gustafson). We think that the wording has a familiar ring to it, back to the original proposal. I do feel it is an improvement, frankly. Therefore, we can indicate to the Hon. Members of both Parties opposite that, if they are prepared to agree, we would also, as the Government, be prepared to go along and support that amendment.

I believe it was the Hon. Member for Portage-Marquette (Mr. Mayer) who pointed out that in order to make that amendment effective a series of consequential amendments would have to be moved, and it is the responsibility of the Minister to do so. I indicate to you, Mr. Speaker, that I am prepared to move those consequential amendments which would give force and life to that particular amendment. If it is in order to do so now, I would be prepared to do so. However, I notice that in the Speaker's instructions this morning, she indicated she wanted to have grouped amendments debated first and that we would be voting on them at a later date. I am really in the Speaker's hands as to whether I should move the

consequential amendments now or simply wait until those amendments are about to be voted on.

Perhaps there is agreement on Motion No. 27. I heard the Hon. Members of the New Democratic caucus saying they felt that producers should be involved. Certainly the movers of the amendment are in agreement. We are in agreement with it as well. Perhaps, Mr. Speaker, we could have this amendment accepted on this first day and then we can go on to other business. If that is the case, I would be prepared to move the consequential amendments along with it. However, Mr. Speaker, I will take your advice on how we might proceed.

Mr. Deputy Speaker: My understanding is that the amendment before the House would have to be adopted. It would then require consequential amendments which the Minister would be in a position to offer.

Mr. Benjamin: Mr. Speaker, I was pleased to hear the remarks of the Minister. Madam Speaker grouped Motions Nos. 24, 25, 26, 27 and 29 for debate. No. 24 should be voted on separately. Affirmative vote on Motion No. 25 would dispose of Motion Nos. 26 and 27. A negative vote on Motion No. 25 would require further voting on Motion Nos. 26 and 27, and Motion No. 29 is to be voted on separately—

Mr. Deputy Speaker: I call the attention of the Hon. Member for Regina West to the fact that he apparently has spoken in the course of this debate and cannot be recognized again on the same subject matter.

Mr. Benjamin: That is not what I am doing.

Mr. Deputy Speaker: The Hon. Member rose. He started to speak. It is my understanding he moved an adjournment motion. He clearly spoke. He had his opportunity, according to the rules of the House.

Mr. Benjamin: Mr. Speaker, I rose on a point of order. The Minister asked for the guidance of the Chair. I am asking for the guidance of the Minister. Is he saying that he is accepting all five of those motions, two of which are identical, and he would then move consequential amendments following the deferred votes? Or is he only accepting certain ones, and what would be the procedure then? Do we vote separately in spite of Madam Speaker's preliminary ruling? Do we vote separately if the Government indicates it is prepared to accept amendments that the Speaker said should be voted on in concert? I think we are going to find ourselves in trouble farther down the road.

Mr. Deputy Speaker: What is before us, as I understand it, is an amendment which would increase the number of members of a board. If such an amendment were adopted, there would then be consequential amendments which the Minister has indicated he would be prepared to move. It seems to the Chair that this is what is before us at this point. If the Minister has further comments which he cares to make by way of clarification, perhaps he could have the unanimous consent of the House to speak.

Some Hon. Members: Agreed.

Mr. Axworthy: Thank you, Mr. Speaker. To clarify the situation and perhaps to dispatch the proceedings, what I was proposing is that the wording under Motion No. 27 in the orders be accepted, and I would be prepared to move any consequential amendments thereto. I was asking what the appropriate timing for moving such a motion was. I know that Motion No. 27 has virtually identical wording to Motion No. 26. Therefore, it seems to me there is an agreement. If we can move that wording now and then move on to consequential amendments this afternoon, I would be prepared to do so.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Minister has given an undertaking to introduce the appropriate consequential amendments at a subsequent point. Does that answer the questions of the Hon. Member for Regina West?

Mr. Benjamin: Mr. Speaker, I take it, then, that the Government is prepared to accept Motion Nos. 26 and 27, which are the same as the original wording of the Bill. Can I take it, then, that now he would bring in his consequential amendments to Motions Nos. 26 and 27 but that Motions Nos. 24, 25 and 29 will remain under debate and will be voted upon separately?

Mr. Deputy Speaker: Is that agreeable to the House?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be agreement. Is the House ready for the question?

Mr. Benjamin: On Motions Nos. 26 and 27?

Mr. Deputy Speaker: Motions Nos. 26 and 27 appear to be the same motion. Therefore, we can put these two motions at the same time and they can be voted on by the House, presumably. With the consent of the House I am taking Motion No. 26 simply because it is numbered ahead of Motion No. 27. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion No. 26 (Mr. Benjamin) agreed to.

• (1740)

Mr. Deputy Speaker: I am told that Motion No. 26 does not need the same consequential amendments because it did include a reference to not more than 14 other members. Is the Minister aware of any other consequential amendments?

Mr. Axworthy: Mr. Speaker, I think it is true that with the acceptance of Motion No. 26 one of the consequential amendments back on line 38 is taken care of. It is my understanding, however, that we would also have to move a consequential amendment on page 4. Therefore, I move, seconded by the Hon. Member for Don Valley East (Mr. Smith):

That Bill C-155 as reprinted be amended at page 4 by striking out lines 15 to 17 and substituting the following therefor:

"referred to in subparagraph (1) and".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Motion (Mr. Axworthy) agreed to.

Mr. Benjamin: Mr. Speaker, it would have been nice to have a copy of the amendment. Does the amendment moved by the Minister do nothing more than confirm the adoption of Motions Nos. 26 and 27?

An Hon. Member: Motion No. 26, not Motion No. 27.

Mr. Axworthy: Mr. Speaker, there is no substantive change. This is simply to keep it in line with other amendments. It maintains the representation under the proposed amendment in Motion No. 26.

Mr. Deputy Speaker: The House having accepted Motion No. 26, there is no need to vote on Motion No. 27 and it is dropped.

Motion No. 27 (Mr. Gustafson) withdrawn.

Mr. Deputy Speaker: It is my understanding that at this point the debate will resume on the balance of the clauses grouped for debate, Motions Nos. 24, 25 and 29.

Mr. Neil Young (Beaches): Mr. Speaker, I have had the opportunity this afternoon of listening to debate on Bill C-155, which is commonly known as the Government's proposal to amend the Crowsnest Pass freight rate. I have been very impressed at the thoughtful contribution of Members of my own caucus.

Mr. Deputy Speaker: The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) rises on a point of order.

Mr. McKnight: I hesitate to interrupt, Mr. Speaker, but would not Motion No. 25 now be considered out of order or redundant? As I see it, it was leaving one Member off; it is asking for five members from the major grain elevator companies, not six. Would it not be considered to be redundant now that we have adopted Motion No. 26?

Mr. Deputy Speaker: The House has heard the suggestion of the Hon. Member for Kindersley-Lloydminster. Now that motion No. 26 has been adopted, is there agreement that Motion No. 25 could at this stage be dropped?

Mr. Benjamin: Mr. Speaker, I will quite readily confess to you and the House, Sir, that while we are pleased that the intent of Motion No. 26 has been approved and the Minister has brought in a consequential amendment, I appreciate there is some conflict between Motion No. 25 and Motion No. 26, which is why I could not understand why they were grouped. However, could we let it stand for now and just continue debate on Motions Nos. 24 and 29, and I would be happy to advise the Chair tomorrow on Motion No. 25?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: We will resume debate on Motions Nos. 24 and 29, grouped for purposes of debate.

Mr. Young: Mr. Speaker, as I was saying, I have been very impressed this afternoon by the thoughtful contribution of Members of my caucus to this particular debate—

Mr. Smith: You are easily impressed.

Mr. Young: —and the passionate pleas made by Members of my caucus on behalf of the farmers in the prairie Provinces. Those pleas arise I believe because of their deep concern that the measure before the House will destroy the co-operative spirit which has traditionally been a part of prairie life. As I understand it from both the minutes of the proceedings in the committee and the debate, at least from the Conservative side of the House, the only co-operative spirit which exists around this amendment exists in the coalition of the Conservative and Government Parties. I would also add that since some of my colleagues in the Conservative Party have been loudly boasting and bragging about how they are going to form the Government after the next election, I think they are going to be in for a big surprise in the prairie Provinces.

Mr. Beatty: This is a prairie expert speaking here.

Mr. Young: You will probably find that even though the Liberal Party does not exist west of Winnipeg, perhaps the Conservative Party will find itself in much the same position in certain sections of the western Provinces. I can understand why some of those Conservative Members would get rather excited about that because, contrary to the claims they have continually attempted to put forward that the NDP is somehow associated with the Liberals, surely the actions of the Conservative Party, both in committee and particularly on this amendment, clearly show to anyone who cares to look or listen that the true picture is that the Conservative Party is in the pocket of the Liberal Party. This particular amendment clearly eliminates any doubt which ever existed about any kind of allegiance they might expect from the farming community in this country.

It is not only a person like me who comes from the east end of Toronto, Mr. Speaker, who is particularly concerned about what this proposal is going to do to farmers. We in the cities appreciate that there has been a strong tradition of support in our country for farmers. We welcome and appreciate the contribution that the farming community makes to Canadian life. There are many people in my own constituency who came off the farms and who have spoken to me personally about their concern over what this Government is trying to do to the Crow rate, particularly the attitude this particular amendment displays towards the farmer and their importance in our community, their own local communities, the agricultural community generally, and particularly to the life of Canada.

Surely, as Members of my caucus have expressed it in the past, in this debate and specifically this afternoon, the amendment, if passed, would be clearly undemocratic. It would make this particular Bill even more undemocratic than it was before it went to committee. It is not only myself nor the NDP that makes this statement. The *Toronto Star*, which one would hardly call a progressive paper in terms of where the NDP stands, published an editorial not too long ago which absolutely castigated the Government for what it was doing to the Canadian farmers. I would like to quote just a few paragraphs because I am sure that Members on all sides of the House will be quite interested. The *Toronto Star* stated:

● (1750)

Despite the opposition of provincial governments and of virtually every responsible farm group on the prairies, the federal government intends to unilaterally and drastically restructure the Crowsnest Pass Agreement. And if the Crow dies, the funerals of many western communities may follow.

It then goes on to state, "When the national Government—on our behalf", and with the words "on our behalf", it means not only Canadians who live on the Prairies but also others who have supported the farming community over the years, including those who live in cities, as I do, in the east end of Toronto. The Minister of State for Small Businesses and Tourism (Mr. Smith) asked of me in the past when I rose to debate this Government measure on the Crowsnest Pass rate, "Why is the guy from the east end of Toronto standing up to debate this issue"? The reasons I stand up are exactly the same reasons the *Toronto Star* put forth as to why Canadians should be concerned, why they should support the farming community regardless of where one lives in Canada. It is because the farming community is such a strong element in our traditional life and certainly in the economic life of this country. It is with that concern that the *Toronto Star* goes on to state:

When the national Government—on our behalf—proposes to disregard so cavalierly the deepfelt and legitimate concerns of one of our regions, all Canadians have cause to be disturbed. Our Confederation is based on recognition of the frequent need to subordinate local, parochial concerns to the broader national interests in which we all share; but it is equally based on recognizing the need for fairness, understanding and sensitivity in handling the legitimate claims and grievances of Canadians in all parts of the country.

This amendment clearly does not fall within the sense of understanding, fairness or sensitivity of the *Star* or any Canadian. Frankly, it goes beyond Canadians' view of Canada as being a fair country which does not believe in dealing meanly or unfairly with any part or constituency within the country.

The *Toronto Star* goes on to state:

As Western Canada sees it, the Crow is part of a Confederation bargain: Western Canada got low, fixed freight rates in return for agreeing to pay high import tariffs protecting eastern industries.

Residents of eastern Canada understand that they enjoy support from the farming community, and they were willing to enter into this bargain with the farmers in western Canada. The article continues:

Since then, the Crow's fixed rate—a half cent per ton-mile—has allowed our western farmers to compete for exports, from their land-locked position, with the transportation-subsidized farmers of Argentina, Australia and the U.S. Grain is Canada's fourth largest export, accounting for sales last year of about $6 billion.

But the West's commitment to the Crow is based on concerns much deeper than simply cheap rates.

Mr. Speaker, I see that my allotted time has expired.

Some Hon. Members: Continue.

Mr. Young: With the agreement of the House, of course, I could continue speaking for another half hour about the injustice of this particular Bill. I will end on that note.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, it gives me great pleasure, as the Hon. Member for Dauphin-Swan River, to register some of the concerns of my constituents over this particular Bill and the reason we are supportive of the amendment as brought forward by my colleague. The purpose of the amendment would be to eliminate from line 35 the word "co-operative". That is extremely important, especially in areas of the West, because members of co-operatives would no longer be excluded. The wording in the Bill as it is at the present time is very anti-democratic because it would mean that farmers at the grass roots level who were interested in participating in committees such as the Senior Grain Transport Committee would be excluded.

For the benefit of the House, may I mention the importance of co-operative tradition to western Canada. In fact, it is the grass roots involvement in co-operatives that has seen the rise of many people in western Canada with regard to their participation in our institutions in general. It is the co-operative spirit and the co-operatives themselves that have built up much of western Canada.

As I am sure the Minister of Transport (Mr. Axworthy) is well aware because of his roots in the West and his involvement at the University of Winnipeg in matters relating to people working together, it would be very unfair to have this type of wording in a clause which would prohibit participation by those farmers at the grass roots level who have been and are involved in co-operatives. I am very pleased that before the amendment was even brought before the committee, a Member of our Party was the one who stood up for the rights of individual members who are members of the co-ops. This particular wording underlines the lack of understanding of the drafters of the Bill concerning the unique way in which the farming culture has developed in western Canada.

For that reason, it is important to see that we adopt the amendment brought forward by my colleague, as it recognizes the fact that it is the co-operative spirit that has built up the West. I would therefore urge Hon. Members to support this particular motion.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

● (1800)

SHIPBUILDING—PIP GRANTS—LOSS OF JOBS IN SHIPYARDS. (B) CONSTRUCTION OF DRILLING RIGS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, on a number of occasions I have risen in the Chamber to express some concern that continuation of the Petroleum Incentive Program grants established by this present Government would in fact negate or perhaps totally obliterate the few positive aspects that were contained in the Government's assistance to shipbuilding last January or February.

As recently as September 20, I brought the plight as seen by the Canadian shipbuilding industry and its related industrial framework to the attention of the Minister of Finance (Mr. Lalonde). Their concern is that unless the Government takes steps to maximize Canadian content flowing from PIP grants, the impact on Canadian industry will be very bad indeed.

The reason for raising the question again stems not necessarily from the growing concern by all sides of the Chamber, I am sure, but by the industry as well, that we now have virtually a $7 billion tiger by the tail. No one quite knows how to control it. In fact, the grants are beyond the power of this House to deal with other than by cutting them off and I do not believe anyone is suggesting that. I am looking for a clear and concise answer about the Government's intention with respect to the impact that the program has on the Canadian shipbuilding industry in its present from.

In just the last six months the Canadian industry is down by some 6,000 jobs. That makes a total of approximately 12,000 jobs which have been lost in the last 18 months. The reason for that loss is that, according to the PIPs program, capital costs are not included. Therefore it is to the advantage of the entrepreneur to have someone else build an offshore service rig or a drilling platform and then lease it from him because the cost of leases can be included in the 80 per cent grant toward this type of energy exploration and development.

It would be one thing if the entrepreneur went to a Canadian shipyard and told it to build a structure, lease it back to the entrepreneur who would then pay the shipyard. If that were the case, we would be providing and stimulating Canadian employment in our shipyards and support industries in that sector of our economy. What happens, however, is that it is cheaper—when the entrepreneur sees that he cannot get access up to the 80 per cent grant, since he will pay a certain amount more if he builds a rig in Canada—to go off shore to Korea, Japan, Norway or another country to build it. He can get the advantage of cheap financing through Export Development. Since his responsibility is to his shareholders and he is not in the business of losing money for his investors, he goes offshore to find a foreign builder and then leases the rig back. He then brings it back into the country under a foreign flag. It does not need a Canadian crew and only has to meet a minimum—not Canadian—standard with respect to operation in our coastal or northern areas. That is what happens first.

● (1805)

To demonstrate that, PetroCan, in the first blush of Canadian nationalism, built several offshore service rigs in Canada. The incentives grants came in. Petro-Canada said that it was being silly by continuing to use its own ships. Therefore, it sold them offshore, or wherever it could sell them, and then leased them back. It charged this country with 80 per cent of the total cost that was allowable. In fact, it included the full cost of the lease, not just 80 per cent.

The spin-off is that what happened will continue to happen because when you bring a foreign vessel into this country, a duty must be paid. Lo and behold, we find that the 80 per cent grant pays for importing the ship. This is therefore a good thing for the entrepreneur.

While the grants are good in terms of stimulating new energy development in this country, they deprive Canadian workers of sustainable long-term jobs. This shows up in the figures and indicates why Canadian shipyards are facing the worst year in the last 15. I invite the Parliamentary Secretary to enlighten us as to whether the Government intends to bring in some modifications to change these one or two narrow points.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the PIP grants are providing up to 80 per cent for exploration in the offshore and 25 per cent for development costs in the offshore. However, when a grant is given, the Minister of Energy, Mines and Resources (Mr. Chrétien) has the power to supervise plans for the employment of Canadians and for the full development of opportunities on behalf of Canadian manufacturers and suppliers. In addition, under a grant there is the right of the office of Regional and Industrial Benefits in the Department of Industry, Trade and Commerce to review plans to ensure that these opportunities are being given to Canadians.

Hon. Members will notice that I use the word "opportunity". I do not say that these two different ministries have a dictatorial power. We cannot provide a dictatorial power because of our obligations under GATT and because market conditions and the intelligent operation of these companies require that they must have some outside option beside Canadian suppliers.

There is a balancing act here. No doubt we would all like to see the exploration and development activities in the offshore, plus 100 per cent of supply, undertaken by Canadian companies and Canadian shipyards. However, under GATT we cannot demand that 100 per cent of the supply take place in Canadian shipyards. We do not have that power under our international obligations.

Unfortunately, the Hon. Member does not get all his facts entirely straight. The losses that he describes are not as a result of PIP grant incentives but a result of an enormous world glut in exploration equipment. Second, it is as a result of the recent general slowdown in ship purchases all over the world.

It would only be fair for the Hon. Member to note that government activity has more than offset much of this slowdown. In fact, government activity is specifically designed for that. The $700 million coast guard ship acquisition and refurbishing plan under the special recovery program is intended to speed up activity in the shipyards, to take projects that were further down the line and schedule them for today.

We believe that the patrol frigate given to the Saint John Shipbuilding and Dry Dock Co. Ltd. will offset much of this slowdown. The new regulations, customs jurisdiction, temporary extension of subsidies to Canadian shipbuilders and the adoption of new coastal trading rules combine to provide some offset to this world glut of equipment and to the general slowdown that the industry has experienced.

● (1810)

INDUSTRY—WHITE FARM EQUIPMENT LTD.—URGENCY OF ISSUE

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I want to raise an issue this evening which I raised in the form of a supplementary question this afternoon in the House. I very much appreciate being on the adjournment debate list, because this is the type of thing for which the adjournment debate should be used.

Earlier I asked the Minister of State for Small Businesses and Tourism (Mr. Smith) a question concerning the situation of White Equipment. It is a well-known issue of which most farmers are aware because the White Farm and the Cockshutt names in farm equipment have long been associated with agriculture in Canada and throughout the world.

The imminent problem is that at nine o'clock tomorrow morning it is my understanding that the court-appointed receiver, Peat Marwick, will determine what will happen to the company. One of my concerns is that there are many people who will be affected by the move tomorrow morning. It relates to jobs, both direct ones at the plant in Brantford and those with dealers across the country.

It is my information that there are 123 dealers in Canada. The majority of them are in Saskatchewan, according to my information there are approximately 50 in that Province. As far as jobs with the dealers are concerned, I would estimate that there are roughly ten jobs per dealer. That would be a conservative estimate. There could very well be more. My guess is that we are talking of something in the order of 1,200 to 1,500 jobs in the dealership network across Canada. At the peak of the operation of White Farm Equipment, it employed something like 1,100 people. Even if we took a figure of 500 people at the plant, we would be talking in the neighbourhood of 2,000 jobs. This is a significant number of jobs, especially when we will face a very tough winter as far as employment is concerned. This issue does have consequences in respect of jobs.

The Government should also be concerned about the service end of the matter. As I said, the White Farm and Cockshutt names in farm equipment are synonymous and have long been associated with agriculture in the world. There are very major implications for farmers who have purchased this equipment. In addition to the 2,000 lost jobs I referred to earlier, this also involves an issue regarding service.

What will happen to the people who purchased expensive combines in the last two years or three years? Will they be able to obtain service? Will parts for these combines be available? What will happen to their resale value or their trade-in value on new equipment? There will be far-reaching consequence in terms of the individual farmers who are affected, and this comes at a time when farmers like everyone else are facing financial difficulty. Some people who have recently became involved in farming have purchased this equipment. I know of instances where this will cause extreme financial problems and in some cases could even be the determining factor in whether or not people are able to stay in business.

The issue also involves technology. I am a farmer. I have owned combines and I have operated Cockshutt combines. It is my understanding that the technology associated with the new 9700 model of White combine is extremely important because it performs very well in the field. There is an opportunity for Canadians to pursue this technology and to develop a name for themselves outside the country. I know there are many White combines across the line in the United States. I would suggest that we also have an export potential if we can maintain this operation and technology in Canada.

This issue has consequences in four areas: in jobs, in service, in technology and in our ability to export, and that relates to our balance of payments, interest rates, the value of our money and all those things.

● (1815)

Let me quote from the Regina Leader-Post of September 20, 1983:

> The court-appointment receiver—Peat Marwick Ltd.—is looking for a buyer who will protect the jobs at the Brantford plant as well as the dealers and the axial-flow combine technology developed by White with federal financial help, Lumley said.

It has come to my attention in the last couple of days that a group in Winnipeg is prepared to put forward a very serious bid that would save the company and keep it from being liquidated. The members of that group are concerned that they may not have enough time to meet the nine o'clock deadline tomorrow morning. Let me indicate what I am asking from the Government. I know my time is fast running out, Mr. Speaker.

The people from Winnipeg who are involved in this offer are, I understand, in the farm equipment manufacturing business. They are putting together an offer that will include the dealers, which means that the dealers themselves will be putting up some money. I think it is very healthy for them to be involved directly. They are, however, concerned that they

may not have enough time to meet the nine o'clock deadline tomorrow.

I know that the Government itself cannot legally interfere with the actions of the receiver. However, I am suggesting that the Government use every method it can to see that this legitimate group from Winnipeg has the time to make its offer to the court-appointed receiver tomorrow morning. If there is a chance to save these jobs, to provide this service to farmers and do the things that the Minister himself said he hoped to do, we should in fact provide enough time for this offer to be made tomorrow morning. I would ask again that the parliamentary secretary address this problem and use whatever influence he has with the Minister to see that in fact this offer from Winnipeg has a chance to materialize in time to be of some use to the receiver.

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can understand the concerns of the Hon. Member for Portage-Marquette (Mr. Mayer), because it is true that we are talking about thousands of jobs, about preserving the dealer network and about preserving the technology involved in this situation.

The Hon. Member knows that the Minister and the people involved in ITC, as well as the receiver, have been trying to find somebody that would continue to operate White Farm Equipment Ltd. of Brantford in a viable way. At this point in time, since the receiver has been named by the Court, I honestly think, as I am quite sure the Hon. Member for Portage-Marquette will understand, that it is in the best interests of the people involved that no further comments should be made. I honestly believe that any further comments on the matter could hurt the negotiations that may occur tomorrow morning or the day after as far as a prospective buyer is concerned.

That, Mr. Speaker, is the position that has been taken at this time, and I am quite sure the Hon. Member will understand that it has been taken with the best interests of all of the people involved in mind.

EXTERNAL AFFAIRS—NUCLEAR TECHNOLOGY—POSSIBLE EXCHANGES BETWEEN ARGENTINA AND LIBYA. (B) RELATIONS WITH ARGENTINA

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I make this intervention in the Adjournment Debate this evening subsequent to a question that was asked on June 2 of this year of the Secretary of State for External Affairs (Mr. MacEachen). That question was prompted by two things; the Falklands crisis, and the press reports which indicated that the Argentinian Government was negotiating with Libya for nuclear materials. That report indicated that the nuclear materials might in fact have been medical isotopes, but there was no confidence that the relationship between Libya and Argentina would be held at that level.

The concern I expressed at that time to the Minister was that Canada inadvertently, through the relationship we had established with the sale of the Candu reactor to Argentina and through the ongoing supply of uranium fuel to Argentina, was an unwitting accomplice to the possible proliferation of nuclear weapons materials. Well before the question of the Falklands crisis, our relationship with Argentina was and has continued to be a tenuous one. Argentina has refused to sign bilateral agreements which we felt were important to make sure that Canada's involvement was not in the field of nuclear weaponry. It is true that Argentina had signed agreements with us, but the bilateral agreement that is important to us now, and those subsequent to the unfortunate history of the Candu sales in the East, were not forthcoming from the Argentinian Government. We know that Argentina has been reprocessing fuel since our sale of the Candu reactor to Argentina. It now has plutonium in quantities large enough to produce bombs.

• (1820)

With the report that Argentina was negotiating Khadafy I think there was a great level of concern around the world that we would see the birth of another member of the nuclear weapon family. Several coincidences have occurred in this past week. The first was that Margaret Thatcher while here reminded us of the type of Government there is in Argentina, and that it is unreliable. In addition, recent press reports on the memoirs of Richard Nixon indicate that he has said that Khadafy used to give him nightmares. If the general can do that to Richard Nixon then I suggest we ought to pay attention to him.

The question I should like to leave with the Parliamentary Secretary to Secretary of State for External Affairs is whether we in Canada have any additional information on this. In spite of the fact that I fully support the entire nuclear system, I should like to know whether we have taken a good solid look at withdrawing from our relationship with Argentina because of present difficulties, and those that may occur in the future if we continue to co-operate with Argentina.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): As everyone knows, Mr. Speaker, Canada and Argentina have just completed together a Candu-type nuclear station at Embalse. The station was officially opened on May 3, 1983 and has now come on stream. However, such industrial cooperation for peaceful use of nuclear technology falls within the four corners of the January 1976 bilateral nuclear cooperation agreement between the Canadian and Argentinian Governments. As it has been stated on several occasions in the House, this agreement is altogether consistent with Canada's December 1974 non-proliferation policy which was aimed at ensuring to the fullest extent possible that Canadian nuclear materials would not encourage proliferation.

In December 1976, the Government of Canada changed its policy so as to make sure that our nuclear trade would involve exclusively such countries as those which were formally committed through the Non-Proliferation Treaty or a similar

agreement to reject nuclear explosive technology and to put all their nuclear facilities under international guarantees. Rather than putting an end to the existing and fruitful cooperation with Argentina, the Government decided at the time that our cooperation would not extend beyond the Embalse project for as long as the Argentinians would not agree to the provisions of December 1976.

As far as I know, Mr. Speaker, the Argentinian Government has steadfastly denied having any intention of developing nuclear weapons. On the other hand, everything leads me to believe that, in its relations with other countries, Argentina is prudent and moderate. The fact remains that states are sovereign and free to choose their nuclear partners. Should Argentina want to cooperate with Libya, surely it will keep in mind the fact that that country is signatory to the Non-Proliferation Treaty and that all its facilities are controlled by the International Atomic Energy Agency.

Any planned diversion of nuclear matters or Canadian technology to Third World countries must be agreed to in advance by our country. The Canada-Argentina agreement is perfectly clear on this. We have no reason to believe that the Argentina government wishes to divert some items of Canadian origin without the consent of our government, something it agreed freely not to do on signing the agreement in January 1976. Some have also alluded to a possible trade between Argentina and China. Anyone interested in this issue, including the hon. member, will be happy to learn that the government of China applied for membership in the International Atomic Energy Commission on September 6, and that its representatives have indicated publicly on many occasions that they want to avoid the proliferation of nuclear weapons.

Mr. Deputy Speaker: Order! The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.25 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, September 30, 1983.

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

INDUSTRY

ESTABLISHMENT OF HELICOPTER MANUFACTURING PLANT IN PROVINCE OF QUEBEC AND POSITION OF LEADER OF THE OPPOSITION

Mr. Gaston Gourde (Lévis): Madam Speaker, last Wednesday, the Hon. Member for Erie (Mr. Fretz) rose in the House, under the provisions of Standing Order 21, to announce that he could not support a decision by the Canadian Government regarding the establishment of a Bell Helicopter plant in Quebec. I would like to refer to a statement by the new Leader of the Opposition (Mr. Mulroney) which appeared in *Le Droit* of June 13 of this year, in which he said that, as leader of the Party, he would decide on the positions to be taken by the Progressive Conservative Party and that he would not tolerate haphazard statements by fellow members. In the circumstances, all members of this House must be anxious to know whether the new Leader of the Opposition approves the establishment of the Bell Helicopter plant in Quebec. If he does, what is he going to do about the Hon. Member for Erie?

I purposely asked two simple questions in order to have a reply within the next few days.

* * *

[*English*]

COAST GUARD

ORDERS FOR NEW ICEBREAKING VESSELS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, for years the Progressive Conservative Party has been urging that the icebreaker fleet of the Canadian Coast Guard be upgraded. Not only will the procurement of new icebreaking vessels enable the Coast Guard to fulfil its obligations in the St. Lawrence and Arctic more adequately, resulting in safer and longer shipping seasons and generally stimulating commercial navigation, but also it will provide badly needed work for hard-pressed Canadian shipyard workers. For these reasons we on this side are pleased to see the Government finally acting on our recommendations and placing orders for six light icebreaking vessels.

The next step, might I suggest, Madam Speaker, should be the design and construction of heavy icebreakers for year-round use in the Arctic Ocean and Northwest Passage.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, I rise to correct a statement made by the Hon. Leader of the Opposition (Mr. Mulroney) two nights ago. The Leader of the Opposition said that the Liberal Party has undermined Canada's relationship with the United States. He said it is time for Canada to say who its friends are. Contrary to this statement and others made by the Leader of the Opposition, Canada-U.S. relations are healthy. In fact the relationship is stronger now than it has been for some time.

The U.S. Ambassador to Canada, Paul Robinson, Jr., has recently stated that things are going very well between this Government and the Reagan administration. The American trade representative, William Block, has been quoted as saying that Canada-U.S. relations are strong and thriving. Mr. Block said that issues between the two countries are being addressed in a spirit of co-operation.

There have been many recent signs to indicate that Canada-U.S. relations are prospering. The United States has applauded the new trade policy of this Government, which calls for an increase in free trade between the two countries. That trade policy recognizes the United States as Canada's best trading partner and strongest ally.

Another important sign of a strong relationship is the recent appointment of a senior official to deal exclusively with Canada in the U.S. State Department. There are other signs of a healthy relationship. Canada and the United States are working together in a serious and co-operative spirit to combat the problem of acid rain. Canada has shown it is a committed ally by assuring a greater contribution to western security and by agreeing to allow the testing of the Cruise missile—

Madam Speaker: Order, please. The Hon. Member's time has expired.

S.O. 21

LABOUR CONDITIONS

RATE OF YOUTH UNEMPLOYMENT

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I continue to voice my concern about youth unemployment. As recently as 1981 youth unemployment was running at a rate of 13.3 per cent. Last year it moved up to 18.7 per cent. According to the OECD it will average 22 per cent this year and next. This pretty well reflects the statistics in my own riding of Parry Sound-Muskoka. The over-all message from the OECD is that the magnitude of the unemployment problem left over from the recession is overwhelming.

This problem is particularly serious for young people who shoulder the major part of the burden of a global recession and high unemployment. As the Prime Minister (Mr. Trudeau) has already observed, frustration and apathy among the young could lead to social discontent. With respect to my own riding of Parry Sound-Muskoka, great concern is not enough.

* * *

SPORTS

DENIAL OF NATIONAL HOCKEY LEAGUE FRANCHISE TO SASKATOON

Mr. Bob Ogle (Saskatoon East): Madam Speaker, this particular week there has been another phase in what I call the "battle of Saskatoon", which is the battle of trying to get a National Hockey League hockey team to that city. As you are aware, the St. Louis Blues were for sale last spring. The National Hockey League would not accept the offer which was made by a group of representatives from the city of Saskatoon.

On Wednesday afternoon, my friend, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), proposed a motion in the House during Private Members' Hour which was amended by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), and which, thanks to the Liberals, passed. What that amounts to is that the granting, transfer, and operation of professional sports franchises should be looked at by the Justice and Legal Affairs Committee.

● (1110)

I would ask the Minister of Justice (Mr. MacGuigan) and the Chairman of the Committee, the Hon. Member for Rosemont (Mr. Lachance), to see that this matter is taken to the Committee as soon as possible, and that the president and directors of the NHL be asked to appear as witnesses to explain why they turned down that offer, which was a good one, without any real explanation. I believe we now have an opportunity to bring the battle of Saskatoon to a successful conclusion.

WORLD MARITIME DAY

SAFETY AT SEA

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, this is a statement I wanted to make yesterday on the occasion of World Maritime Day, but because of the NDP adjournment motion stalling the proceedings of this House—

Mr. Nielsen: You kept the bells ringing.

Mr. Flis:— I was denied the privilege of doing so. The International Maritime Organization, IMO, a specialized agency of the UN based in London, England, designated September 29, 1983, as World Maritime Day.

Madam Speaker: Order. If the Hon. Member is going to continue in that vein I want to remind him that the only thing possible at this time is to make a statement on an issue which preoccupies the Hon. Member. There is no question that statements under Standing Order 21 should be used to offer good wishes on the occasion of one or other special day.

Mr. Flis: Madam Speaker, IMO, like its sister organization, the International Civil Aviation Organization, ICAO, which has its headquarters in Montreal, is concerned with the promotion of safety. With ICAO it is air safety, with IMO it is safety of life at sea.

As one of the world's largest trading nations, Canada draws upon maritime services to transport over 200 million tons of international commerce annually. Domestic waterborne trading exceeds 65 million tons annually. With over 500 active ports and harbours, Canada annually hosts approximately 60,000 commercial vessel arrivals. The safe and effective administration of this country's maritime environment is entrusted to our Canadian Coast Guard whose members are globally recognized for their professionalism. It is my pleasure, therefore, following the occasion of yesterday's World Maritime Day, to draw to the attention of this House the important of shipping to the Canadian economy and population.

I feel I speak for all Members of this House when I wish seafarers throughout the world, our Coast Guard, the IMO organization, and all 125 nations which are members of IMO, continued success and achievement.

* * *

INDUSTRY

WHITE FARM EQUIPMENT LTD.—DEALERS' OFFER TO BUY COMPANY

Mr. Lee Clark (Brandon-Souris): Madam Speaker, a Manitoba businessman named John Buhler, and other White Farm Equipment dealers, are making a serious attempt to retain White Farm Limited as a viable separate entity. Last night Mr. Buhler telexed a letter of intent to buy, along with a deposit of $100,000, to the receiver. He plans to assemble a $11.6 million offer in conjunction with other White Farm

dealers and possibly a financier. But, Madam Speaker, he needs more time.

I urge the federal Government either to view this letter of intent as a legal, solid offer, or to extend the deadline from 9 a.m. tomorrow, Saturday, until October 15, by which time Mr. Buhler expects to have ironed out the details. At stake is the fate of 119 White Farm dealerships. There are also the thousands of farmers who own White Farm equipment and require replacement parts for that equipment, who must be considered.

This latest offer is especially important to my home Province of Manitoba, where there are 20 White Farm dealerships employing more than 200 people. Relocating the company's assets in Manitoba, as Mr. Buhler has proposed, would place the headquarters in the very region where the products are in high demand.

The Government has already seen to it that an offer to purchase by White Farm's parent company in the United States was rejected. I urge the Government therefore not to let this offer also slip through its hands.

* * *

ABORTION

FREEDOM OF CHOICE ADVOCATED

Mrs. Margaret Mitchell (Vancouver-East): Madam Speaker, tomorrow women and men across the country will mark a day of action for "Choice on Abortion". The issue is choice, not pro or anti-abortion. The right of the indvidual male or female to exercise freedom of choice in private medical and sexual matters is a hallmark of Canadian society. The Badgley Report documented economic and geographic inequities in the abortion law. Fewer than 30 per cent of hospitals in Canada perform abortions. Increasing numbers of women must obtain abortions in the U.S. Prevention of unwanted pregnancies, of course, is preferable to abortion. If birth control information, education and counselling were more readily available, the number of abortions would decrease. However, the federal Government has been steadily eroding Planned Parenthood's funding.

In 1982, 72 per cent of Canadians believed that the decision to perform an abortion should rest with the consenting patient and her doctor. Ninety-five per cent of doctors approve of abortion in some circumstances. The Canadian Labour Congress, the United Church, and the Canadian Advisory Council on the Status of Women support the removal of abortion from the Criminal Code.

• (1115)

The NDP reaffirmed our support for freedom of choice and a full range of reproductive health services. Over the past 20 years many countries, regardless of political system or religious ideology, have legalized abortions. As Grace MacInnis said in 1969, "There will never be—

Madam Speaker: Order, please.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF KOREAN AIRLINER—REJECTION OF CANADIAN NOTE AND RESOLUTION

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my question is directed to the Acting Prime Minister. I am aware that a role that has been assigned to the Speaker is part of the problem, but my question relates to government-to-government communications and responsibilities.

The Soviet chargé d'affaires in Ottawa first abruptly rejected a formal note from the Government with regard to the shooting down of the Korean aircraft, and second, declined to accept the unanimous resolution of this House condemning that action. Has the Government conveyed to the Soviet Government its displeasure at the conduct of the chargé d'affaires and, if so, would it table any notes or correspondence relating thereto?

Hon. Jean-Luc Pepin (Acting Prime Minister): The other day the Speaker of the House said that with respect to the resolution passed by the House—

Mr. Nielsen: The note.

Mr. Pepin: —this was her responsibility.

Mr. Nielsen: The government note.

Mr. Cousineau: You don't want to listen.

Mr. Pepin: The situation is well known. The Government has made representations with respect to compensation, both here in Ottawa and in Moscow.

Mr. McGrath: But they won't accept it.

Mr. Pepin: The Russians have returned the mail and they have now come up with a request of their own for compensation for the damage suffered—

Mr. McGrath: Have we accepted their note?

Mr. Pepin: —by the action, by the sanction we imposed on the transportation of Aeroflot to Canada. Therefore, call it diplomatic ping pong if you want—

Mr. McKnight: You guys blew your serve.

Mr. Pepin: —but we do not accept their view, obviously. We are continuing our constant effort to ensure that the investigation will take place, and to amend the rules of international law on this subject, as presented by the Minister of Transport at the ICAO Council meeting. We are continuing to request compensation. We are making efforts to define further what the compensation should be. This is not an easy exercise. We all realize that fact. However, this is one in which tenacity, perseverance, patience—

Mr. Nielsen: When is it going to come?

Mr. Pepin: —are the order of the day. As my hon. friend knows, in a previous instance, in the Comos instance, after reacting negatively, because of the tenacity of the Canadian Government, the Russians finally made compensation.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, has the Government received an acknowledgement of any kind, at any time, from the Soviet authorities of its formal request for an explanation of the atrocity in which ten Canadians went to their death, and its concurrent request for compensation for the victims' families and, if so, would the Minister table any notes or related documentation before this House?

Hon. Jean-Luc Pepin (Acting Prime Minister): I find it difficult to answer because the facts are known. The Russians are aware—

Mr. McGrath: Where is the note?

Mr. Pepin: —of our representations on that subject.

Mr. Nielsen: Answer the question.

Mr. Pepin: As I said before, they are returning these notes, but they cannot be ignorant of the fact that we have protested very strongly—

Mr. Nielsen: Table the note.

Mr. Pepin: —and that we have established a presumption of guilt, to speak the legal language familiar to my hon. friend. We have done that.

Mr. Nielsen: Table the note.

Mr. Pepin: We have constantly pressed for it, and we will continue to do that.

Mr. Nielsen: Table the note.

Mr. Pepin: I am really at a loss in determining what my hon. friend really wants to know.

Mr. Nielsen: Table the note.

Mr. Hees: Just answer his question.

Mr. Mulroney: Madam Speaker, it is pretty peculiar that the leadership of the Government would advocate an even-handed posture with regard to the super powers when one of them will not even acknowledge its existence. There is a serious problem.

Some Hon. Members: Hear, hear!

SUGGESTED ROLE FOR NEW CANADIAN AMBASSADOR

Mr. Brian Mulroney (Leader of the Opposition): Will the Government take the initiative, Mr. Acting Prime Minister, of instructing our ambassador designate, Mr. Peter Roberts, who, I understand, is leaving for Moscow on Monday or shortly thereafter, to hand our formal protest and demands for compensation to the Soviet Foreign Minister when he is presenting his official credentials in the Soviet Union?

• (1120)

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, when Ambassador Pearson left Moscow he had an extended meeting with Mr. Gromyko. He spelled out, in oral terms, the case that Canada was making against what happened to the Korean airliner.

Mr. Nielsen: Answer the question.

Mr. Pepin: The Russians are quite aware of what we are doing. What is it that my hon. friend wants? He wants me to table the note that we have sent to the Soviet Union, the one that they returned?

Mr. Nielsen: Will Roberts present it? Answer the question.

Mr. Mulroney: Just answer the question.

Mr. Pepin: What is it that the Leader of the Opposition wants? Mr. Roberts will obviously, at the first occasion, repeat the case that the Canadian Government has been making repeatedly against the Soviet Union.

Mr. Nielsen: Deliver the note. Roberts delivers the note.

Mr. Pepin: They will return it again. He will deliver the message that is in the note. The Russians have established that in order not to recognize responsibility they cannot accept the note.

Mr. Nielsen: Where is your tenacity?

Mr. Pepin: They recognize that. Thus, we will keep repeating the case we have already made against the action taken against the Korean airliner by the Soviet Union.

Mr. Mulroney: Madam Speaker, the Minister is saying that he is absolutely helpless in the face of a simple, straight forward problem that has to be dealt with on a government-to-government basis. That is what he is saying.

INSTRUCTIONS TO NEW AMBASSADOR

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, I see that the Minister has just taken instructions from the Minister of Finance who would be better off sticking with problems in the economy rather than advising in external affairs.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My question is very straightforward. Will the Government instruct our ambassador to designate who, I understand, will be meeting with the Soviet Foreign Minister to present his own credentials, to present the outrage and dismay of the Canadian people as expressed in that note, given

this absolutely unacceptable international violation? Will he at least do that on behalf of the families who are aggrieved?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, obviously we will be doing that. But the departing Ambassador of Canada in the Soviet Union has already made that case very, very strongly in his last visit with the Minister of External Affairs of the Soviet Union. Our case has repeatedly been made for a full explanation. We have asked that in the UN Security Council and at the ICAO meeting. ICAO has decided to have an investigation. Unfortunately, the Soviets will not participate in that investigation. Admission of responsibility—we have pressed that very strongly. Full compensation—we have pressed that very strongly. I do not think any Government in the world has been clearer on that than Canada.

Mr. Nielsen: Instruct Roberts to deliver the note.

Mr. Pepin: I will make sure that when Mr. Roberts presents his credentials to the Soviet Union he will repeat it for the tenth time.

Some Hon. Members: Deliver the note.

* * *

THE ECONOMY

GOVERNMENT DEFICIT—IMPACT ON ECONOMIC RECOVERY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance and it is further to the concerns expressed yesterday about the very high level of the budget deficit. I recently read a compilation of 16 leading North American economists who all expressed the same concern about the very high level of deficits and the effect this has on the economy. Their conclusion was that we would either have record high interest rates, a crowding out of private sector borrowers and high inflation, or an aborted recovery. Since that is the conclusion he will have to deal with whether he likes it or not, what action is he proposing to take to deal with this, since his budget of last April clearly has not been enough?

• (1125)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is quite right in making reference to the fact that most analysts in the United States in particular, and in Canada as well, feel that the size of the deficit is important in terms of the performance of the economy over the medium and long term. I have indicated this in my own budget and I have taken a number of steps in that regard. In the speech I made to the International Monetary Fund I also indicated that this was a very important issue to be addressed in North America over the next while.

If my hon. friend would check the statements of the analysts he has referred to, he will find that practically all of them have mentioned this as a medium-term problem and not as a short-term problem, and that there is no crowding out of private investors at the present time and none is expected this year. Most analysts do not expect that there will be a serious problem in this regard at least until late next year.

In my own budget I have taken steps to reduce the deficit gradually over the next few years. As the Hon. Member knows, the plans contained in my budget have been very well received by the country and by the financial markets as being a responsible step to gradually moderating the size of the deficit.

Mr. Wilson: Madam Speaker, I think the Minister is living in the past again. It is clear that the commentary we have been hearing has suggested that this recovery, which is very tentative right now, will be aborted.

LEVEL OF INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me refer back to the conclusions reached by the Conference Board a couple of days ago. Those conclusions indicated that the unemployment rate in Canada relative to that in the United States would decline far more slowly and would still be around 11 per cent in five years' time. That is clearly related to the level of interest rates over that period of time. Is the Minister doing anything to address this problem, or will he consign to a further five years of misery those one and a half million Canadians who are out of work today?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member chooses to refer to one report made by one organization. He neglects to refer to reports made by the 18 other organizations that have taken somewhat different views in this regard. I can refer him to a statement made by the former head of the C.D. Howe Institute, Judith Maxwell, who has taken a very different view.

Rather than engaging in a battle of forecasters with my hon. friend, I would invite him to look at the facts. He will see, for instance, that our interest rates, in spite of the large deficit that exists this year, have declined since the beginning of the year. I hope that they will continue to decline gradually. What is even more important is that our interest rates have declined significantly compared to those in the United States.

The spread that formerly existed between U.S. and Canada interest rates has narrowed extensively for short-term papers. We now have an interest rate in this country which is half a point below that in the United States. I think the Canadian economy has performed very well in that regard. The world financial institutions and the Canadian people at large are showing a great deal more confidence in the country than my hon. friend seems to be showing.

Oral Questions

BANKS AND BANKING

BANK OF MONTREAL—REPORTED OFFER TO BUY UNITED STATES BANK

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is also directed to the Minister of Finance, who is well aware that the Canadian banks have become rather notorious because of their unwillingness to assist Canadians in their struggle to survive in a sea of red ink. However, we learned something very interesting in the last couple of days. The Bank of Montreal, with its historic high interest rates this particular year, is now planning to use in excess of half a billion dollars to buy a bank in the United states. I would like to ask the Minister of Finance if he can explain to the House and Canadians how this transaction by the Bank of Montreal will assist Canadians? How will it create jobs and create an economic stimulus in Canada?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will not comment on rumours and speculations about an issue such as this. My hon. friend knows that. Perhaps I can raise one question in his mind. What if such a purchase, for instance, were to be made with money that was made by the Bank of Montreal in the United States? If not one Canadian dollars was involved, would he have the same attitude about it?

Mr. Riis: Madam Speaker, I believe that is somewhat of a glib response.

MINISTER'S RESPONSIBILITY

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the Minister of Finance knows that the Constitution gives him the responsibility of ensuring that the Canadian banking system operates in the best interests of Canadians. Will the Minister, recognizing his constitutional responsibility and knowing full well that the takeover that I speak of will occur very quickly, intervene? Does he plan to do anything about this?

● (1130)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I answered this in the first part of my previous reply. I remind the Hon. Member that we in this country have everything to gain by having Canadian financial institutions and manufacturing institutions with branches abroad and being very active internationally. This country needs a lot more Canadian multinationals and large Canadian firms with Canadian shareholders and with Canadian head offices. I thought the NDP had complained enough about foreign multinationals being in this country. They should now rejoice if we have in this country strong institutions that are ready to take on institutions in other countries.

Mr. Baker (Nepean-Carleton): They never rejoice.

Mr. Riis: I remind the Minister that in excess of half a billion dollars which the Bank of Montreal plans to spend to take over a bank in the United States could have been invested in the Canadian construction industry and this would have created 50,000 jobs in this country. That is the kind of economic development, stimulus, and social response the banks ought to be encouraging in this country.

SPREAD BETWEEN LOAN CHARGES AND INTEREST DEPOSIT RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I want to turn to the interest rate situation which was raised by a previous questioner. With all economists now agreeing that present high interest rates are keeping a lid on any real recovery program in this country, is the Minister of Finance prepared to meet with the chief executive officer of Canada's banks to see whether they are prepared to reduce the interest rate spread in this country, which at the moment is higher than it has been since the early 1970s?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already indicated to my Hon. colleague that I am always glad to meet those who are responsible for our financial institutions in Canada, including banks or any other organization, if that can be helpful in improving the economic situation in Canada. I would also remind the Hon. Member that, as I said earlier, we have brought down interest rates in Canada very rapidly during the past year, and that at the present time, the prime rate in Canada is the same as in the United States, despite the fact that our inflation rate here in Canada is higher than it is in the States, even today. As a result, the real return on money in Canada is less than it is in the States at this time, and just the same, we have succeeded in maintaining this policy without a devaluation of the Canadian dollar. I have always tried to keep interest rates as low as possible in this country, and that has been the objective of the monetary and fiscal policy we have pursued since last year, and we intend to continue our efforts to reduce interest rates as much as possible. I think that what has happened during the last six months is a clear indication of the resolve of the Government and the Bank of Canada to work at keeping interest rates as low as possible.

* * *

[*English*]

EMPLOYMENT

ACCESS PROGRAM—CREATION OF JOBS FOR YOUNG PEOPLE

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Minister of Employment and Immigration who has stated the need to involve the private sector in creating new employment opportunities, a position which this Party accepts and endorses without qualification. The only program in place to provide direct incentives to the private sector is the Access Program which was announced in April of this year. It set aside $95 million to provide 31,000

jobs for Canada's young people. Can the Minister give the House an estimate of how many jobs have been created under that program?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the Hon. Member asked how many jobs. I am not sure whether he means jobs for young people, or overall. The figure overall is about 81,000. I believe I have the figure for young people here somewhere. I will try to dig it out and give it to the Hon. Member.

REQUEST FOR FEDERAL-PROVINCIAL INITIATIVE

Hon. James A. McGrath (St. John's East): Madam Speaker, I am sorry the Minister did not understand the question. My understanding is that to date not one job has been created under the Access Program, notwithstanding the fact that it was announced in April of this year, at a time when his own Department was telling his predecessor through a study that youth unemployment was going to get progressively worse during the year. That is the point the Minister seems to miss.

Given the importance of youth unemployment and unemployment among women, is the Minister prepared to convene a meeting of his provincial counterparts to see whether they can devise ways of involving the Provinces, as they did under the NEED Program, in a program similar to Access which would target incentives to the private sector to hire not only young people but women, who are also hard hit?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I refer both to this year and to oncoming years. In the year 1983-84 we are spending $390 million in assistance to provide young people with jobs. I believe that approximately 130,000 young people have been put to work as a result of those efforts. Looking ahead from 1983 into the next two years, through Career Access we believe that 36,000 people will find jobs and with the Job Corps another 8,000 young people. We expect that 66,000 young people will find work through the Canada Works Program. It will be seen that not only has there been a considerable impact on youth employment in the past through projects and programs which have already been mounted, but we expect that effort to continue successfully.

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CANADIAN SOVEREIGNTY

VISIT BY FRENCH GOVERNMENT VESSELS TO GULF OF ST. LAWRENCE

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of State for External Relations, who is also Acting Prime Minister this morning. It is my information that the French navy frigate *La Henaff*, and the seismic ship *Lucien Beaufort*, sighted on August 11 carrying out surveys within Canada's exclusive economic zone and outside their 12 mile territorial limit, were not there to assist fishing boats, as claimed, since the three or four trawlers operating out of St. Pierre and Miquelon were on refit in August. What was the real purpose of these ships from France when carrying out seismic surveys within our exclusive economic zone, and is it true that France is presently issuing exploration permits for oil and gas within their claimed 200 mile zone between St. Pierre and continental France, which is really Canada's exclusive economic zone?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, the facts as narrated by my hon. friend are basically correct, and they have been reported in the press in the same fashion. Upon being informed of the presence of the two ships, the Canadian Government asked the French Government for a full explanation. There has been an exchange of correspondence between the two Governments on the subject.

Mr. Nielsen: Did they accept it?

Mr. Pepin: Yes, they did. It is a better tradition than the one we just talked about.

The French tended to downgrade the significance of "the coincidence" in which two ships happened to be in the same area at the same time, one, a seismic ships, and the other, a military ship. This has also been the subject of discussion on the negotiations with respect to the state of the French request for the extension of the continental shelf around St. Pierre and Miquelon, the Canadian position being that we recognize the 12 mile territorial zone, but we do not recognize the extension. The Canadian Government has repeated its willingness to discuss further with the French. It has been decided to hold another meeting next spring on the subject. Depending on where you sit, this was—

Madam Speaker: Order. I must interrupt the Hon. Minister, but his answer is really too long.

CANADIAN FISHING RIGHTS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a supplementary question for the Minister. The implication that this was just simply two ships which passed in the night is hard to accept. I would say to the Minister that if French claims are accepted it would mean the loss of fishing rights on St. Pierre Bank for Canadian fishermen.

Mr. McGrath: We might even lose Newfoundland.

Mr. Crouse: In view of this threat, what steps is Canada taking now to protect our fishing rights, especially our scallop fishing rights on this Bank? The rights of our scallop fishermen are being seriously threatened by the Americans on Georges Bank. If this is followed through it could well mean the total destruction of a $75 million scallop fishery in Atlantic Canada. What steps is the Government taking to protect that fishery?

• (1140)

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I cannot say what steps are being taken because there

has been no change to the situation as it existed before. This incident, or call it whatever you like, this happening of the two ships being there at the same time, did not influence the situation of the fishery as it is now. I have already indicated that the discussion on the extent of the zone recognized by the Canadian Government around St. Pierre and Miquelon is following diplomatic channels.

* * *

[*Translation*]

INDUSTRY

POSSIBLE CLOSING OF KHD LABORATORY IN MONTREAL

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is also directed to the Acting Prime Minister. According to this morning's *Gazette*, KHD, a German multinational company is threatening to close down its research laboratory in Montreal. The company has already received $34 million in grants from the federal Government since 1974. What action does the Government intend to take to protect the jobs involved and to keep this laboratory here in Canada?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I am not aware of this situation. I shall bring it to the attention of the Minister of Industry, Trade and Commerce and Regional Economic Expansion as soon as possible.

Mr. Nystrom: Madam Speaker, I have a supplementary question. It was in *The Gazette* this morning, on the first page and it is just another example of economic blackmail by a foreign company. To get back to my supplementary question, I would like to know, for future reference, why the Government refuses to become directly involved by taking shares in a company it subsidizes.

Mr. Pepin: Madam Speaker, the Hon. Member is seeking a debate on this matter. There have been situations where the Government of Canada did take equity in companies it was assisting. I do not think we can start a philosophical debate on the issue this morning, but as far as the substance of the problem is concerned, I shall bring it to the attention of the Minister.

* * *

[*English*]

CANADA POST CORPORATION

SERVICE TO SMALL COMMUNITIES

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my question is also for the Acting Prime Minister. On September 21 the Hon. Member for Timmins-Chapleau raised the subject of the Canada Post Corporation's cancellation of highway service deliveries, post office to post office, in the small communities of Canada. Fortunately, that has been postponed, at least. I should like to ask the Acting Prime Minister if this postponement of the cessation of services to the small communities of Canada is permanent, or is merely a temporary cancellation of the program which was to be introduced by Canada Post?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I am sorry that I have to say once again that I am not au fait with that situation. I will bring it to the attention of the Minister. I apologize for the fact that the Minister responsible is not here this morning. All the Ministers have good reasons and I could recite them. I will have to take the question as notice.

Mr. McCain: Madam Speaker, I appreciate the position of the Acting Prime Minister. There is no question but that the population of Canada as a whole wanted some reduction of the deficit on the Canada Post service as it is conducted by the Government, but that was never interpreted to mean that it would be accomplished by the reduction of historic and vital services.

GOVERNMENT POLICY ON POSTAL SERVICES

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I should like to ask the Acting Prime Minister if he would bring the subject up with the Minister responsible for postal services. Would he also advise the House of the Government's policy in respect to the further curtailment of postal services to the deserving people of Canada?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I have already said that I would do that. I will observe at the same time that a corporation was created by the Government in order to resolve these issues. My hon. friend recognizes that this is not easy, in the sense that they have budgetary limitations. That is the kind of tough decision that all Crown corporations have to make. As usual, the Minister says that he will pass it on to the head of the Crown corporation.

Madam Speaker: Order. Would Hon. Members not agree with the Chair that it is not altogether logical to have a supplementary question to a question that has been taken as notice? I would suggest that, in a case where a question is taken as notice, the supplementary question could be reserved to the time when the question is answered. If Hon. Members feel that is fair, that is what I will do in the future.

* * *

ENERGY

OIL AND GAS INDUSTRY—DEGREE OF CANADIAN OWNERSHIP

Mr. John Thomson (Calgary South): Madam Speaker, I should like to address a question to the Acting Prime Minister. Last Tuesday in the House, in response to a question by my colleague, the Hon. Member for St. John's West, about the

Canadian ownership account in his last sentence as reported at page 27497 of *Hansard* the Minister said:

—the degree of foreign ownership in the gas and oil field decreasing from the ninety per cent level to the sixty per cent level at which it is now.

In its 1982 report the Petroleum Monitoring Agency clearly states that the level of Canadian ownership prior to the introduction of the National Energy Program stood at 74 per cent; today it stands at 66 per cent. Those figures are a lot different from what was stated by the Minister on Tuesday. I would ask the Acting Prime Minister if he would like to withdraw or correct that statement.

Hon. Jean-Luc Pepin (Acting Prime Minister): No, Madam Speaker, I would not because I took those figures from a report of the Department of Energy, Mines and Resources saying that in the early seventies—

Mr. Nielsen: That was your first mistake.

Mr. Pepin: —the level was at 90 per cent of foreign ownership and that at the moment it is 66 per cent or 63 per cent, I cannot recall. I was not giving the House bad information. These are figures I received from the Department of Energy Mines and Resources.

Mr. Thomson: Madam Speaker, the statement is grossly misleading. The report of the Petroleum Monitoring Agency on the level of Canadian ownership says that even in 1977 the level of Canadian ownership was 74 per cent.

MINISTER'S STATEMENT

Mr. John Thomson (Calgary South): Madam Speaker, I think the Minister has left a grossly misleading impression on the Canadian public by that statement. I would ask him to withdraw it or correct it.

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I will just repeat it. My friend was talking about 1977 and I was talking about 1970. I said, in the early seventies.

An Hon. Member: You did not.

Mr. Pepin: I thought I did. If I did not, I will correct myself and repeat it. In the early seventies the level was at 90 per cent; now the level is at 60 per cent.

* * *

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CHAIRMAN'S RESIGNATION—APPOINTMENT OF SUCCESSOR

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Hon. Minister of Communications.

[*English*]

The question arises from yesterday's announced resignation of the distinguished Chairman of the Canadian Radio television and Communications Commission, Dr. Oliver Meisel. Since the Minister was given notice of Dr. Meisel's departure about seven weeks ago, can he say whether a working broadcaster is on the short list for his replacement, and how soon Dr. Meisel's successor may be announced?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I can very well understand the Hon. Member's interest in the CRTC. I know he is a former broadcaster. What he is suggesting, in the full light of Parliament, is that I add his name to the list. I am willing to do so. I can also understand the uncertainty in his mind with the approaching election.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I think I will pass up that appointment for another two, three or four terms.

ROLE OF COMMISSION

Mr. Geoff Scott (Hamilton-Wentworth): While the Minister is deliberating during this transition period, is he thinking of reconstituting the CRTC to speed up its agonizingly slow process? Is the Government rethinking the role of a CRTC now that the communications explosion has made that kind of regulatory agency almost an anachronism?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I think that in a country like Canada an organization such as the CRTC will always remain a necessity. While other countries may deregulate, I think the proper way of handling the question in Canada is by reregulation which will allow a body such as the CRTC to take into account the new technological environment in which we live and to handle the questions offered to them in a more efficient manner.

* * *

● (1150)

MEDICAL CARE

EFFECT OF EXTRA BILLING ON SENIOR CITIZENS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question was to be directed to the Minister of National Health and Welfare, but in her absence I will address it to the Acting Prime Minister. The Minister knows, as does every Hon. Member in this House of Commons, that the number of senior citizens is steadily growing in Canada. This is a group which lives basically with fear and anxiety about the future, particularly senior women. In New Brunswick this past week there have been press conferences held by a group of senior citizens indicating the fear they have about the cutbacks to medicare and the hospital fee schedules which are being introduced. Would the Minister tell the House how the Government of

Canada can justify not doing anything when senior citizens are suffering like this?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Government has indicated its position on the question of extra billing and user fees. That position was made public during the month of August. This is the position of the Government. We have indicated that the Government intends to introduce a health act which would take steps to ensure that extra billing and user fees will not be encouraged. The Government intends to introduce that legislation as soon as it is appropriate.

In the meantime I would like to remind my hon. friend that pressure should be brought upon the provincial Governments concerned by the senior citizens. Indeed, I would hope that the representations made by the senior citizens concerned would be enough to impress the responsible provincial authorities.

GOVERNMENT ACTION

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I will again address my question to the Acting Prime Minister. I believe the Government does have a plan right now and it is intentionally holding it back by calling for this health act which is not being brought forward. I believe the Government is going to use medicare as one of the main issues in fighting the next election. Would the Minister tell the House when the elderly people of Canada can expect the Government to act for them?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, this Government has been acting on behalf of and for senior citizens ever since it has been in office. The number of steps we have taken to support senior citizens compares favourably with that of any other country. Certainly it compares favourably with anything which any New Democratic Party Government has done provincially anywhere, let alone the Conservative Party, about which I need not speak in the particular regard, because of its lack of concern.

I would like to tell my hon. friend that he will not have to wait until the next election before seeing the new Canada Health Act.

* * *

ST. LAWRENCE SEAWAY

U.S. CONGRESS DECISION ON EXTENSION OF SEASON

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Minister of Transport. The Minister is no doubt aware that on August 3, without debate or public hearing, the United States House of Representatives Committee on Public Works approved a Bill authorizing the extension of the Seaway and the extension of winter navigation on the Seaway. The position of the Government of Canada previously had been that that was not a desirable option. Can the Minister tell us whether or not there were any consultations between the Government of Canada and the Government of the United States with respect to positions on this Bill? And what is the policy of the Government of Canada today with respect to the extension of the St. Lawrence Seaway navigation season?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as the Hon. Member will know, in the United States system an act or initiative by Congress is not necessarily one which is adopted or put forward by the executive branch. It is something which they have to reconcile between themselves. Therefore it does not necessarily represent the position taken by the U.S. Government. We do, however, have a continuing line of discussion with the U.S. Government concerning the joint management of the Seaway. I would point out that at the present time, because of the reduction in traffic over the last few years, there is no immediate demand or requirement for extension of that capacity. It is a matter which we will continue to discuss. However, I would not say it is on the front burner of examination, simply because the Seaway is working very adequately now and servicing all the traffic requirements.

REQUEST FOR DISCUSSIONS WITH U.S. CONGRESS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am aware of the situation in the United States with respect to the separation of powers. There has been a movement now, however, on the part of the House of Representatives. I understand there is even stronger backing by the Senate of the United States with respect to the proposal. If the Government is continuing discussions with the administration, are there any initiatives being taken by the Government of Canada with respect to discussions with the Congress of the United States, or is this project being carried on much like the Garrison Project carried on, even though everyone said it was not going anywhere?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the Hon. Member refers to Garrison which, of course, is a difficult issue for those of us from Manitoba. I would not want the same problem to arise, so I will seek the co-operation of External Affairs and our Ambassador in Washington in order to determine from the Congress what its particular position is. We will receive a report, and I will forward it to the Hon. Member.

* * *

FINANCE

TARIFF RELIEF SOUGHT FOR EDMONTON COMPANY

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of State for Finance. Could the Minister tell the House how long the recommendation for tariff relief for Birdman Enterprises of Edmonton has been sitting in his office? When will that recommendation go forward to Cabinet for final decision? And when will Cabinet decide?

Hon. Roy MacLaren (Minister of State (Finance)): Madam Speaker, I will be glad to check and report back to the Hon. Member.

MONTANA ENTICEMENT

Mr. Jim Hawkes (Calgary West): Madam Speaker, is the Minister aware of the fact that the State of Montana is making a concerted effort to take that industry with all those jobs and all that export potential and move it from Edmonton to Montana? The problem, Madam Speaker, is that the request for relief was made in May. The Civil Service was slow. The Minister's office is even slower. When a Minister's office is killing Canadian jobs—

An Hon. Member: What is the question?

Madam Speaker: Order. We have had the question.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF KOREAN AIRLINER—EFFECT ON DIPLOMATIC RELATIONS

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Acting Prime Minister, the Minister of State for External Relations. It concerns the tragic shooting down of the KAL 007. I am sure he will know and bear in mind that this is not just a case of responsibility and compensation. There is another more recent issue, one of diplomatic relations. I would like to ask the Minister, therefore, if the Government of Canada has communicated any message to the Soviet Union or to the Soviet Embassy indicating that we will not tolerate any refusal of a message sent by the Government of Canada or by the Parliament of Canada?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I believe we are getting into formalities here. I feel that the important thing to bear in mind is the question, has the Canadian Government communicated to the Government of the Soviet Union its displeasure, anger, and disapproval of what took place on August 31? I feel that this is clear. We have done that. The House of Commons has done that. We have sent messages. The Canadian Ambassador in the Soviet Union has paid a visit to the Secretary for External Affairs of the Soviet Union. We have protested in ICAO. We have protested in the Security Council also. I believe the message is pretty clear. I do not think there is any doubt as to what our position is. We established from the beginning a presumption of guilt. We said to the Soviet Union, "Now you prove us wrong. You give us the information. Otherwise, recognize your responsibilities and act accordingly".

USE OF EMBASSIES

Mr. Arnold Malone (Crowfoot): Madam Speaker, my supplementary question is directed to the same Minister. It seems to me that the important issue to Canadians in general is the question of what is an embassy if it is not an institution for the means of exchanging communications, whether or not communications are accepted. The question is that if you have an embassy on Canadian soil, surely the purpose of that embassy is to receive messages. I simply ask the Minister: is that priciple not going to be enforced, because at least the messages must be received? Otherwise, will he not address the question as to why we would have an embassy which simply exists here and will not accept Canadian messages? What is the definition for having an embassy?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I believe we have used both the Soviet embassy in Ottawa and our embassy in Moscow. We have made full use of these embassies. I will leave it at that. I am sure the chargé d'affaires of the Soviet Union reads *Hansard* every day, and I am sure he will take the Hon. Member for Crowfoot's condemnation of his behaviour personally, and may communicate it to his Government.

* * *

• (1200)

PETITIONS

MR. MITGES—MEDICAL TESTING OF IMPAIRED DRIVERS

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Grey-Simcoe (Mr. Mitges) on Thursday, September 29, 1983, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

STANDING ORDERS AND PROCEDURE

PRESENTATION OF TENTH REPORT OF SPECIAL COMMITTEE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have the honour to present the tenth report of the Special Committee on Standing Orders and Procedure in both official languages. As I do so, I would like the House to know that despite the stressful position of the House this was a Committee which arrived at its conclusions, all of them in all of the reports, by consensus rather than by vote.

Some Hon. Members: Hear, hear!

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

[*Translation*]

POINT OF ORDER

MISCELLANEOUS ESTIMATES—PRESENTATION OF NINTH REPORT OF STANDING COMMITTEE

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, a mistake was made in the text of the Ninth Report of the Standing Committee on Miscellaneous Estimates which was presented in the House on Thursday, September 29, 1983. On page 2 of the report, Schedule I should read as follows:

Clause 60 is amended by substituting "Minister of Regional Industrial Expansion" for "Minister of Industry, Trade and Commerce".

—and renumber the subsequent items accordingly.

Madam Speaker, I ask the unanimous consent of the House to have the text corrected accordingly. Madam Speaker, the mistake is due to the fact that the amendment to Schedule I was laid on the Table but was not voted on, while the one I am proposing was. The other amendment that was not voted on must be presented at the report stage.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, this takes me by surprise. There have been no discussions held with me with respect to this request. I would ask the Hon. Member to be tolerant and not ask consent today but allow me the weekend to look at it and perhaps we will have consent on Monday.

[*Translation*]

Madam Speaker: Since we do not have unanimous consent, the Hon. Member will certainly approve of the suggestion made by the Hon. Member for Yukon (Mr. Nielsen).

* * *

[*English*]

PETITIONS

MR. TAYLOR—CLIFFORD ROBERT OLSON

Mr. Gordon Taylor (Bow River): Madam Speaker, I am herewith presenting another petition containing 584 signatures, bringing the total to 8,927 Canadians who have requested the Government and this Parliament to pass Bill C-671, an Act respecting the execution of Clifford Robert Olson, in order that this man will never again be able to haunt the streets looking for more girls and boys to abuse and brutally murder.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,032, 4,824, 4,889, 4,956 and 4,960.

[*Text*]

TRADE FACILITATION OFFICE

Question No. 4,032—**Mr. Herbert:**

Where is the Trade Facilitation Office of the Canadian International Development Agency located, how many persons are on staff and what is its annual budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Trade Facilitation Office is not part of the Canadian International Development Agency. It is an independent non-profit, non-governmental organization which receives CIDA support.

The Trade Facilitation Office is located in Phase 4 of Place du Portage.

KRUSHCHEV DOCUMENTARY

Question No. 4,824—**Mr. Beatty:**

1. In 1972, was a CBC television documentary on Nikita Krushchev prevented from being aired after being promoted until several days before the scheduled air time and, if so, for what reason?

2. Did the U.S.S.R., through Moscow or its Embassy in Canada, have any contact with the Government regarding the program?

3. At any time, did the U.S.S.R. government indicate that the airing of the program on the CBC would be considered an unfriendly act by Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. In the autumn of 1972 the CBC negotiated with Time Life Inc. for the right to a television documentary entitled "Krushchev Remembers". The CBC required editing privileges to fit the documentary into a one hour time slot. Late in the negotiations, these privileges were refused by Time Life Inc. and consequently the CBC withdrew from the contract.

2. In advance of the anticipated airing of the documentary, a representative of the Soviet Embassy called on the Department of External Affairs.

3. The Soviet Embassy representative expressed concern that the broadcast could have a negative impact on bilateral relations between Canada and the Soviet Union.

PETRO-CANADA INTERNATIONAL ASSISTANCE CORPORATION

Question No. 4,889—**Mr. Munro (Esquimalt-Saanich):**

1. On what date, under what authority, and in what circumstances was Petro-Canada International Assistance Corporation incorporated?

2. What are its terms of reference?

3. (a) How is it financed (b) what is its capitalization (c) what is its budget and how is the budget approved (d) what are its borrowing powers?

4. (a) Who are its officers (b) what amount are they paid (c) where do they meet?

5. Is the Corporation under specific direction to contract Canadian enterprise and capital equipment in all circumstances for its operations?

6. (a) How are its various activities undertaken, such as those in Jamaica, Tanzania, Senegal, and Barbados (b) are they undertaken by solicitation or by generation from within the Corporation itself and, in either event, what criteria are used in selecting the project to be initiated at one time or another?

7. Does the Corporation report to Parliament or to Petro-Canada?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada International Assistance Corporation reports as follows:

1. Petro-Canada International was initially incorporated under the Canada Business Corporations Act on January 20, 1981, pursuant to the Petro-Canada Act. PCI's mandate, which is to act as a delivery mechanism for Canadian official development assistance to oil-importing developing countries, was established by Order in Council P.C. 1981-2167, dated August 5, 1981. The Articles of Incorporation were subsequently amended on November 18, 1981 to reflect the directives of the Government and on April 22, 1982, through Order in Council P.C. 1982-1264, the Corporation's name was changed to Petro-Canada International Assistance Corporation.

2. Terms of reference: (a) Assist developing countries to reduce or eliminate their dependence on imported oil by using Canadian technology and expertise, where possible, for hydrocarbon exploration and related activities, and function as a direct-delivery mechanism for Canadian official development assistance and, as an executing agent for other development assistance institutions, to carry out the following activities in developing countries eligible to receive Canadian bilateral development assistance and which are dependent on imported oil:

(i) to participate in exploration for hydrocarbon resources, particularly oil and gas, in developing countries;

(ii) to conduct pre-exploration and related studies in developing countries; and

(iii) to provide technical assistance and training to personnel from developing countries in hydrocarbon resource exploration development and production-related activities.

(b) Operate as an instrument of Canadian official development assistance in a manner consistent with the government's foreign aid objectives and programs.

3. (a) PCIAC is financed by funds appropriated by Parliament under the spending estimates of the Minister of Energy, Mines and Resources.

(b) PCAC's one share is held by its parent, Petro-Canada.

(c) Under the Articles of Incorporation, prior to the commencement of PCIAC's financial year, the Corporation must submit a capital budget for the approval of the Governor in Council, on the recommendation of the Minister of Energy, Mines and Resources, the Minister of Finance, and the President of the Treasury Board and an operating budget to the Government for the approval of the Minister of Energy, Mines and Resources and the President of the Treasury Board. However, at the present time, PCIAC provides assistance in the form of grants only and does not submit a capital budget. The 1982 operating budget for PCIAC was $21 million, and the 1983 budget has been set at $42 million.

(d) The Articles of Incorporation stipulate that PCIAC cannot borrow money without the approval of the Governor in Council, on the recommendation of the Minister of Energy, Mines and Resources and the President of the Treasury Board. There is, however, a provision for an advance or loan from Petro-Canada which in the aggregate cannot exceed $50 million.

4. (a) and (b) The Board of Directors of PCIAC is William J. Jenkins, Wilbert H. Hopper, Frederick G. Rayer, Peter M. Towe, George W. Tough. The Directors do not receive any remuneration.

The Officers of PCIAC are Frederick G. Rayer, President, Georges A. Léger, Vice-President, Peter M. Towe, Chairman, Robert McCaskill, Secretary. These officers are employees of Petro-Canada, which charges PCIAC monthly for their services on a non-profit, cost-recovery basis according to the time actually spent on the business of the Corporation.

(c) To date, meetings of the Board of Directors have been held in Ottawa.

5. PCIAC was instructed to utilize Canadian technology and expertise where possible in the development and implementation of projects that would assist developing countries to reduce or eliminate their dependency on imported oil. A major criterion for consideration of any project by PCIAC's Board of Directors is the potential for the use of Canadian goods and services.

6. (a) and (b) Prospective recipient countries submit project proposals for consideration through official channels. In reviewing these project proposals, the following criteria are used: the eligibility of the country for Canadian aid; the potential for the use of Canadian goods and services; the geological potential; the energy needs of the recipient country; the domestic economics of the proposed project; the potential social and economic benefits of a reduced dependency on imported oil; and the level of private sector activity in the recipient country.

Through an operating services agreement, PCIAC has access to the expert services of Petro-Canada, which in turn uses Canadian consultants, contractors and suppliers, as needed, in providing assistance in oil and gas exploration activities in a developing country.

7. PCIAC reports to Petro-Canada.

FOREST INDUSTRIES ADVISORY COMMITTEE

Question No. 4,956—**Mr. Mazankowski:**

1. Is there a Forest Industry Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so

far as the Department of Industry, Trade and Commerce is concerned:

1. Yes there is a Forest Industries Advisory Committee.

(a) See below.

(b) (i) Background or expertise indicated by title and position. (ii) Members have been appointed on an indeterminate basis at the present time with length of each appointment yet to be decided.

(c) Members are reimbursed according to Treasury Board guidelines for travel expenses incurred to attend the meetings. Travel expenses for the two meetings held in February and April, 1983 totalled $14,177.82—see individual expenditures below. No other forms of reimbursement or salary to members are involved.

(d) The Government is willing to provide up to $125,000 for outside consultant services to assist the Committee in preparing an interim report on forest industry opportunities and constraints. Also, the Forest Industry Advisory Committee's administrative requirements are provided by indeterminate employees of Industry, Trade and Commerce using existing accommodation and resources.

2. (a) See below.

(b) The matters discussed in the fiscal year 1982-83 were primarily of an organizational nature related to the composition, terms of reference and work program of the Committee.

(c) Two meetings have been held to date and two meetings are scheduled for June, 1983. There are no formal requirements for meeting dates.

(d) Nil.

Forest Industries Advisory Committee—List of Members

Co-Chairmen

Ian A. Barclay, Chairman
B.C. Forest Products Ltd.
Vancouver, British Columbia

James Buchanan, President
Canadian Paperworkers Union
Montreal, Quebec

Business Representatives

Paul Bienvenue, President
Howard Bienvenue Inc.
Montreal, Quebec

L. Lockhart, President
Lock-Wood Ltd.
Scoudouc, New Brunswick

Thomas A. Buell, President & CEO
Weldwood of Canada Ltd.
Vancouver, British Columbia

J. Perron, President
J. H. Normick Inc.
La Sarre, Quebec

John Fisher, Chairman
Fraser Companies Limited
Edmunston, New Brunswick

R. R. Pinard, Vice President
Domtar Inc.
Montreal, Quebec

C. S. Flenniken, President & CEO
Canadian International Paper Co.
Montreal, Quebec

W. Sauder, President
Sauder Industries Limited
Vancouver, British Columbia

R. C. Gimlin, President
Abitibi-Price Inc.
Toronto, Ontario

J. Scarth, President
The E.B. Eddy Company Limited
Ottawa, Ontario

R. C. Keef, General Manager
Nova Scotia Forest Industries
Port Hawkesbury, Nova Scotia

S. Spears, President
Premium Forest Products Ltd.
Scarborough, Ontario

John C. Kerr, President
Lignum Ltd.
Vancouver, British Columbia

A. Zimmerman, President
Noranda Mines Limited
Toronto, Ontario

C. Knudsen, Chairman
MacMillan Bloedel Limited
Vancouver, British Columbia

Labour Representatives

Georges Cantin, Président
Fédération des travailleurs du papier et de la forêt
Québec, Québec

Jack Munro, President
IWA Council No. 1
Vancouver, British Columbia

R. Dancer, Executive Board Member
United Brotherhood of Carpenters and Joiners of America
Calgary, Alberta

Forest Industries Advisory Committee

Terms of Reference

1. To provide advice and guidance on a continuing basis to the Minister of Industry, Trade and Commerce and Regional Economic Expansion and through the Minister to the federal Government on any matters concerning the performance and well being of the forest industry and its employees.

2. To assist the Minister in developing an in-depth analysis of the present and prospective performance of the forest industry in the domestic and international environment.

3. To assist the Minister in identifying priorities and formulating appropriate strategies that assist the forest industry in increasing its contribution to national and regional industrial development.

4. To assess the appropriateness of existing federal policies and programs and to make recommendations from time to time for new initiatives and/or policy changes.

Composition

1. Senior executive officers of business and labour.

2. The co-chairmen to represent business and labour.

3. DREE/ITC to provide secretarial support and to be represented on an "ex-officio" basis.

Travel Expenditures

Name	February 23 Meeting	April 11-12 Meeting
Len Lockhart	411.85	
Paul Bienvenue	215.10	
James Buchanan	322.70	
Ralph C. Keef	538.48	
Ian Barclay	898.88	
A. G. Rumbold		411.75
Gordon Minnes		312.73
John P. Fisher		523.15
Cyril D. Doucet		618.00
R. R. Pinard		453.95
John Kerr		1,129.50
Howard Hart		148.50
Ontario Lumber Manufacturers' Association		226.90
Paul Bienvenue		302.80
G. A. Storey		1,098.90
K. A. French		838.50
L. H. Lockhart		439.90
Allan G. Sinclair—COFI		1,062.00
Arden A. Rytz		766.25
Ralph C. Keef		451.00
Ronald J. Dancer		837.78
James M. Buchanan		389.40
Ian Barclay		1,198.00
James Buchanan (Technical Staff)		581.80

INTERNATIONAL SATELLITE MONITORING AGENCY

Question No. 4,960—**Mr. McKinnon:**

1. Was a study by Dr. Robin Ranger on the arms control and crisis management potential of the proposed International Satellite Monitoring Agency to be completed by January 31, 1983 and, if so, has it been completed and, if not, on what date will it be completed?

2. What amount, if any, of the $9,000 allocated was paid?

Hon. J.-J. Blais (Minister of National Defence): 1. Yes. The report was completed as scheduled but the scientific authority which reviewed the report concluded that it required further work to meet the terms of the contract. Consequently the report was returned to Dr. Ranger for re-working and it is anticipated that the finished product should be ready to go to print by the end of July, 1983.

2. Total paid was $3,450.

[*English*]

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

[*Translation*]

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

[*English*]

Mr. Forrestall: Madam Speaker, during the war there was an old saying that when you have good literature, read it and pass it along. I wonder if the Parliamentary Secretary would be kind enough to indicate when he might pay some particular attention to questions which have been left on the Order Paper following the resignation of the former distinguished Member for Central Nova. Very specifically, they were questions asked on July 6, November 5, December 3, 1982 and March 3, March 29, June 7, June 14 and June 22 of 1983.

Mr. Evans: Madam Speaker, I have noted the Hon. Member's passing with regret and certainly I will look into the questions that were put to me today and I will see if I can get the answers to those as quickly as possible.

Mr. Forrestall: Madam Speaker, I have one further request of the Parliamentary Secretary. I have in place on the Order Paper a starred question dealing with the effects of the PIP grants. I wonder if I might have some indication now, some ten days or two weeks having gone by, if I can anticipate an early reply to that next week.

Mr. Evans: I will certainly look into that immediately, Madam Speaker.

Mr. Nielsen: It was the practice to answer those in 48 hours.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, September 29, consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motions Nos. 24, 25 and 29 (Mr. Benjamin).

The Acting Speaker (Mr. Blaker): I understand the Hon. Member for Dauphin-Swan River (Mr. Lewycky) had the floor when this matter was last debated and I believe he has approximately four minutes remaining.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, that is correct. When we reached six o'clock last night I was just trying to point out to the House that if the wording in the amendment as printed in Bill C-155 remains, this would constitute an attack on the co-operative spirit of the farmers of western Canada. I want to just underline the problem with the present wording as we have it in the amended and reprinted Bill.

The particular problem I want to highlight is that any of the farmers who are members of a local shipping committee or who are Wheat Pool delegates, those who might be officers of perhaps even a co-operative farm, farmers who are co-operating with other farmers, would be effectively excluded from eligibility for being elected as members of the Senior Grain Transportation Committee. Our suggested solution, Mr. Speaker, is that we strike out the reference to co-operatives, which would strike them off the excluded list, thus making them eligible to participate on the Senior Grain Transportation Committee.

By way of background, Mr. Speaker, if we were to let the present wording remain in the amended Bill we are really betraying a cultural bias, albeit an eastern cultural bias, and I suppose this would be a good time to introduce to Hon. Members the concept of ethnocentrism. That is something we teach at any elementary sociology course at the university level. Basically it means we judge other cultures, or even regional subcultures, on the basis of our own experience. I suggest that if we were to leave this wording in here, that is really what is happening in this particular case. There would be a failure on the part of this Parliament as drafters of this legislation to recognize and understand unique Prairie institutions which have developed over the years co-operatively and in a pioneer spirit. Therefore we are suggesting that it is all the more important that we strike out co-operatives from this list of individuals who are excluded.

I am a bit embarrassed to say that it was the original amendment of the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) which excluded people who are members of co-ops and local shipping committees. What I am suggesting is

that our amendment gives a second chance to the Government and to the Conservatives to right a fault which may have been unintentional; I give them the benefit of the doubt. However, in any case it is giving them and the Government an opportunity to correct a fault that really should not have been there in the first place.

• (1210)

I would like to elaborate a little further on the other motion that has been grouped with Motion No. 24, and that is Motion No. 29. If one were to ask me what our amendment would do, its basic intention is to reduce the heavy hand of the CNR and the CPR and to lower their representation on this particular Committee. We do not really think it is necessary that the CPR have a member and the CNR have a member. I think that historically their concerns have been adequately met. There would be an opportunity for producers to ensure that they are not overlooked in the drafting of the Bill.

If Your Honour wants to know why I have expressed concern, it is because we have been through a series of rail line abandonment hearings, for example, in Manitoba. I know that the Minister of Transport (Mr. Axworthy) is aware that there have been some 18 hearings dealing with rail line abandonment in Manitoba and all 18 have been in favour of the railways. The railways are adequately represented in the CTC, which has looked after the interest of the railways. Why is it that the last 18 hearings all went in favour of the railways?

I see Your Honour is giving me the signal that my allotted time is about to expire. I am simply saying that if our amendments are accepted, there would be an opportunity for both the Government and the Conservative Party to right a historic wrong and ensure that the producers would be adequately represented. I just give those few suggestions to the House of Commons so that we could correct some of these obvious faults in the amended, reprinted wording of the Bill.

The Acting Speaker (Mr. Blaker): I understand that last night the House considered Motion No. 26. In accordance with Madam Speaker's ruling which grouped certain motions, it would follow that Motion No. 25 would now be withdrawn.

I gather that the Hon. Member for Regina West (Mr. Benjamin) wanted some consideration of the issue. If he has any comment, perhaps now is the time, because it should logically now be withdrawn.

Mr. Les Benjamin (Regina West): Mr. Speaker, at the moment, my druthers are that it does not logically follow that it be withdrawn. I would like to suggest that this be held over until Madam Speaker makes rulings on many other motions on Monday. If Your Honour will notice, our Motion No. 25, while it covers the same areas as our Motions Nos. 26 and 27, calls for five members, not six. This is the problem with the groupings. We wanted to deal with our Motion No. 25 first. If it succeeded, we would have withdrawn Motion No 26. If it did not succeed in the House, then we would want to deal with Motion No. 26. However, Motion No. 26 has been accepted. Our first choice motion was Motion No. 25. That is why I would like to ask if Your Honour could just leave this matter in abeyance until Monday and we could discuss it further.

The Acting Speaker (Mr. Blaker): The Chair would accept the Hon. Member's request. I do not hear a procedural argument which would affect the statement I made to the effect that, with the passage of Motion No. 26, it would automatically follow that Motion No. 25 would be withdrawn. However, if the Hon. Member wants further time to consider the problem, then there is no difficulty. It will not interfere in any way with proceeding with debate on the other motions. Motions Nos. 24 and 29 are for debate now.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise in support of Motions Nos. 24 and 29, since I understand we will be pleading Motion No. 25 at a later time.

Briefly, I think the issue at stake here is chiefly whether those who pay are to have an adequate voice in what is done with the money they pay. The question under Motion No. 24 is whether the farmers who have taken the trouble to organize themselves into co-operatives will be penalized and restricted in being able to have representation on the Grain Board. It is apparently the preference of certain Hon. Members to the extreme right that co-operative members and officers should be so penalized, should be kept out of the action, if possible. This would, of course, reduce to some extent the actual grass roots representation of the producers as compared to the carriers. That is the reason for supporting Motion No. 29, which would reduce the railways to one representative.

The fact is that throughout the history of Canada the railroads have been overrepresented in decisions that concern the railroads and the users have been unrepresented. There was some shared of excuse for that when the users were scarcely there in the western Prairies a century ago. There is no excuse for it now.

To reduce the representation those users have had for many years through the co-operatives they have built would be extremely unjust and, in the long run, would turn out to be a mistake economically, because without any doubt the effect of that reduction would be to bias further the policy decisions in favour of the carriers, especially the Canadian Pacific Railway, and against the producing farmers. The bias has already gone farther than is healthy, but this kind of unfair redistribution of the powers of the board would increase it further so that decisions would be more unfair and more uneconomical.

If the farmers are unable to represent themselves adequately in the struggle over both freight rates and the application of the moneys that are spent on capital and operating of the railroad so far as grain is concerned, if their voices are muffled by the present proposal, then the farmers and the grain industry will suffer. The industry will decline as a result of the kind of action which our amendments seek to prevent.

What is at stake here is also a deeper principle which runs far beyond the Prairies. It is the principle of user-pay. We have heard this slogan, especially from certain government spokesmen over the last ten years, that the users should pay. It is usually focused on some particular area. At this point it is

being focused on the prairie farmers who constitute a minority within Canada. There is a big propaganda campaign to accuse the prairie farmers of being fat cats who want someone else to pay for transporting their grain so that they can receive unearned income by not paying a fair share of the cost of transportation. It has not been mentioned, however, that practically every other form of transportation in Canada is also subsidized. Airline, marine and road transportation particularly is lavishly subsidized. If user-pay were to be applied against everyone who uses our highways, rides our airlines or uses the St. Lawrence Seaway or the rest of our marine transportation, there would be a unanimous outcry against that policy. It would be quite uneconomical for the majority of users, whether they are passengers or freight consignors and consignees. Therefore the policy of applying the principle of user-pay is handled selectively.

• (1220)

Approximately five years ago this policy was implemented in metro Toronto as a justification for jacking up the fares on the transit system and establishing an almost annual fixed increase in the TTC fares. The slogan at that time was "user-pay". It was pointed out in that case that if no one used the TTC, the roads would be congested to the point where the automobile drivers would be unable to use the roads. Therefore it was in the interest of not only TTC riders but the public that TTC be able to operate with a fare that even poor people could pay.

The same dispute applies in the case of the grain growers and the grain carriers. We see here an attempt on the part of the Government, and certain movers of Conservative amendments in league with the Government, to stick it to those farmers who have had the courage and sense of social responsibility to organize the co-operatives. These co-operatives which handle approximately 60 per cent of the grain will be penalized. They are to be denied effective representation on this board and clearly, the import of that type of change is to hand over the decision-making more powerfully than ever to the Canadian Pacific Railroad, Canadian Pacific Investments and those associated with milking the farmers.

It is the farmers who are to be milked by this Bill. If this Bill passes, there will no doubt be other targets picked up very quickly. We know that the effect of the Government's policy which was stated two years ago is to undo all the aid arrangements on which Canada's transportation networks have been built. The argument in the back rooms is probably to the effect that, since farmers are now established in the Prairies and Canadian cities are filled with people, there is a captive market for the profiteering owners of the transportation industries. These industries include those who either profit from direct transportation or supply the expensive equipment for publicly-owned corporations such as the Toronto Transit Commission. In either case the aim is to use a captive market, whether it be the farmers in Saskatchewan or the transit riders in metro Toronto, who must use the established transportation system because there is no alternative. These systems have become a monopoly which they must use.

Since there is an established market with no chance of competition, the corporation owners, their friends across the aisle and to my extreme right have decided that now is the time to begin sticking it to the users and raising the price they will have to pay regardless of the fact that on the Prairies, for example, farmers' income has declined by over 40 per cent in the last six years while the income of Canadian Pacific has risen by some 250 per cent. Those facts are being studiously ignored in the propaganda we hear from the large Parties in this House and their friends in the media.

However, if they have their way, it will be a short ride even for those corporations because once they have starved the farmers out of business there will not be any grain to haul. They will not be able to play with the Crow rate any longer. It is a short-sighted policy even from their point of view but it is disastrous not only for the farmers but for the Canadian people. I urge Parliament to think very carefully about these amendments and particularly to support Motions Nos. 24 and 29.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to say a few words this afternoon in this very important debate. I am particularly pleased to speak to this particular amendment that has been put forward by my colleague for Regina West (Mr. Benjamin).

I believe that the issue we are dealing with today touches the very basis of how we see a democratic society. I do not believe there are any Members in the House, and I would like to think that there are not many Canadians, who do not strongly and firmly believe in the principles of a democracy. One of those basic principles is that Canadians ought to have a voice in what is decided by those groups that have an opportunity to make a profound impact on their lives. That is essentially what we are talking about here today—whether 15,000 to 20,000 western Canadians should be denied representation on one of the most crucial boards that deals with western grain transportation.

Quite frankly, I find that perplexing, to say the least. It is dificult to understand why the Government would say that there are perhaps as many as 20,000 people in western Canada who ought not to participate in the democratic process over a matter that will have a profound influence on their lives and futures.

I know that some Members opposite and other Members of the House may question my assumption that 20,000 people will be affected. Let me say that I have a legal opinion—I emphasize "legal" opinion—which states that this is the case. It is that person's legal opinion that 15,000 to 20,000 western Canadian grain producers will not be able to take part in the appropriate elections to see them represented on a board that will be most influential on the lives of western Canadians.

I suggest this is a direct attack on the co-operative movement in western Canada. I do not want to suggest for a moment that the Government is doing this with some malicious intent or evil motivation. I would like to think that it is

simply an oversight on behalf of the Minister and the federal Government that the co-operatives ought not to have a voice, in terms of grain transportation, equal to that of others who are involved.

Those of us who come from western Canada and have lived on the Prairies of western Canada recognize the importance of the co-operative movement only too well. I would go so far as to say that it was the co-operative movement in western Canada that built a good deal of that part of the country. That co-operative movement has probably meant more to lifting the welfare of Canadians generally than any other movement in this country.

I believe the very essence of co-operatives has been overlooked over the years. I recall very distinctly that the federal Government realized not many months ago that most people from western Canada were involved in co-operatives. The co-operative movement, as part of the western tradition, has become an integral part of westerners' lives.

• (1230)

At the point when the federal Government recognized the integral relationship between the co-operatives and life in western Canada, it decided to make a direct appeal for the support of the co-operative movement. It did a number of things over the last number of months that would appeal to the co-operatives in western Canada and would appeal to co-operatives generally, although it did focus on gathering more support from that sector of western Canadian society. That is why I am perplexed today, Mr. Speaker.

I am somewhat confused about why the Government of Canada would bring forth such a notion in order to eliminate participation in some of the most critical decisions facing western Canadians made by people involved in a senior capacity or quasi-management role in the co-operatives. I must say that I will be voting against this amendment for no other reason than that it places 15,000 to 20,000 western Canadians in a second-class citizen status. I am not prepared to send a message to that group of people saying that we are not prepared to allow them the democratic right of expressing themselves by running for office in terms of what we are speaking of here today.

I do hope that the Government will come to its senses and realize that the particular amendment of which I am speaking is intended to assist the Government in providing a more democratic basis for its decision making and that it is not an attempt to scuttle the Government's efforts. In fact, it is an attempt to improve this piece of legislation by recognizing the role of co-operatives and encouraging people to participate on the appropriate board.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am rising to support the amendments put forward in the name of my colleague, the Hon. Member for Regina West (Mr. Benjamin), being Motions Nos. 24 and 29. I would argue, as some of my colleagues have argued, that the very idea that representatives of the Wheat Pools should not be nominees is offensive to any Hon. Member of the House who has fought for some time to ensure that the people who have a great stake in the outcome—the producers or representatives of producers—should have some say in those major decisions that affect the operations of their farms and that affect their livelihoods, and I am certainly one of those Members. That the Government and the Official Opposition can argue that directors, agents or representatives of any co-operative should not be allowed to become a member of the Senior Grain Transportation Committee is mystifying, to say the least.

Members of many of the co-operatives concerned here have a very direct interest in the number of cars allocated to them and where those cars will be allocated. This is not because they have personal vested interests but because they are representatives or directors of co-operatives that broadly represent the interests of that whole group of producers. Those representatives are only to be some of the representatives on that committee, but surely it is not too much to suggest that they, above all, should have some major say, if not the determining say, in the allocation of grain cars. There have been shortages of cars for the Canadian grain industry in the past. I know that many of those cars are also allocated from time to time to the lumber industry in my own area. Surely the railway companies should not have a greater say in the allocation of those cars than the democratically elected representatives of those thousands of people whose livelihoods depend on the decisions made.

The attitude of members of the Official Opposition, particularly as so many of them represent the western grain growing Provinces, is absolutely astounding. As I was listening to yesterday's debate I could not help but recall a play called "Paper Wheat". Unfortunately I do not have the script of that play here today, but in recent years that play enjoyed some popularity and in fact drew crowds right across Canada, particularly in the smaller communities of the prairie Provinces.

The play dealt with the growth of the Wheat Pools and the history of the farmers' movement, particularly in western Canada when farmers attempted to have some determining say as to what would happen to their livelihoods. There was an interesting character in that play. The farmers and others in the farming communities were actively engaged in trying to build the co-ops and the Wheat Pools. They were trying to sign up a certain number of producers in the area in order to establish the Pool. I forget the exact target they were aiming for. Perhaps one of my colleagues could help me.

Mr. Althouse: Fifty per cent.

Mr. Kristiansen: They were trying to sign up 50 per cent of the producers. The interesting character that I referred to was a grain elevator operator, and he said when asked to join: "You will never make it". When the farmers signed up 10 per cent of the producers, this fellow said: "No, I am not going to join; you will never make it". They signed up 20 per cent and he said: "No, you will never make it. It's an impossible dream; the railways will beat you and the grain exchange will beat

you." The farmers signed up 30 per cent and 40 per cent and this character took the same attitude. Finally the farmers only needed one more member in order to sign up the required 50 per cent of producers. Lo and behold, this fellow decided to join. His comment at that time was: "I always knew they'd do it!"

I cannot help but think of that particular character in that play, Mr. Speaker, in relation to the position taken by Members of the Official Opposition in relation to this Bill. All of a sudden they have decided, perhaps, that they will vigorously oppose the Bill after having acted in a number of odd ways during the course of the last few months. Do we now hear them saying: "Gee, we always knew they would do it"? Do they want to jump aboard the bandwagon so they do not get left out and they are not seen in the light of their behaviour during the previous few months? They have not really seen the light, have they? They are now taking the position that we should put it off for three years so that they can do it.

Many farmers who are still on the Prairies and have participated in the building of these very co-ops and Wheat Pools will be denied their proper representation unless at least one of these amendments now being moved by members of the NDP or something very much like it is carried. If it is not carried, those farmers will be angry and they will remember. During the long winters on the Canadian Prairies, a lot of thinking gets done. Those farmers will chew over and ruminate on what has been going on during the spring, summer and fall.

• (1240)

One subject that often comes up is "What are those guys in Ottawa doing?" These people have a lot of time to think this over. They are not influenced by the hoopla imagery of the advertising game. They have a memory and they watch the performance of people over the long haul. Like a certain species of the crow, or jackdaw as it is known in some countries, they have a long developed memory. They do not have that instinctively but have gained it through long experience. The working and farming people of prairie Canada will remember who was playing games with their most vital interests.

I ask the Members of the Official Opposition in particular to recognize where they come from and to remember that the farmers of western Canada do not forget easily. I hope the Official Opposition will realize that their prime job is to represent the interests of those who sent them here and will support not only this amendment but a number of others being put forward by the NDP.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): In accordance with Madam Speaker's ruling, for the purpose of voting I will be putting Motions Nos. 24 and 29 separately. Is it the pleasure of the House to adopt motion No. 24?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): Those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 79(11), the vote stands deferred.

Is it the pleasure of the House to adopt Motion No. 29?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): Those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 79(11), the vote stands deferred.

Pursuant to Madam Speaker's ruling earlier, Motions Nos. 30, 31, 32, 33, 34 and 35 are to be debated and voted on separately. Motions Nos. 30, 31 and 32 stand in the name of the Hon. Member for Regina West (Mr. Benjamin). Accordingly, the debate will begin on Motion No. 30.

Mr. Les Benjamin (Regina West) moved:

Motion No. 30

That Bill C-155 be amended in Clause 3 by adding immediately after line 34 at page 4 the following:

"(*f*) nothing in paragraph (*d*) shall prevent elected local committee members and delegates of grain co-operatives and the officers of farming corporations and co-operatives from being eligible for election to the Senior Grain Transportation Committee".

He said: Mr. Speaker, I wish to say to those Members who were not participants in the Committee, in case they are not aware of it, that Clause 3 in Part I of the Bill is entirely a clause of the Conservative Party, supported in every paragraph by the Liberals. Not one line, not one word of the Liberal

clause was even debated. Members should have seen the original tory Clause 3. It certainly would have eliminated 20,000 to 30,000 grain producers from running for election, those who are of the Wheat Fool committees and UGG locals.

Our legal advice is that the way the clause now reads, it will still prohibit a member of a Wheat Pool committee, the chairman or secretary of a Wheat Pool committee, an elevator agent who holds land and has Wheat Board permit. It will also eliminate a co-operative farm with five or ten farm families on it. It will eliminate members of the board of directors of the co-operative farm, the Chairman of the board and the secretary-treasurer of farm co-operatives from running for election, even though they are otherwise eligible as active grain producers holding a Canadian Wheat Board permit.

My Motion No. 30 will add a new paragraph which reads:

(f) nothing in paragraph (d) shall prevent elected local committee members and delegates of grain co-operatives and the officers of farming corporations and co-operatives from being eligible for election to the Senior Grain Transportation Committee.

I have included farming corporations as well as farming co-operatives because many family farms have incorporated. One spouse may be the president or chairman and the other the secretary or vice-president. Sons and daughters are also part of the incorporation. Our legal advice is that the way the clause now reads, a private farm that is incorporated, whether it be one or more families, grain producers holding a Canadian Wheat Board permit book, would be prohibited from having its members run for election.

As my colleague for Humboldt-Lake Centre (Mr. Althouse) pointed out yesterday, there are over 800 Wheat Pool committees in Saskatchewan, each with ten or 20 members. I imagine there are 600 or 700 Wheat Pool committees in Manitoba and in Alberta combined. I do not know how many United Grain Growers locals there are. We are looking at between 15,000 and 25,000 grain producers who are eliminated from standing for election to the Senior Grain Transportation Committee the way the clause now reads.

An election under the Bill would now involve four representatives: one from Alberta, two from Saskatchewan and one from Manitoba. The election would be carried out in the same manner as elections for the Canadian Wheat Board Advisory Committee and would probably be carried out at the same time.

In a democratic election, the eligible voters decide who will represent them. It is not up to Parliament. If the president of a grain co-operative who is also a permit book holder and an active grain farmer chooses to run, it will be up to the grain producers in that Province to decide whether they want him. They will decide whether they want somebody who is also on a board of directors, a delegate or a nominee.

This would also eliminate organizations that could hardly be called great friends of mine. They are nice fellows. It would eliminate the officers of the Palliser Wheat Growers from running as well as the flax growers, barley growers and all other associations. As the clause now stands, they are prohibited from running. Democratic elections should be kept as wide as possible. There should be minimum requirements in terms of eligibility. This flies in the face of what I consider to be the democratic process.

In earlier debate we attempted to have various parts of the clause changed. We have others that will be coming up. The way the Committee is now structured under Clause 3, the Senior Grain Transportation Committee will have an inordinate representation of those who do not grow grain and do not hold a Canadian Wheat Board permit.

Each railroad has a representative. There is also one representative each from the Great Lakes carriers, elevator licensees, the Canadian Trucking Association and the Prairie Livestock Feed Board. There is also one for Alberta, Saskatchewan and Manitoba who are also feed grain users. We have only four grain farmers elected at large.

● (1250)

Mr. Mayer: Where were you when we were in Committee?

Mr. Benjamin: I am sorry, we have six elevator company representatives now. We are back to the Tory repentance of yesterday. It makes no difference; it still gives an inordinate representation to those who do not grow grain. We do not think either railroad should have members on the Committee helping, in effect, to regulate themselves with regard to the allocation of cars. The Senior Grain Transportation Committee can consult with the railway officers, the railway statisticians, the railway operating management on a day to day basis about where railway cars are located. They can get all the information they need.

It is incredible to me, Mr. Speaker, that Clause 3, as proposed by the Conservatives and supported by the Government, totally ignores the Government's clause. There they were, joined in an attack on the co-operative movement, and, in other parts of the Bill, in an attack on orderly marketing and the reduction of the authority and powers of the Canadian Wheat Board. That is unacceptable in western Canada, Mr. Speaker.

In their conversion on the road to the Crowsnest Pass the Conservatives have called not for a commutation of the death sentence on the Crow rate but merely a stay of execution. Even that is better than nothing. If it were to succeed it would at least give us three more years of the statutory rate for grain producers. But having done that, it seems to me they have no choice, if they want to have any credibility, particularly in western Canada, but to join us in either forcing the Government to withdraw the legislation or getting the Government to change it so that the statutory grain rates for the producers are kept in place.

The representation of the grain producers on the Senior Grain Transportation Committee has to be kept as wide as possible. That has to be taken care of. There is no reason to impinge upon the eligibility of an active grain producer who currently holds a Canadian Wheat Board permit book; there is no need to impinge upon their ability to run for the position, particularly when the motion moved by the Tories and sup-

ported by the Liberals contains the words "or co-operatives". That is why we would like to add subparagraph (f) in accordance with Motion No. 30.

Whether the amendments proposed by this Party are ruled in order or not, if they are all put together it will be seen that the legislation would then read the way a New Democratic Party Government would write it. All our amendments are designed to accomplish the fullest representation for grain producers and their organizations.

No one will convince me, and they will certainly not convince anyone out West, that the Wheat Pools are just a commercial interest and that they do not have the interests of producers at heart. If that were true, then why is there any representation on the Committee from the private grain companies? Is someone, like the Hon. Member for Crowfoot (Mr. Malone), trying to tell me that they are not there just to make a buck, that they are in business for the aid and comfort of the grain producers? Would people tell me that they are there to help the poor grain producers? That is hogwash, Mr. Speaker.

The private grain trade has become fat from living off the backs of grain farmers for too many years in this country. The Canadian Wheat Board put an end to some of that, and to a greater extent so did the co-operative movement. Thank God for that! It is totally improper and unacceptable for this Chamber to interfere with what the grain producers and farm organizations in western Canada can do themselves. Sometimes that requires aid and comfort from a national Government and the Parliament of Canada. To have legislation that niggles away at and undermines and seeks to destroy what our people have put together over 60 to 75 years is reprehensible and not acceptable.

I want to assure the House that that will be our intent throughout debate on the Bill. This motion and others subsequent to it contain that intent all the way through, in every clause of the Bill.

The Acting Speaker (Mr. Blaker): Order, please. I have indicated by way of signal to he Hon. Member that his time has expired. In fact, I have allowed him some additional time because this is his motion. If he wants to continue his remarks, however, he would need the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Benjamin: Thank you Mr. Speaker. I thank my colleagues also for their courtesy. I will not go past one o'clock.

This legislation should enhance the eligibility of grain producers for membership on the committee. Whether they be an officer, a delegate, a nominee, a Wheat Pool committee member, chairman of a committee, president of a family-owned incorporated farm, the president of the board of directors of a co-operative farm—none of those situations should bar them from eligibility to run for election as a member of the Senior Grain Transportation Committee. The way the clause reads at the moment would prohibit that and my motion would correct it.

In Committee the Conservatives withdrew four lines from the clause when we were debating Clause 3. I believe the Hon. Member for Assiniboia (Mr. Gustafson) was sincere at that time when he said that it was not his objective to eliminate all these people. I want to submit to him and all other Hon. Members that the way the clause still reads it does in fact eliminate them. We should not do that.

I want to plead with the House to accept this motion. It does not do violence to the intent of the legislation and does not exceed the royal recommendation. It has been ruled to be in order. If the legislation were to pass—I hope not, but if it were to become the law of the land—it seems to me that the inclusion of this paragraph would keep grain producers and the people they elect to represent them in grain and farm co-operative organizations eligible to stand for election and to be voted for or against by their fellow grain producers. That is the democratic way. Let us keep things that way and not place all these ridiculous, unnecessary and undemocratic restrictions on those who seek to represent their colleagues in the grain growing and handling business. Surely that is nothing more than common sense and good democratic practice. I urge the acceptance of this motion upon the House.

I call it one o'clock, Mr. Speaker.

The Acting Speaker (Mr. Blaker): I will consider that the Hon. Member has completed his remarks. If any other Hon. Member wishes to be seen now by the Chair so that he and others will understand that that Hon. Member will take up debate at two o'clock, as a convenience to Members the Chair would recognize him. If no one is recognized, I will put the question.

Mr. Althouse: May I call it one o'clock, Mr. Speaker.

The Acting Speaker (Mr. Blaker): At two o'clock the Chair will recognize the Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock I had indicated to the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) that he would have the floor at this time.

Mr. Vic Althouse (Humboldt-Lake Centre): Thank you, Mr. Speaker. As Hon. Members will know, we are on Motion No. 30 which attempts to clarify a part of Clause 3 of the Western Grain Transportation Act, Bill C-155, which we have been discussing since yesterday. The pertinent motion deals with a part of Clause 3 which allocates four members to the

Senior Grain Transportation Committee. These members would be active grain growers holding Canadian Wheat Board permit books. The point which is at issue here, at this point in time, is a further provision in that clause which has created a space on the Senior Grain Transportation Committee for these four producers. It goes on to say that these four producers must not be from a category which they go on to spell out.

Clause 3(d) reads in part:

—at the time of their election, and for the duration of their service as members of the Committee—

These producers shall not be:

—nominees, officers, directors, agents or representatives of any corporation, board or cooperative, the business of which is the purchase, sale, storage, processing or transportation of grain—

The problem which has arisen since we dealt with this clause is that we have been receiving conflicting legal opinions as to whether that prohibition would apply to a farmer who is a member of his local Wheat Pool committee or his United Grain Growers local committee, or whether it would apply to and include people who have been delegates to the United Grain Growers annual meeting, or delegates to the various pool organizations in the three Provinces. There are conflicting opinions as to whether those delegates would or would not be eligible to serve on the Senior Grain Transportation Committee.

These delegates include a great number of farmers who are very interested in the transportation of grain and the good of their community. To make certain these people are not prohibited from seeking election to the Senior Grain Transportation Committee under that clause which allows one member from Alberta, one farmer from Manitoba and two farmers from Saskatchewan, we have proposed Motion No. 30, which says:

● (1410)

(f) nothing in paragraph (d) shall prevent elected local committee members and delegates of grain co-operatives and the officers of farming corporations and co-operatives from being eligible for election to the Senior Grain Transportation Committee.

This is to be inserted for greater clarity, Mr. Speaker, to make absolutely certain that at no time would there be a court ruling which would declare a farmer ineligible to be a member of the Senior Grain Transportation Committee simply because he was either a delegate to one of the three Prairie pools or to the annual meeting of the United Grain Growers. It would also clarify the position of farmers who are members of local seed cleaning co-operatives which are in the business of storage and processing of grain. It would make them eligible for the Senior Grain Transportation Committee without any argument as to the interpretation.

There is some doubt whether some members of co-operative farms, particularly if they have some seed cleaning as part of their operation, would be eligible now. The inclusion of this amendment would make it quite clear that the intention of the Bill is not to reduce the eligibility of farmers who are very active in their local communities and in the grain trade at the local level. It would permit them to seek a post on the Senior Grain Transportation Committee.

We support this motion on the understanding that any elected position in a democracy should be as wide open as possible. There is a requirement that the people who seek this particular position must be active holders of a Canadian Wheat Board permit book, which means they are active farmers. That requirement rules out any full-time president of a grain company. It would make it very difficult for them to continue because most of them have been required, through the exigencies of their work with the grain co-operatives, to lease their land to someone else, which makes them no longer an active farmer. So I think the concern behind the Bill as it now stands may have been extended a little too far and instead has created a lot of doubt as to whether ordinary farmers who take part in their local community organizations, including the UGG and the pools, are eligible to seek election. It would broaden the base of those eligible to be part of the Senior Grain Transportation Committee.

I urge both sides of the House to reconsider the clause to broaden the base and allow for the widest democratic participation possible, and to support this motion as it now stands before us.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to support this amendment. The previous speaker gave us a fairly detailed explanation of how it relates to the actual circumstances of working farmers in the grain areas of the West. I wish to point out that through co-operation between the Government and the Official Opposition there is being carried out here a very specific attack on the principle of co-operation. People who are actively involved in co-operatives are subject to discrimination. They cannot have their elected representatives even stand for nomination to the grain board. Other bodies such as the railroads are under no such limitation; they have no internal democratic structure. That is to say, no structure which gives a vote to people as people; it only gives votes to dollars. When the dollar has spoken, the person who is appointed is then their representative to sit on the grain board.

That is the absolute opposite of the co-operative organization, Mr. Speaker. What the Liberals and the Tories are saying is that money talks, either exclusively, as in the case of the appointment of the railway representative, or predominantly if they have their way in the formation of this committee. Democratic structures in which people vote, as in the co-operatives, are to be downgraded. In fact, they are quite consistent. Whether it be a Tory or Liberal Government in Ottawa, Queen's Park or other Provinces they consistently oppose co-operatives. They have a strong ideological bias against them and it is to be expected that in this case they would want the interests of their corporate friends represented by the vote of Canadian Pacific Investments and the likes of that, and the only counterbalance to that should be individual, unorganized farmers who, by contrast, are as vulnerable to the pressure of the corporation as a tenant in one of the huge complexes built or owned by Canadian Pacific Investments masquerading under the name of Marathon Realty in Toronto.

No doubt these people with a bias against co-operatives have a very practical reason for it. The problem with co-operatives is that they make small people strong. Ordinary farmers, workers, residents, tenants, small-businessmen and small-businesswomen, ordinary people, through a co-operative have a chance to become strong and to talk back to the huge corporations like Canadian Pacific and Marathon Realty.

That is the reason for this attack on the co-operatives, which makes it necessary for us to move this amendment to make it clear that nothing in this Act shall work against the principle of democratic representation as it is embodied in the co-operatives.

● (1420)

This is just not a little battle of some grain farmers 1,000 or 2,000 miles away on the western Prairies. The same corporation that opposes the democratic right of farmers on the Prairies opposes that of thousands of tenants in the City of Toronto. Toronto is a city where the majority of people are tenants of apartment owners, not home owners, not even tenants one by one in small houses. Most of us live in apartment buildings owned by corporations, most of them large. One of the largest is Marathon Realty, a wholly-owned subsidiary of Canadian Pacific.

Several years ago a lawyer from Marathon Realty told me: "You will never see Marathon building any more rental accommodation in Toronto so long as Ontario has rent control." In other words, the same corporation which is trying to destroy the democratic right of farmers on the Prairies also opposes the chance of its own tenants in Toronto to avail themselves of any kind of legal protection against a powerful landlord whose power against the tenants is in at least the ratio of 1,000 to one, considering there is one owner against 1,000 tenants.

The Tories are trying to weaken the rent control they were forced to bring in during their minority government in Ontario. They are being backed by Canadian Pacific Investments. It is quite natural they would try to do the same kind of damage to the farmers' organizations on the Prairies. Therefore, it is quite necessary that Parliament should give serious consideration to the amendment that we are proposing. It is not on behalf of a tiny little interest group speaking through the power of money: the Tory proposal is exactly that. What we are discussing is the right of farmers, many thousands of them, to join together in some kind of mutual trusting arrangement, not blind trust, having the democratic structures whereby they can examine the operations of their officers much more rigorously and democratically than is possible for the small shareholders in a company like Canadian Pacific Investments. They do not want their representatives to be appointed to the Grain Board by someone's fiat, as is done with Canadian Pacific. They want their representatives simply to stand for election among farmers who are members of the co-operative and farmers who are not members of the co-operative. The Tories and the Liberals say: "No, those co-op officers and delegates are not to be allowed even to stand for election." The Tories say that they stand for democracy, which would threaten the power of Canadian Pacific Investments which is funding so much of the Tories' campaign.

The amendment by which we are proposing to safeguard the democratic rights of co-operative farmers on the Prairies embodies a principle which goes far beyond the Prairies. Certainly it embodies the principle of co-op housing in metro Toronto, which the Tory Government at Queen's Park and the Liberal Government in Ottawa are busy trying to undermine, underfund and generally downgrade, year by year. It is the same principle of co-operation that the tenants in Toronto are trying to develop on the basis of the experience of farmers out West. The Tories, the Liberals and Canadian Pacific Investments, for the private profit of Canadian Pacific, are attacking that principle at both ends, both in Toronto and on the Prairies.

I urge Hon. Members of the House, not only those whose vote may depend on prairie grain farmers, but also those who supposedly represent the interests of the majority of Toronto people, those who are tenants of apartment buildings, members of unions and members of small business associations, anyone who organizes with others to strengthen the position of small people, to support the rights of those who must be defended. The amendment embodies the principle of their defence and I urge the House to adopt it.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before us, Motion No. 30, submitted by the Hon. Member for Regina West (Mr. Benjamin), is a very important one, one on which I hope we can use reason in the House rather than just having the Government or, indeed, the Conservative Party sitting idly by on it. The reason I feel this way is that there is a real possibility that thousands of prairie farmers could be prevented from seeking office on the Senior Grain Transportation Committee if Clause 3, which, by the way, was moved by the Conservative Party and supported by the Liberal Party—

Mr. Mayer: How do you know? You weren't there.

Mr. Nystrom: —in the Committee this summer, carries. I would ask the Hon. Member for Portage-Marquette (Mr. Mayer) to stand and tell the House his interpretation of this particular clause. I think, very seriously, that if the heckling could be kept down, Hon. Members would find this to be a very important part of our debate.

Clause 3 states that four members who are active producers can be elected to the Senior Grain Transportation Committee. It states that there might be one for Manitoba, two for Saskatchewan and one for Alberta. We should follow the next portion very carefully, particularly those Hon. Members in the House who are also lawyers, and Your Honour is included. It states:

—who, at the time of their election, and for the duration of their service as members of the Committee, are not nominees, officers, directors, agents or representatives of any corporation, board or co-operative, the business of which is the purchase, sale, storage, processing or the transportation of grain—

I understand the reason this clause was inserted concerning many of the people who will be sitting on the Senior Grain Transportation Committee. It is a conflict of interest clause. That means that if a representative of one of the elevator companies or the railways or anyone else who is to be on the Senior Grain Transportation Committee is represented in that way, then that same person should not be seeking office as a producer. In many cases this type of clause is obviously needed.

However, the problem with the clause is that when the word "co-operative" is inserted, it is dealing with the structure of the Wheat Pools on the Prairies. I think many Hon. Members do not understand that the Wheat Pools on the Prairies involve a very grass roots issue, a decentralized kind of structure. Every country elevator in my Province and across the Prairies has a Wheat Pool committee. Approximately 800 of those committees exist in the Province of Saskatchewan alone. Between 10 and 20 farmers are members of each committee.

We have heard at least one legal opinion that says it is possible, and I think one could so construe in a court of law, that a representative of a company could be a Wheat Pool committee man. These Wheat Pool committee men do not have a great deal of power, but they do have some power over what happens in local country elevators. They also meet every year. At their annual meetings they pass resolutions requesting the head office or the Wheat Pool to take certain positions on issues of great importance to the farmers. As I said, this involves hundreds of different Wheat Pool committees and thousands, maybe even tens of thousands, of prairie farmers.

If lawyers were able to persuade the courts that a representative of any corporation, board or co-operative would mean the chairman, the secretary or an ordinary member of a Wheat Pool committee, then this clause in the Bill would disenfranchise thousands of prairie farmers.

In all seriousness, perhaps the Hon. Member for Vegreville (Mr. Mazankowski), who is the Conservative Party spokesman, or another Conservative might give us the legal interpretation as to what Clause 3 really means.

Mr. Baker (Nepean-Carleton): Why don't you hire a lawyer?

● (1430)

Mr. Nystrom: Why do I not hire a lawyer? The Hon. Member for Nepean-Carleton (Mr. Baker) is an excellent lawyer and I would invite him to look at Clause 3 and advise the House whether or not an officer could indeed be the secretary of a Wheat Pool committee, chairman of a Wheat Pool committee or an ordinary member of a Wheat Pool committee.

Mr. Baker (Nepean-Carleton): I will look at it next week.

Mr. Benjamin: He wants to charge us first before he gives us a legal opinion.

Mr. Baker (Nepean-Carleton): It will be a legal aid case for the NDP.

Mr. Nystrom: I invite Members of the Conservative Party to take a serious look at this.

Mr. Mazankowski: Why don't you be serious?

Mr. Nystrom: I am being very serious. Incidentally, not a single Member from the Conservative Party has spoken to this motion.

Mr. Mazankowski: It is a nothing motion, that is why.

Mr. Nystrom: Then why do you not get up and say that? I would like to see a Member of the Conservative Party get up and tell us why he believes that a Wheat Pool secretary, president or committee member would not be disenfranchised from seeking office to the Senior Grain Transportation Committee.

Mr. Mazankowski: He is not excluded and you know it.

Mr. Nystrom: We have lawyers who say that it is not unreasonable to interpret that a representative of a co-operative could be a Wheat Pool committee man. If that is the case, we will then have a situation where thousands of people will be disenfranchised. This also refers directly to the word "agent". A Wheat Pool agent in a small town or village may not be able to seek office on the Senior Grain Transportation Committee as well. If that is the case, I think it is very unfair that so many ordinary, hard working farmers are being excluded from being elected to the office of a member of the Senior Grain Transportation Committee.

The Minister of Transport (Mr. Axworthy) and Members on all sides of the House should take a very close look at this. The Wheat Pools are very decentralized. They practise a great degree of economic democracy in terms of having thousands of their members involved in running the local elevator and trying to run the Wheat Pool at a provincial and national level as well.

The same thing could perhaps apply to a co-op farm. There are a number of co-op farms in this country. Would someone who is a director of a co-op farm be excluded from seeking office because Clause 3 states that officers, directors and agents cannot seek office? Are directors of a co-op farm, which might indeed be an ordinary small farm, excluded from seeking office? What about a small family farm that has been incorporated? There are many such farms in my riding and I ask whether they would be excluded from seeking office. The Member for Vegreville is shaking his head; I can hear it from here. Please get up and tell us what you are saying. I can hear his head rattling but I cannot understand what he is saying.

This clause of the Bill could deny thousands of people on the Prairies the right to seek office. This also applies to the United Grain Growers, to a corporate farm, to a co-operative farm and, of course, to the Wheat Pools. I believe the Wheat Pools in this country are much too important to be left out of the scheme of things as far as this committee is concerned.

It is my understanding that a number of lawyers who have studied this issue have taken different positions. If there is any doubt, why do we not insert a clause in the Bill similar to that suggested by the Hon. Member for Regina West (Mr. Benjamin) which makes it abolutely clear that the target here is not the ordinary farmer who has a permit book but the senior officer of a company, an agent of a company or a senior representative of a company. If that is the intent of Clause 3, which I believe it is, why do we not make that explicit rather than implicit, so that in the future a court, judge or lawyer will not make the opposite interpretation, which could be extremely harmful to agriculture in western Canada?

I suggest to the House that if it finds the wording in Clause 3 unacceptable, it should look for another set of words that would make it explicit that the Wheat Pool and co-op people and small incorporated farms would not be excluded from seeking office. I say that very seriously to Members of the Conservative Party because I come from a family that spent many years attempting to build a co-operative movement and Wheat Pools back in the 1930s and 1940s and also build a credit union in the belief that people had to work together in order to better themselves. I do not want to see people who believe in a co-operative way of life being discriminated against by this Bill which is before the House today.

I particularly do not want to see that when it comes from Members of the Convervative Party who are absolutely silent on this. I would like them at least to get up and say publicly that they are absolutely sure they can give us an ironclad guarantee that this clause will not exclude a chairman or a president of a Wheat Pool, the UGG or directors of a small corporate farm or members of a co-operative farm. Will old "ironclad" from Vegreville get up and give us that kind of guarantee? He and his colleagues are sitting there, perhaps because there is some uncertainty. Perhaps even some of them who are antico-operative hope that the courts will say that members of the co-op or Wheat Pool committees do not have a right to seek office for this particular committee.

I invite Members of the Conservative Party to put that on the record. I invite Members of the Liberal Party to go back to the Department of Transport and the Department of Justice and get some legal opinions that will guarantee us on behalf of our constituents that our people will not be discriminated against.

[*Translation*]

And I mention this to the Parliamentary Secretary, because it is very important to us, since in my riding, every year from 75 to 80 per cent of our producers sell all their wheat to the Saskatchewan Wheat Pool and the UGG. It is very important to us, and I hope you will be able to do this.

The Acting Speaker (Mr. Blaker): The Hon. Parliamentary Secretary . . . The Hon. Member for Mégantic-Compton Stanstead (Mr. Tessier) has the floor.

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, if you were the Prime Minister, I would say you were letting the cat out of the bag, but I had my turn, and I am quite happy to be just a Member of Parliament, and, I hope, a very effective one.

Mr. Speaker, I think the members of the New Democratic Party will be very pleased about what I will have to say at the beginning of my speech, but I want to make it clear that I do not intend to fall into their little trap and that I will not support their amendment.

Mr. Speaker, especially following my experience in the West when I heard people talk about their concerns, I have had some serious second thoughts about the consultations that have brought us to Bill C-155. I am prepared to agree with western producers that they should have been the first to be consulted and that consultations should have been thorough and complete. That is my view, but I do not think this particular mistake should prevent us from proceeding with consideration of Bill C-155.

Mr. Speaker, we agreed to reduce the number of members on the Senior Grain Transportation Committee, as recommended by the Progressive Conservative Party, because we wanted to show our co-operation on a point that did not affect the basic principles and objectives of Bill C-155.

To go any further, and I want to make this quite clear to the members opposite, to go any further amounts to making false assumptions, and to take any other position would be misrepresenting the real situation.

People who say that Clause 3 of the Bill is a threat to the co-operative system in the West are, I am sorry to say, making false assumptions and saying things that are absolutely untrue. When they say we are letting in the railway companies, I think it is perfectly normal, within the framework of our transportation policy, to have partners that are involved in that policy. I would like to say to my friends opposite that especially as Quebecers, we wanted Bill C-155 to be a transportation measure, and as such, we support it wholeheartedly.

Mr. Speaker, the West seems to thrive on its divisions, and the host of associations representing producers will be their downfall. Here in the House, representatives of the New Democratic Party are sending us all kinds of messages, but they have no vision of the West. They are incapable of devising ways to serve the West's real interests. They want to make the Senior Grain Transportation Committee another hotbed of divisiveness, without vision and without the means to solve the problems of the West once and for all.

Mr. Speaker, this is not an attack against the co-operatives. We want a mechanism that will help us achieve the objectives of our transportation policy. Everyone is welcome on the Committee, provided they are prepared to share the objectives of a transportation policy that is to the West's advantage, and I challenge the Opposition on the Conservative and the New Democratic Party sides to prove otherwise.

● (1440)

[*English*]

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I have listened with a great deal of interest to the words of the Hon. Member for Mégantic-Compton-Stanstead (Mr. Tessier). In spite of his normal jovial disposition, I was a little bit disappointed because he really did not seem to address the particular thrust of this amendment. This amendment basically attempts to enhance and strengthen the co-operative movement and attempts to make sure that enshrined in this particular Bill is the fact that there will be an assurance, or ironclad guarantee, if you will, that those producers who are members of committees and who are delegates will have the opportunity to serve on the Senior Grain Transportation Committee.

If I may, Mr. Speaker, I will refer you to Clause 3(d) as a reminder of what we are really talking about. I shall try to bring the issue down to a constituency or local level so that we can understand what provision we are attempting to strengthen and enhance. Paragraph (d) indicates that there would be four members who would be active grain producers and their prescription and proscription is spelled out very specifically. They would be holders of a Canadian Wheat Board permit book and, as has been emphasized by some of my colleagues, they would indeed be active producers. That proscription is adequate enough for anyone who might have fears with regard to a conflict of interest. We want to make sure that Motion No. 30 enhances and strengthens the understanding of the matter that some Members of the Conservative Party have indicated we should have.

I wish that Members of the Conservative Party would say something. I wish they would offer us their legal interpretation of the motion so that we could have it on the record and know exactly where they stand. I am embarrassed to say that not one of them has spoken up about this particular clause so far. I think it is very important that we strengthen the hands of those who are involved in co-ops and Wheat Boards.

I would like to underline exactly what the provision of this added subsection will do, Mr. Speaker. Nothing in paragraph (d) shall prevent elected local committee members and delegates of grain co-operatives and the officers of farming corporations and co-operatives from being eligible for election to the Senior Grain Transportation Committee.

I would like to refer to what my colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), clearly pointed out, because what is true in Yorkton-Melville is also true in Dauphin-Swan River. There are local committees in all of the little communities which have grain elevators, whether it be Dauphin, Swan River or Roblin. These communities include people who are actively participating in co-ops and Wheat Pools. If Members of the Conservative Party are so convinced that nothing in paragraph (d) would prohibit the participation of these people, I wish they would say so. Even if I were to buy their argument and even if they were so convinced of this, they should have no problem supporting this particular amendment because all it does is clearly spell out the enhanced and strengthened position of the active producers who are involved in the co-ops and local Wheat Pools. The provision clearly spells out that they would be eligible for membership on the Senior Grain Transportation Committee.

I must admit, Mr. Speaker, that I am really appalled by the thundering silence of Members of the Conservative Party today. I hope that some of them will tell us why they are failing to support a motion that would untie the hands of all of the farmers, which is what this particular motion proposes to do.

We are concerned that within the provisions of this particular clause as amended and reprinted, and as introduced by Membes of the Conservative Party and supported by Members of the Liberal Party, there is not an adequate provision for memberhship on the committee from representatives of small communities such as those in my riding of Dauphin-Swan River. When speaking about a Bill such as this which is supposed to have such wonderful implications, I think it is important that we recognize that the primary producers are actively involved in a participatory or economic democracy, as indicated by my colleague, the Hon. Member for Yorkon-Melville. Because of their experience and participation at that level, those who are active in that way would have a heightened awareness of the type of role that they could play on any committee.

I think it is very critical that we include in a clause such as this the amendment that my colleague, the Hon. Member for Regina West (Mr. Benjamin), has brought before the House. I would urge the Hon. Member for Mégantic-Compton-Stanstead and others to reconsider the position that they have taken and to seek out legal opinions. There has been some indication that the provisions of paragraph (d) are legally doubtful. I would urge the Conservatives, even though they feel that paragraph (d) would bring no jeopardy, to support this amendment so that the position of farmers will be strengthened and they will be able to serve on committees such as the Senior Grain Transportation Committee.

● (1450)

Thank you, Mr. Speaker, for allowing me the opportunity to voice my concerns about these specific provisions with regard to members in co-ops, local committee boards and shipping boards. We are concerned that these matters be included in these types of Bills.

The Acting Speaker (Mr. Blaker): I thank the Hon. Member for Regina West (Mr. Benjamin) who has brought to my attention a possible misprint in Clause 10(3). I would indicate to the House that this is a minor matter and requires only a motion to delete a word. The matter is in the process and will be handled in the near future.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I notice that the Hon. Member for Yorkton-Melville (Mr. Nystrom) is not in the Chamber. He invited the Members of this Party to put their position with regard to co-operatives on record, and I want to do so. It is unfortunate that he is not here. He appears to be a hit and run kind of Member. He

attended one out of 66 meetings which the Transport Committee held this summer on Bill C-155. He speaks and then leaves the House.

I want categorically to put on record for the Hon. Member for Yorkton-Melville that I and my Party are not opposed to co-operatives. I will say it again: we are not opposed to co-operatives. There is nothing that we have done with regard to this Bill that would indicate otherwise. What the NDP is attempting to do with this amendment is not to defend co-operatives, but simply raise a political ruse. They are nothing but a bunch of political chameleons. I will get into that later.

I belong to a local pool and the local UGG. The Hon. Member for Mackenzie (Mr. Korchinski) belongs to a local pool, as does the Hon. Member for Assiniboia (Mr. Gustafson), the Hon. Member for Bow River (Mr. Taylor), the Hon. Member for Lethbridge-Foothills (Mr. Thacker) and the Hon. Member for Kindersley-Lloydminster (Mr. McKnight).

Mr. McKnight: And the UGG.

Mr. Mayer: The Hon. Member for Vegreville (Mr. Mazankowski) belongs to a pool.

An Hon. Member: Even Hazen Argue.

Mr. Mayer: It shows how open they are to membership when they take in Hazen Argue. I wonder how many Members to my far left can stand up and say that they belong to a pool or UGG, which is a co-operative. I had with me in the House yesterday a Canadian Wheat Board permit book which I have had since I was 18 years old. I do not think that great grain grower from Spadina (Mr. Heap), who spoke so eloquently about the grain producer, can talk about having a permit book.

Mr. Evans: He produces fertilizer for the grain growers.

Mr. Mayer: That may be. He provides fertilizer in the spring and if we let him out there, he would provide some wind and our land would all blow away. Therefore we will keep him here.

Let me tell you, Mr. Speaker, what this NDP amendment is trying to do. If there is a legitimate concern, we are equally as concerned about what the amendment says. We voiced these kinds of things at the Committee. If the Member for Dauphin-Swan River (Mr. Lewycky) had been there as well as the Member for Yorkton-Melville, they would understand what went on in Committee and would not be raising these political issues.

This is a bad Bill. In my opinion, there is no sense raising any more concern than there need be. There will be plenty of concern if and when this Bill is passed. I lament the day that it will be passed. If we are going to raise issues, let us at least be fair to the people we represent and only raise real issues.

The Hon. Member for Yorkton-Melville talked about his constituents possibly being denied the opportunity to be represented on the Senior Grain Transportation Committee. I submit that his constituents were denied an opportunity this summer to be represented at the Transport Committee when these vital issues were being discussed. If he is so concerned about representation on behalf of his constituents, he should have shown up at some of the Transport Committee meetings this summer.

Let me again put categorically on the record that this Party is not opposed to co-operatives. I will quote the words in Committee of the Hon. Member for Regina West with regard to the concerns he raised and which I hope were allayed at Committee. If there is any concern that what the motion says is not what was intended to be accomplished by the wording, then we in this Party are certainly not concerned about changing the wording. We do not want to see individual producers denied access to the Senior Grain Transportation Committee.

Our record on that is clean. We moved the amendment which resulted in an additional producer as well as the amendment which included the truckers. Where was the NDP? They voted against the truckers, the little people which the Member for Spadina talked about. If there were ever little people in the area of big giants, it is the little truckers which compete with CP and CN in the trucking business. I would like to have seen the Members from the NDP support our amendment to get the truckers included.

We also got an additional member of the feed users. That is a plus for western Canada. It amounts to another producer. It means that this Party was responsible for getting two additional producers on the Committee. Instead of three, we have five. I do not hear anyone complaining about that. If we want to be consistent, let us talk about what went on in Committee. I wish to quote from the Transport Committee proceedings, page 125:28, September 1, 1983. I quote:

> MR. BENJAMIN: Mr. Chairman, I have another question. What about a family farm that is incorporated, or a co-operative farm? Say you have a co-operative farm with ten or a dozen or you have a farm that is incorporated, a father, two sons, the wife and the daughter, that is a corporation . . . I just want to make sure those people are not eliminated.

That was a legitimate concern that was raised in Committee. It was the proper place to do it. The chairman replied: "They are not". Mr. Lefebvre, the Department counsel, then said:

> Yes, Mr. Chairman. We have looked at this and the previous wording was worded in a way similar to this one for the exact purpose of not eliminating farmers, even if they are co-operative farmers.

To our satisfaction, with the advice of counsel at the Committee, this amendment put in at Committee which the NDP is now so excited about did not cause the problems they are now raising. I submit that the reason they are concerned about this is that they attacked the pools very vigorously when we travelled to Winnipeg and Regina. They are now trying to get back some political hay which they threw away in Winnipeg and Regina.

Let me quote what the Hon. Member for Regina West said about the pools in Winnipeg when talking to the president of the Manitoba Wheat Pool:

> Would you not agree if grain producers could get three or four or five times increases in their prices, there would be no problem about them paying more freight rates? Why would you hold still for your own members paying more

freight rates at the prices they are getting today, that are down from what they were two or three years ago.

When we were in Regina—if NDP Members other than the Member for Regina West would have travelled with the Committee they would know this—the Member for Regina West said to Mr. Turner, the president of the Saskatchewan Wheat Pool:

If you are prepared to blindly accept the kinds of things that Mr. Snavely has put forward—and Gilson and Pepin are based on Snavely—then I submit, Mr. Chairman, to Mr. Turner, that you are not really protecting the farmer's social and economic conditions, as you say on the first page of your summary.

The tone of the remarks was that the NDP was very unhappy with what the pools had said to this Committee with regard to eliminating the statutory rate for producers.

Now we have this great bleeding heart tirade from our left about how in favour they are of co-operatives and what great things the co-operatives are. They want to get back in the good graces of the co-operatives. I submit that the whole purpose of this amendment is not to look after the producers, which this Party saw fit to look after and did the best we could throughout the Committee proceedings, but simply to get themselves back in the good graces of the pools that they attacked quite vigorously in both Winnipeg and Regina.

When the Hon. Member for Regina West says that his motion will not do violence to the amendment, I agree with him totally. However when he gets up and speaks he does violence to this House. He misrepresents what transpired at committee. The Hon. Member for Dauphin-Swan River (Mr. Lewycky) attended one meeting. I do not know where he was for the rest of them. If he had been concerned about the producers in his area he should have at least showed up at committee. He did not even see fit to attend when the committee travelled to his own Province.

● (1500)

I agree with the Hon. Member for Regina West (Mr. Benjamin). We see no reason to impinge on the eligibility of producers. This Party's amendment was specifically designed to allow individual producers to be appointed on their own behalf. I do not think anyone who understands how the Senior Grain Transportation Committee is supposed to work could think of eliminating the railways. I do not like the railways any more than anyone else does. I have many concerns about their monopoly and how we have to deal with them. In order for the Senior Grain Transportation Committee to function effectively, however, all the major players must be part of it, so that if there are problems to be sorted out the railways can be told by the other participants to get their act together.

If the NDP wants to pursue a philosophy to the effect that whenever we hear the CNR or the CPR mentioned we should have nothing to do with the railroads, I do not think that is in the best interests of the producer.

If there are some real concerns about the NDP amendment, we would like to see them addressed, Mr. Speaker. We are not in favour of excluding any producers from the Senior Grain Transportation Committee. The reasons the NDP have advanced in support of the amendment and the problems that they have tried to blame on this Party are spurious, and I know that the producers of western Canada will recognize them as such. All they have to do is to check on the participation of the NDP in the committee proceedings during the summer.

If there is a legal opinion that is different from that which we heard from two lawyers at the committee which would exclude individual producers who happen to be directors of local pools, local UGGs, or members of a family farm that operates as a corporation or co-operative farm, we are not in favour of that either.

I hope I have put enough on record so that the Hon. Member for Yorkton-Melville (Mr. Nystrom) will not have to get up again to ask what our position is.

Mr. Simon de Jong (Regina East): Mr. Speaker, I am delighted that we are finally hearing a spokesperson from the Official Opposition speak on the amendment introduced by the Hon. Member for Regina West (Mr. Benjamin).

We are concerned about the makeup of the Senior Grain Transportation Committee. We feel that it is a committee that can have an important role to play. There is still some debate about whether this will be a technical committee or an advisory committee. I wish to put on record the testimony given to the Transport Committee by Mr. Arthur Kroeger, Secretary, Ministry of State for Economic Development, as reported at page 125:44 of the proceedings of that committee as follows:

Mr. Chairman, I do not think the committee is intended as was suggested to this committee by Mr. Turner of the Saskatchewan Wheat Pool. I do not think it is intended that this committee would be limited to narrow technical functions. It is true that to deal with some of the major issues in the grain transportation system at present, you have to look at some of the specifics; you have to look at some technical matters. But the committee is intended to have broad advisory responsibilities, in the first instance to the administrator.

I think that illustrates that this can be more than just a technical committee.

We are concerned that as many producers as possible be eligible to sit on that committee. Out of this concern we are moving this amendment that clear up the ambiguity that exists in the amendment to Clause 3(d) of the proposed legislation.

We are concerned about this and I do not think it does the cause of the Official Opposition any good to belittle that concern. In fact, I think it raises the question of whether they share our concerns. Their attempt to belittle our position on this makes me wonder whether there is a double agenda involved. When the Conservatives moved the amendment that constitutes much of Clause 3(d), their intent was so obvious and blatant that they had to amend the original amendment. It was then accepted by the Liberals and Conservatives voting together.

Mr. Mayer: How would you know? You were not there.

Mr. de Jong: In the original amendment the part that they deleted was "—or elected or appointed representives of any board or committee involved in an advisory or other capacity with respect to the grain trade."

That last wording in the original amendment to Clause 3(d) would have made it even more obvious that members of the Wheat Pool who sit on advisory committees would have been eliminated from being eligible to sit on the Senior Grain Transportation Committee. It was so obvious that they had to withdraw that last part of the paragraph. To dispute that there is some ambiguity in this subclause is nonsense; it is there. Different legal opinions have admitted that ambiguity. In the opinion of some lawyers a reasonable interpretation of the words in that subclause could prevent a nominee of a co-operative chosen to be a delegate at a subdistrict committee meeting of grain producers from being elected or continuing to serve as a member of the committee.

Furthermore, it is possible to construe Subclause (d) as preventing a member of a local Wheat Pool advisory committee who sits as a representative of a co-operative from being elected or from continuing to serve as a member of the Senior Grain Transportation Committee. The proposed wording of Clause 3(d) does not go so far as to deny a member of a co-operative from being elected or from continuing to serve as a member of the Senior Grain Transportation Committee. There is honest ambiguity and there is honest doubt here.

Why are Members of the Conservative Party so adamant in opposing a very reasonable and innocent subamendment? If they are so in favour of having Wheat Pool members and delegates participating in the election of members to the Senior Grain Transportation Committee, why are they opposing this amendment?

• (1510)

Mr. Deputy Speaker: The Hon. Member for Portage-Marquette rises on a point of order.

Mr. Mayer: Very briefly, Mr. Speaker, I said about eight times during my ten minute speech that we were not opposed to this amendment. I will say it again to the Hon. Member for Regina East (Mr. de Jong). We are not opposed to this amendment. If there is any doubt about what the Bill is going to do to individual members of co-operatives, of Wheat Pools, of wheat pool locals, of UGG locals, we are not opposed to the amendment. I do not know how many times I have to get up and say it, but I will say it again. We are not opposed to this amendment.

Mr. Deputy Speaker: The Hon. Member has made his point. The Hon. Member for Regina East.

Mr. de Jong: Mr. Speaker, while that was not really a valid point of order, I do welcome the intervention. It is marvellous to hear the statement being put that plainly, although the second time the Hon. Member repeated it he did include an "if", if there is reasonable doubt. Other speakers from the Conservative Party have mentioned that there does not exist such doubt in this legislation. The point I am trying to make, Mr. Speaker, is that that doubt does exist. I hope the Official Opposition will recognize that a reasonable doubt does exist and that it will indeed support this subamendment.

The history of the co-operative movement in agriculture in western Canada is vital. It has played a very crucial role. The co-operative movement is the result of years of experience of farmers in Canada which led them to the conclusion that only through co-operative action can they defend their self-interest, that only through coming together, marketing their products together, are they able to prevent the exploitation which private grain dealers have been involved in for years and years. At one time, Mr. Speaker, the co-operative movement was totally opposed by the vested interests in this country, the people who operated the Grain Exchange out of Winnipeg and the private grain monopolies. And those grain monopolies had their interests represented in both the Liberal and Conservative Parties. These traditional Parties opposed the co-operative movement because it meant that their power over farmers would evaporate, that the farmers themselves would take control of their own destinies.

All progressive victories in the past have necessitated an ongoing struggle to maintain those victories. We see that with medicare, with social legislation, with all progressive legislation. Every progressive move brings forth a reaction. The fight against the co-operative movement, Mr. Speaker, is not over. That fight continues. We in this Party are determined to fight to protect the victories of the past. We are determined to fight to protect the pools and the co-operative efforts of farmers themselves. We will fight against any measure to erode the position of the farmers.

I can understand, perhaps, some of my Conservative friends being somewhat confused because a co-operative, like the Pools, Mr. Speaker, represents the producers. In the end it is a producers' organization. So producers involved in that organization, even though they might have various positions, are still first and foremost producers. They are not members of some corporation. They have created the Wheat Pool, which has many of the trappings of a corporation, but it is more than that. It is the product of the producers themselves. Ordinary producers, who are involved in advisory positions and in operating the Wheat Pools should not be labelled in the same way as one would label a manager of a private grain company or a private elevator.

I notice the Chair is indicating that my time is up. With the consent of the House I would request one more minute to conclude my remarks.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member to conclude his remarks?

Some Hon. Members: Agreed.

Mr. de Jong: Thank you, Mr. Speaker. And I wish to thank the House for this opportunity to conclude my remarks.

The point I was trying to make, Mr. Speaker, is that members of the Wheat Pools, whether in Alberta, Saskatchewan or Manitoba, who hold delegate positions or advisory positions are not really just officers or agents of a company. They are still producers involved in a co-operative effort with other producers. Their position is quite different to that of an

officer of a private company. That is why I am dismayed that the words "or co-operative" is in here. To me it indicates that there is not a recognition that a producer who is active in his pool organization is not the same as a businessman who is involved in a private grain company. There is a very distinct difference, Mr. Speaker.

The other point I wish to make in summation, Mr. Speaker—and perhaps it is my major point—is that if there is agreement in the House that there is reasonable ambiguity in the subclause as it now exists, then I invite the House to give unanimous consent to the amendment, Motion No. 30, which has been introduced by my colleague, the Hon. Member for Regina West. I ask for unanimous consent that Motion No. 30 be accepted.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy to rise again today to speak on what I consider to be a historic Bill. I believe everyone who has spoken on the motion today realizes that in later years someone will look back at the record to see who spoke and what they said today. Although my remarks may not be the most historic on record, I would like to add them to the debate.

I have always had a great interest in historic law. If one had the opportunity to visit some of the ancient civilizations such as Egypt or Persia, one would find that the law was carved in stone. It was set up in such a way by the lawmakers that it would remain. There was a finality to the law. Good law which is made today has a permanence to it. Unfortunately, bad law has a permanence to it as well. This Bill, which will set up a way of handling grain in western Canada, if it passes, is very important. It is a Bill which will set down in a permanent way something which is extremely important to western Canadians.

Some of my colleagues to my right have indicated that not all the Hon. Members of the New Democratic Party took part in the committee hearings. That is exactly correct. I did not take part in the hearings myself. Nevertheless, I still feel that Parliament is a place in which Members can relate to the work of the Members who took part in the committee hearings. I also feel it is very important, when we come to the House of Commons, that we relate from our point of view to the legislation which is being discussed. Each Hon. Member here brings a different point of view. It is true that because of my vocation in life I do not have a quota book, I do not own a farm, I do not farm every year. However, farming in my part of the world is extremely important. Even though I do not have a quota book, and even though I was not at the committee hearings—and we all have a right to speak on the Bill—I feel it is extremely important that when something is being set down in stone, something is being put into law, we must be very sure in making that law that we protect the little person, the person at the bottom. In moving Motion No. 30 my colleague is trying to spell out in a concrete way that the person at the bottom, the representative of someone who belongs to a local grain co-operative, will not be excluded, ever. The mood which seems to exist in the country today sometimes argues against the notion of co-operatives. It is a mood which says that it is better to look after oneself, after one person, than to have a group looking after everyone. I can see that sometime down the road a person who belonged to a co-operative might be discarded simply because of the mood against co-ops. That is why I would like to see this amendment in the Bill. I hear that Hon. Members down there are willing to accept it. It must be clear in the future that the little person will always be protected.

● (1520)

Another point I would like to bring forward is that those who were not present at all the committee hearings have a special reason for reading the Bill now and bringing forward their viewpoint. They can see it from their perspective but they do not have all the history. I would like to see it clearly spelled out in this part of the Bill that a representative of one group cannot come in as a representative of another group and thereby take two places. The reason I say this is that in the grain growing and handling business we have a lot of people whom I would call joiners. In church, in school, in political Parties, in business you will have a certain number of people whom I call joiners. They are people who get into various organizations at the same time. We can look at the various representatives of the grain associations in western Canada and we will find that there are many people who belong to four or five different groups. As some of my colleagues pointed out, they belong to pools, the UGG and so on. They are joiners, and that is probably one of the reasons why they became active in politics. I would like it spelled out that if a person is appointed to the Senior Grain Transportation Committee under one heading, he cannot come in under another heading as well.

I would call upon my colleagues around here, Mr. Speaker, to be very cautious of the fact that we are putting something down which can be interpreted in a different way by our sons, grandsons and greatgrandsons, unless it is spelled out very clearly today. All the motion put forward by the Hon. Member for Regina West (Mr. Benjamin) intended to do was to spell this out very clearly as it relates to people who are in co-operative associations. I was happy to hear the Hon. Member for Portage-Marquette (Mr. Mayer) say that he—and I am sure he is representing his Party—would be willing to accept this if there is any doubt. I feel there is a doubt. Our legal opinion indicates there is a doubt, and so I hope Members on the Government side and on our side will agree that the motion should be included there and that the Bill will be like the old laws written in stone, that it will be clear and simple enough for all to understand, and the ordinary, little person will be the one who will be protected all the time.

I am going to bring my remarks to an end now, Mr. Speaker, but I hope that everyone in the House will take to heart these few thoughts I have brought to the matter and that the little person will be protected all the time through this motion.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I certainly want to support my colleague, the Hon. Member for Portage-Marquette (Mr. Mayer). Quite frankly, we are dealing with a motion which is really redundant, but in order that

there be no doubt we certainly will accept the spirit and thrust of what the NDP is proposing. In the course of the committee hearings, the Hon. Member for Moose Jaw (Mr. Neil) stated:

It is not the intention of the Members on this side to prevent Members of local pools or UGG organizations from being elected or being named to this Committee.

The Hon. Member for Regina West (Mr. Benjamin) knows that very well. He was there. Nonetheless, he continues to prompt his colleagues to distort the facts and mischievously to mislead Members of this House. The fact is that most of what we have heard today is nothing but clap-trap. What we on this side of the House tried to achieve was simply to ensure that producers, enfettered by any other biases, full-time producers who were in the business of farming and had no other biases or interests, were to be included in this very useful Senior Grain Transportation Committee.

Once again we witness the hypocrisy of the New Democratic Party. During the course of the committee meetings at one point in time the Hon. Member for Regina West discarded the Senior Grain Transportation Committee as being meaningless or irrelevant. He said, and I quote from page 126:106:

I would prefer that this whole damn thing he deleted or else be put under the aegis of the Canadian Wheat Board.

Now we hear from Members over there that this committee is going to transform the whole policy making mechanism for the grain transportation industry, yet at the same time the Hon. Member said that as far as he was concerned the whole damn thing should be deleted. They cannot have it both ways.

Mr. Nystrom: Watch your language.

Mr. Mazankowski: Well, I am only quoting the Hon. Member for Regina West who uses that word more than all other Members put together.

It seems that the NDP does not want producers sitting on this committee, Mr. Speaker. It wants producers to be aligned with either the UGG or the pools or Cargill or CN or CP. What we were trying to do was to ensure that, say, a director of CN or CP who was a farmer could not serve on this committee. There is a former Member of this House who is now a chairman of one of the railroads and he has a Wheat Board permit. If that restriction is not put in place he could conceivably sit as a farm representative. I guess the NDP really wanted that sort of thing, but we did not. We wanted to clarify and make absolutely sure that these were bona-fide, full-fledged producers who were in the business of producing grain.

Mr. Gustafson: I hope the press hears that.

Mr. Mazankowski: Furthermore, Mr. Speaker, we thought it was very important that these producers had the opportunity to square off with representatives from the railroads. The Members of the NDP do not want the railroads sitting at the same table as the farmers on the Senior Grain Transportation Committee. How absurd! How ridiculous! The fact of the matter is that if there is going to be any cohesion or co-ordination, if there is any way that we can cut out the finger-pointing, that can take place during the course of the Senior Grain Transportation Committee's sittings. I see the former Minister of Transport applauding in support. I think he knows, as I know, that the only way to get this very complex and complicated system working is to bring representatives of all components of this very diverse system together and seat them around a table, get them all pulling in the same direction, dedicating themselves to a common cause, the discharging of their responsibilities and obligations.

I can think of no other way in which a lot of the difficulties and problems, either real or potential, can be overcome and reduced to a minimum than through the Senior Grain Transportation Committee. We certainly support the concept. It was never our intention to be overly restrictive as far as the producers were concerned. We believe that these various organizations involved in the system can have their representatives, but we also very firmly believe that producers are very important. We consider that to be the reason for the whole structure in the first place. If it were not for producers producing grain, we would not need a Senior Grain Transportation Committee or a Grain Transportation Agency Administrator. Therefore, it is only natural that producers should serve on the committee.

• (1530)

The same is true with regard to other parts of the Bill. I do not know whether it was an oversight or whether it was deliberate, but the word "producer" was conspicuous by its absence. Quite frankly, we as Members on this side tried to incorporate the word "producers" at every opportunity. We also incorporated that any decisions taken by the Senior Grain Transportation Committee or the Grain Transportation Administrator would be taken in the best interests of the producer, in other words, maximizing returns for the producer. That is what we set out to do and that is what we will continue to do as we debate the Bill.

I repeat that the New Democratic party has tried maliciously to exaggerate and to use a red herring. As my colleague, the Hon. Member for Portage-Marquette indicated, it is trying to get back into the good graces of the Wheat Pools. In so doing, it is trying to do irreparable damage to the producer body. No one went to bat for the producers, certainly the NDP did not. It voted against it. Of course, the Wheat Pools did not give their support, believing that they could best represent the producers. We saw fit, and the Government supported our amendment, to incorporate Wheat Pool membership, strengthening it. We certainly apologize to no one and we think the Bill will be better as a result.

Mr. Nystrom: I rise on a point of order, Mr. Speaker. I wonder if I could have the permission of the House to ask a question of the Hon. Member who just sat down?

Mr. Deputy Speaker: The Hon. Member does have some time remaining. Does he wish to accept a question?

Mr. Mazankowski: Sure.

Mr. Nystrom: My question is perhaps technical, but it is with regard to Clause 3 of the Bill. It states that those who cannot be members of the Senior Grain Transportation Committee, those who cannot run for election, are "nominees, officers, directors, agents or representatives of any corporation, board or co-operative". I am wondering whether or not the Hon. Member for Vegreville (Mr. Mazankowski) can tell us why he is sure this would not exclude those who are on Wheat Pool committees, such as the chairmen of the local committees at Lintlaw, Assiniboia, or wherever. I do not have the material with me right now, but the Hon. Member for Kootenay West (Mr. Kristiansen), who is to speak next, will read into the record a legal opinion which raises some doubt as to whether or not these ordinary producer-farmers may actually seek office if they happen to belong to a local Wheat Pool committee. If that is the case, it is very undemocratic.

Mr. Mazankowski: Mr. Speaker, I think the Hon. Member for the question because my colleague, the Hon. Member for Portage-Marquette answered it. If the Hon. Member would want to familiarize himself with the evidence that was taken at the committee, I would refer him to the passage in Committee Proceedings No. 125, at pages 28 and 29. The general counsel for the Ministry of Transport clarified that point. Quite frankly, it was on the basis of the advice of legal counsel that the committee was given the assurance that delegates would not be excluded. As reported in Issue No. 125, at pages 87 and 88, the Hon. Member for Moose Jaw very categorically stated: "it is not the intention of the Members on this side to prevent members of local pools or the UGG organizations from being elected or being named to this Committee". The Hon. Member for Regina West responded: "I agree that was not the intent of the movers of that edition".

While the Hon. Member for Regina West understood perfectly the intentions of the Members of the Conservative Party when they moved the amendment, he has obviously been influenced by other Members of his Party because he is now suggesting that there was a deliberate attempt to exclude the delegates, the locals of the Wheat Pools, and the UGG. That was never intended to be the case. However, as the Hon. Member for Portage-Marquette pointed out, to remove any question of doubt we are certainly prepared to accept the thrust and the principle of the NDP motion. I understand that the Minister of Transport (Mr. Axworthy) has considered it and is prepared to accept it in principle, except that he has perhaps found a better way of incorporating the thrust and the principle enshrined in the motion of the NDP so that it could be consistent with the other wording in the Bill.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, on behalf of the Hon. Member for Regina West (Mr. Benjamin) and the New Democratic Party, I am glad to accept the conversion of the Hon. Member for Vegreville (Mr. Mazankowski)—

Some Hon. Members: Oh, oh!

Mr. Kristiansen: —and supposedly that of his colleagues. I seem to recall his saying just a few moments ago that our amendment was both redundant and unnecessary.

Mr. Mazankowski: It is.

Mr. Kristiansen: In dealing with the subject, I would now like to read into the record, under the letterhead of the House of Commons, a letter to the Hon. Member for Regina West from Mr. R. Cosman, the Assistant Parliamentary Counsel to the House, dated September 29, 1983. It states:

> In response to a request from Mr. Daryll Richards of your office, I have reviewed the amendment proposed with respect to paragraph (d) of Clause 3 of Bill C-155 as contained in the seventeenth report of the Standing Committee on Transport.
>
> It is my opinion that a reasonable interpretation of the words of that paragraph could prevent a "nominee" of a co-operative chosen to be a delegate at a subdistrict committee meeting of grain producers from being elected or continuing to serve as a member of the Senior Grain Transportation Committee.
>
> Furthermore, it is reasonably possible to construe paragraph (d) as preventing a member of a local wheat pool advisory committee who sits as a "representative" of a co-operative from being elected or continuing to serve as a member of the Senior Grain Transportation Committee, as well.
>
> The proposed wording of paragraph 3(d), however, does not go so far as to deny a member of a co-operative from being elected or continuing to serve as a member of the Senior Grain Transportation Committee.
>
> In forming my opinion, I have taken the position that if I were advocating the non-eligibility of a "nominee" of a co-operative or the removal from membership of a "representative" of a co-operative with respect to the Senior Grain Transportation Committee, could the words of paragraph 3(d) reasonably be interpreted to support my position, and I find that they do, notwithstanding that it may not have been the original intention of the drafters of this particular provision to have such an effect.

I am gratified to know that we are on good grounds. We felt that we were from the beginning, even if my Party was not certain, even if the Conservative Party was not certain, and even if the Liberal Government was not certain.

● (1540)

Certainly the letter I just quoted gives more than enough grounds for reasonable doubt that we were right in our opinion that these people may have been excluded, albeit inadvertently. Surely it is incumbent upon the representatives of ordinary people, especially Members from the western grain producing Provinces, to resolve the question in such a way that the benefit of the doubt goes to the representatives of co-operatives and those other organizations. If that is not done, what right do Members from the prairie Provinces have to claim even that they try to represent the best interests of the people who sent them here?

Mr. McKnight: Mr. Speaker, I rise on a point of order. Just to bring a little order, if I could, and to assist the Chair, there is one way of finding out how people feel about a certain amendment, that is, by way of a vote. If you check, Mr. Speaker, you will see that we allowed the NDP to continue to put their point. When we stood to speak on it, we agreed with their point and they continued to put it forward. There is a very simple way in this Hosue of deciding whether or not we support an amendment.

Mr. Kristiansen: Mr. Speaker, conversions are always welcome. Also, I personally thought we were always in good order in this place—at least recently.

I would like to put a question to the Hon. Member for Portage-Marquette (Mr. Mayer) and the Hon. Member for Vegreville, both of whom may choose to answer or have another Conservative answer on their behalf. In their references back to the committee which held hearings this summer, they seem to make much about the fact that although the NDP was fully represented in that committee at every hearing, they wonder why we did not have more people present at every meeting than we were eligible for at that committee. I would suggest to them that if the Conservatives are really concerned that there are not more New Democrats participating in parliamentary committees of the House, they should suggest to their voters back in Saskatchewan, Alberta and Manitoba that they would be well advised to send more New Democrats at the next opportunity so they can be properly represented. In that way they can raise some of the questions that are so necessary and have representatives who do not constantly flip-flop, back-stab, jag, twist and turn—although we welcome their turning and conversion—

Mr. Mazankowski: You certainly made the point yourself.

Mr. Kristiansen: Now they shout loudly because they want the people in the Prairies to think that they have always been on their side. Then why do they flip-flap on their basic position on this Bill. After many of their amendments which they proposed to Government Members on that committee were accepted they then decided-perhaps because so many of their suggestions were accepted—that the Bill is no good and they would oppose it. However, they are not opposing it very strongly. In fact, it was not until they were virtually intimidated time and again by Members from this corner of the House that they even stood in their places to say what they thought.

Mr. Gustafson: A clear admission.

Mr. Kristiansen: There is some bird taking flight down in that corner. It is certainly not a crow, but I do not know what species it is.

Mr. Huntington: Mr. Speaker, I rise on a point of order. I just want to correct the record, which is quite misleading if left to stand as it is. I wish to point out that the NDP in committee proposed 88 amendments, six of which were accepted, 51 of which were rejected, 28 of which were out of order and three which they saw fit to withdraw. Therefore, the point that the Hon. Member is making is quite misleading.

Mr. Kristiansen: I know what they say about statistics where I come from.

Mr. McKnight: Wait until you see the next vote count.

Mr. Kristiansen: I do not know if that made it on to the record but I look forward to the next vote count. I want to say something else. We who do not happen to be members of Wheat Pools or come from the prairie Provinces have also had our credentials challenged. I have been a British Columbian and a resident of the West Kootenays long enough to know that if you scratch an interior resident of British Columbia you will find a hayseed close beneath the surface. Most of us have fairly deep roots in the wheat and grain growing areas of the country. I am sure it is true of many of my colleagues who do not have the privilege of being members of Wheat Pools in the Prairie Provinces.

Mr. McKnight: Any hayseeds in your riding, Lorne?

Mr. Kristiansen: I come from a family who came to the Beverley hills of Saskatchewan in 1902 and 1905, who were active in the growth and origins of the United Grain Growers, the Saskatchewan Wheat Pool, the Progressive Party and the Saskatchewan Farmer Labour Party. I have as much right as anyone who happens to be currently a resident and a member of a Wheat Pool in that area to speak on the subject.

Furthermore, quite apart from the background of Members, each of us, by virtue of our election to this place, is allowed to do more than, as stated in an old poem, "Sit in places and grow dumb". Not only are we allowed to do much more than that, it is incumbent upon us to do more. Moreover, as Members of a Party which has recognized for many years the very close bond that exists between working people, whether on farms, in factories, in mills or in the woods. I resent the insinuation, particularly from some Conservatives, that we do not have as much right to claim our place in debate with regard to the welfare of this nation and its various communities as they may claim. We have that degree of tolerance and have always shown it. I suggest, particularly to those in the Opposition who pretend to value traditions, that they show as much.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will be brief because, unlike the Member for Spadina (Mr. Heap), I do not pretend to be a great expert on the grain trade.

Mr. Nystrom: Speak for yourself.

Mr. Nickerson: This afternoon, I listened intently to the speeches made by the Members of the NDP. I have to report that I still do not know very much about the grain trade, but I certainly learned a lot from them as to how one goes about it when one wants to twist words, distort phrases and give rise to unreasonable fears in the minds of western farmers.

Mr. Mazankowski: Shame on you fellows.

Mr. Nickerson: About the most charitable thing one could say with respect to Motion No. 30 is that it is redundant.

Mr. Nystrom: Why do you support it?

Mr. Nickerson: It is not necessary whatsoever. If one was a little less charitable, like my good friend, the Hon. Member for Portage-Marquette (Mr. Mayer), one might describe it as being spurious. It appears that the only reason it was introduced was once more to delay the proper consideration of the Bill that is before us.

Mr. Lewycky: Mr. Speaker, I rise on a point of order. Could the Hon. Member indicate, with that type of rhetoric, why he will be supporting our amendment if it is redundant?

Mr. Nickerson: If the Hon. Member would be kind enough to wait until I reach that point in my presentation, he will find out. The objective behind introducing motions such as the one before us was undoubtedly just to delay the matter and give an opportunity to the Hon. Member for Spadina to talk about rent controls in Toronto. I do not know what that has to do with the Bill before us.

Mr. Heap: The same corporation.

Mr. Nickerson: Perhaps it was so that the NDP Members could present themselves as the saviours of the co-op movement. I know and have the support of very many people in the co-op movement. I am aware that these are very reasonable and business-oriented people. They must be to be in that movement. For that reason, when it comes time to vote, I can assure you that they will vote 99 percent in favour of the Progressive Conservative Party rather than the NDP.

● (1550)

We have heard fears raised about what would happen if a farming family incorporated itself or if two or three families got together and formed a production co-operative. I will read the existing Clause 3(d), Mr. Speaker, from line 30. It reads:

—who, at the time of their election, and for the duration of their service as members of the committee are not nominees, officers, directors, agents or representatives of any corporation, board or co-operative, the business of which is the purchase, sale, storage, processing or transportation of grain;—

Members of the NDP would have us believe that because a farmer loads up his truck and drives it for eight miles to the elevator, he is in the business of the transportation of grain. They would have us believe that because he buys his seed grain, he is in the business of buying and selling grain. I can assure you, Mr. Speaker, that there is not a court in the land that would put that interpretation on the words contained in Clause 3(d).

I was very pleased with the way our position was presented in committee by the Hon. Member for Vegreville (Mr. Mazankowski) and his many colleagues who put in so many hours of work on that committee. I was very pleased by the way they fought for the grain producers of Canada. I think they have achieved a considerable victory by having incorporated on the Senior Grain Transportation Committee four representatives of the primary producers of Canada.

Some Hon. Members: Hear, hear!

Mr. Nickerson: It is essential, Sir, that the representatives of these primary producers be free from any possible conflict of interest. They should be able to concentrate only from the point of view of the producers. For that reason, not just any permit book holder may be permitted to be the producer representative because, as the Hon. Member for Vegreville has quite rightly pointed out, the same permit book holder might also be the president of a railroad company. He might be the president of a firm that trades in grain on the Winnipeg commodity exchange. That is not what we intended when we presented the amendments that have been accepted by the Government.

There does, however, appear to be one possible misinterpretation of these amendments, and that deals with the member of the local Wheat Pool committee. It was certainly not our intention, nor, I am sure, was it the intention of the Minister of Transport (Mr. Axworthy), that that person be excluded from the possibility of election. For that reason, Mr. Speaker, it is our intention to support the amendment that we believe the Minister of Transport intends to bring forward.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I would like to thank the Hon. Member who last spoke for the introduction to his speech. I too have certainly enjoyed the debate this afternoon. It has been educational, edifying and at times even enlightening, but I think it all comes down to the very simple point that all Parties in the House are anxious that two things be accomplished. The purpose of the amendment put forward by the Hon. Member for Regina West (Mr. Benjamin) was to ensure that the member of the local co-op or pool be not excluded from membership on the Senior Grain Transportation Committee. I think that is a position that has been clearly endorsed by members of the Official Opposition and certainly by Members on the Government side.

At the same time, we have expressed the concern, as has the Hon. Member for Vegreville (Mr. Mazankowski) on behalf of his Party, that we did not want a system that would result in double membership by the major organizations that are represented, because that in effect would throw the balance of the committee out of whack. That Grain Transportation Committee is composed of the major institutions. Through this part of the Bill, we are trying to ensure that in effect the grass roots membership would also have an opportunity to be represented on the Transportation Committee to bring to it the particular point of view that they represent.

I think it is possible, Mr. Speaker, to arrive at a solution to those two points of view without doing any injustice to any of the positions taken by Hon. Members. It would require a certain unanimous agreement on behalf of Members of the House. First, if the Hon. Member for Regina West were in agreement to withdraw his Motion No. 30 as it is stated in the orders of the House, I would then be prepared to offer for consideration an amendment that would read as follows:

That Bill C-155 be amended at page 3 by deleting lines 34 to 37 and substituting the following therefor:

"or agents of any organization referred to in paragraph (e); and"—

That, in effect, Mr. Speaker, would ensure that anyone from the local level could be elected as part of that producer representation, but that person could not be a person who was going to be a member under the organizational representation as set out in paragraph (e). I think that therefore, guarantees the right that Members have been arguing for over the past two or three hours, and that is, that members of local co-ops, committees and others could in fact be elected without any hesitation. It would not mean, as feared by the Hon. Member,

that the president of a railroad who also held a permit book could be elected as well and therefore have an additional advantage.

I would hope, Mr. Speaker, that this motion might elicit an acceptable agreement from Members of the House. If Hon. Members could indicate their agreement, then perhaps we could go forward and accept the proposed motion and withdraw Motion No. 30, with all due credit being given to all Hon. Members who have contributed this afternoon. I do believe an important point has been made and we might as well accept that point and get on with the business.

Mr. Deputy Speaker: At this point, the Chair is of the understanding that if there is agremeent by the Hon. Member for Regina West (Mr. Benjamin) to withdraw Motion No. 30 which is before us, the Minister would then move the amendment that he has indicated. Is there unanimous consent for the Hon. Member for Regina West to withdraw Motion No. 30?

Mr. Benjamin: Mr. Speaker, I am agreeable but I take it that once the Minister moves the motion that will replace mine, we will then be recognized for some brief debate on his motion. I am quite willing to withdraw mine and proceed with the Minister's motion.

Mr. Mazankowski: Mr. Speaker, we would certainly be in agreement with that proposition and we will be supporting the motion that has been proposed by the Hon. Minister of Transport (Mr. Axworthy).

Motion No. 30 (Mr. Benjamin) withdrawn.

Hon. Lloyd Axworthy (Minister of Transport) moved:

That Bill C-155 be amended at page 3 by deleting lines 34 to 37 and substituting the following therefor:

"or agents of any organization referred to in paragraph (e); and"—

[*Translation*]

Hon. Jean-Luc Pepin (Minister of State (External Relations)): I do not intend to take part in the debate at this time, Mr. Speaker. I merely wish to suggest to the Chair that if you would look around the House, perhaps you could obtain unanimous consent to revert to tabling of documents, since I would like to table a number of documents that I was asked for this afternoon by the Leader of the Opposition (Mr. Mulroney).

[*English*]

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Minister to have leave of the House to return to tabling of documents in order that he may table a document?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF NOTES BETWEEN CANADA AND THE U.S.S.R.

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Mr. Speaker, I have the consent of the Secretary of State for External Affairs (Mr. MacEachen) to table the note of September 8, 1983, from Canada to the Embassy of the U.S.S.R. and the note of September 14, 1983, from the U.S.S.R. to the Department of External Affairs returning the Department's note of September 8, 1983.

● (1600)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased that we have an amendment which covers the ground that all of us are anxious to cover, although I must say that the Minister is worrying unnecessarily. However, if it satisfies everybody, fine. In the amendment it says "or agents of any organization referred to in paragraph (e) and". I would point out that under (e), if the President of United Grain Growers is appointed by the United Grain Growers as a representative under paragraph (e) and he chooses to stand for election as one of the four elected people under paragraph (d), obviously he would have to resign as the representative for the United Grain Growers under paragraph (e). He could not sit in both positions. Either the UGG or the grain producers would have one less representative. I do not think any grain company or organization would be that dumb. It was an unnecessary worry on the part of the Minister. It does not make any difference.

Similarly, if the President of the CPR had a grain farm and a Wheat Board permit and chose to run as one of the four representatives democratically elected, in the first place I doubt he would get more than one half of one per cent of the votes of the grain producers in western Canada, but he could not sit in both positions. If he were to win in one, he could not sit in the other.

The Minister is correct in the sense that, hopefully, it would obviate any over-representation by an elected officer. Someone there under paragraph (d) could not be there under (e), or if they were there under (e), they could not be there under (d). I

believe that is all that is trying to be accomplished. If that serves to head off any worries which the Minister has, that is fine with us.

I am more pleased that the amendment deletes lines 34 to 37, which should not have been there in the first place. The Conservative Party protests as to what great supporters and advocates they are of the co-operative movement. If that is the case, why did they have the word "co-operative" there in the first place? I tried in committee to persuade them not to have it in there. I will take their word that they are great supporters of the co-operatives and the Wheat Pools. I am pleased that they are prepared now as a further repentance—that is now three or four of them; they will be almost sinless by the time we get through this Bill—to accept the deletion of those four lines of their Conservative Clause, supported by the Liberals. Now the Liberals are prepared to move to delete the lines that they supported that had been moved by the Conservatives, in which case they have both repented, ye sinners.

I could not resist teasing my colleagues in the Liberal and Conservative Parties on that score. It is all on the record of the committee, and certainly on the record of the House. The main point is that Members on all sides of the House are trying to accomplish an objective that we all had, but we could not come up with a wording on which we could all agree. It appears we now have, so we can support the Minister's amendment.

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

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Motion (Mr. Axworthy) agreed to.

Mr. Les Benjamin (Regina West) moved:

Motion No. 31

That Bill C-155 be amended in Clause 10 by adding immediately after line 20 at page 6 the following:

"(c) a person who in his opinion represents labour in the handling and transportation of grain".

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to be able to speak to this amendment. I have been a trade unionist for 28 years. I strongly hope that we can have agreement in the House that labour should be represented on this important national board. There may have been better ways of organizing grain transportation, but if there is going to be a board like this, it will have an important function. Therefore, it is quite important that there be labour representation on it, as this motion provides.

There will be a number of different major jurisdictions concerned. There are the grain cleaners, grain loaders, the various stages of handling, the elevator employees, the railway workers, the longshoremen, the seamen, that is if Canada ever goes back to having a merchant marine. All these people ought to have a voice on this Grain Transportation Committee.

The basic principle is occasionally recognized in our country, but is not recognized often enough. The principle is simply that the people who do this work could have a voice in the decisions. Whether it is in grain handling at the beginning, the transportation, the loading, the grain handling at the other end, these are the people who do the work that create the surplus out of which wages are paid and profits are found. It is to the benefit of the country as a whole that they should have a voice in directing the work that they are doing. They are on the spot, they see what is needed and what is necessary for their health and safety.

I have 18 years' experience working in a factory which made corrugated paper boxes. I worked as a labourer in all departments, but mainly in the press department. I was a member of what is now the Canadian Paperworkers' Union. I could see day by day the value to the workers, but ultimately to a much wider circle, of having workers listened to in management decisions.

This was just one of 50 plants in this large North American corporation. There was no system of labour representation on any board of directors. Instead, we had to make do with negotiations and consultations between the union in our plant or the unions in other plants and the general management that represented only the large shareholders. Nevertheless, when we got a manager who was prepared to listen to the union, it turned out that not only working conditions and health and safety conditions in the plant were improved, but the plant became more efficient and productive for the benefit of both the workers and the company.

In this situation, the same applies, but there is a further consideration. In this situation the principal shareholder is the people of Canada. Considering the amount of money that has been put into the transportation system and the grain handling system in all of its forms, the pricipal investor in that whole system or complex is the people of Canada. There is, therefore, a more special reason why this principle should be embodied in the structure of the committee, namely, there should be some representation of labour, the people who actually do the work. This is quite distinct from putting in the representation, already provided for, of some of the major corporations that employ the labour. When only they are represented it turns out that they do not do a very good job in the long run because they do not understand the necessity of considering the health, welfare and wisdom of those who actually do the work.

● (1610)

Where public money is involved it is very important that the people doing the cleaning and loading of grain, the grain handling, whether at the elevators or ports, the longshoring and, when Canada comes to its senses and has a merchant marine, the people handling the boats offshore and in the lakes—all these people should have at least one voice in the management of the grain handling industry. They constitute the brain and muscle of a national network without which the grain cannot move to the ports, let alone beyond the ports. They should not be treated as mere muscle; they are brain and

muscle and spirit as well. Without their participation we will not have orderly and productive movement of grain.

I therefore urge all Parties in the House to support the amendment to have the Minister appoint a person who represents labour in the handling and transportation of grain.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, as we said in committee and on other occasions, we feel it is very important that all segments of the grain industry be represented, at least in an observer capacity. Some concern has been expressed by members of the grain producing community to the effect that they would like to find a way of bringing an action or communicating directly with the labour unions when they withdraw services and cause producers to lose money.

The amendment before us is much the same as that proposed by the Hon. Member for Regina West (Mr. Benjamin) in committee, although his was broader in scope. We supported that amendment.

When we look at the history of the grain handling sector of the economy, it is easy to see why it is important to have representation of some segment of the labour organizations involved in the movement of grain.

A strike began on May 16, 1982, which was settled on July 7, 1972, after 53 days. Ports in British Columbia were closed for 21 days in 1972. On July 26, 1973, a strike began which lasted 33 days. In 1974, grain handlers stopped work on October 10 and the strike lasted 44 days. At that time Mr. Vogel, the Chief Commissioner of the Canadian Wheat Board, said the strike was costing prairie farmers in western Canada $200 million in lost sales. In 1975, there was a 36-day walkout of grain weighers, a 24-day walkout by longshoremen and a one-day walkout by longshore-foremen. Dock workers at Montreal, Quebec City and Trois Rivières went on strike for 25 days. In 1978, the strike on Canada's inland shipping fleet lasted for nine days. In 1981, a work stoppage at Thunder Bay lasted for 16 days. In November, 1982, there was another work stoppage.

By accepting the amendment we hope that the Parties involved in the movement of grain, including the unions—those in the grain terminals, the longshoremen and the railroading unions and all others—can be brought together with the four or five real grain producers in the Senior Grain Transportation Committee along with the management of those companies. This is why we think it would be effective for the grain producers to be unfettered and able to represent their fellow producers in discussions between the management of the terminal operators in Vancouver, the management of the railway companies, and the management of the line elevator companies, the people who are so important in the movement of grain.

We feel confident that if there is face to face discussion on the Senior Grain Transportation Committee among members of all segments of the industry, the movement of grain will go much more smoothly and no one will suffer. We therefore support the amendment.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I was a little disappointed that the Member of the New Democratic Party who spoke in support of the amendment did not explain to the House who this representative would be. Would he belong to the port union, the railway union, the elevator union? There are a lot of workers involved in grain handling who do not belong to any union but they are labour and should be represented. I listened intently, hoping to get some guidance on who the labour representative should be.

I agree that the representative of labour should be included as an observer. Of course, the choice is being left to the Minister, and that is as it should be. In the Transport Committee we inserted Clause 10(3) as follows:

> The Minister may appoint, and
> (a) a person as his representative

That was so that there will be an observer present representing the Minister, but one who is not allowed to vote or take part in discussions. We also provided for:

> (b) a person who in his opinion represents the producers of crops in the Western Division for the shipment of which a Canadian Wheat Board permit is not required.

Such person could also act as an observer on the Senior Grain Transportation Committee.

I see nothing wrong with adding a representative of labour as well. This would not make the committee too large, which was a consideration of the Transport Committee. It would allow labour to monitor the meetings and have some indirect input. Some may argue that an observer does not have much say in the proceedings. When the Transport Committee was travelling across Canada and was considering the Bill clause by clause, many observers attended its meetings. As the Hon. Member for Vegreville (Mr. Mazankowski) knows very well, some were from the railways, some from labour and some from the various producers. They talked to the committee members. They talked to us before the hearings and after the hearings. Members from all three Parties lobbied us. They played a very important role in the whole process. I see labour also playing a very important role by being given this observer status on the Senior Grain Transportation Committee.

● (1620)

I would also like to demonstrate to the New Democratic Party that if that Party brings in positive, constructive amendments to this Bill, we will support them. However, if that Party brings in frivolous amendments just to stall the debate and take the time of the House, then we will not support those amendments. The Government is prepared to support positive amendments such as this one. I am announcing to Hon. Members of the New Democratic Party that we, on this side of the House, are ready to support their amendment.

Hon. Ron Huntington (Capilano): Mr. Speaker, I am very pleased to see this type of amendment made to this Bill. I am a person who has had the good fortune to work within the labour ranks and from there to go into the role of management. In the

Port of Vancouver I have had occasion to have many meetings, not only with the senior managers around the port activities but I have also had the pleasure of having hours of discussion with senior labour people. I can also remember some years back, when I was a new Member of this House, a group of us quietly going out to see what could be done to break one of the impasses between the longshormen's union, the Grain Workers' Union and the railroad union. I made the observation that too often much of the trouble which develops in these confrontations is really created by people whose function it is to work at public relations or in the legal field, legal people and labour lawyers. It was our experience at that time that the impasse was broken only by getting the leaders on the labour side together with the senior people on the industrial side and bypassing the bureaucracy. That brought about a resolution to that particular impasse.

I believe it is important that some of us who are management oriented realize that there is often more talent in managerial functions on the labour side than there is in the hierarchy of management.

In the Port of Vancouver we have had bottlenecks and unloading problems over the years. I had a conversation with Mr. Henry Kancs, the leader of the Grain Workers' Union, who gets absolutely frustrated with the inability of the industry to bring its parts together and to improve some of the inefficiencies. He feels that some of the inefficiencies caused by management is felt on the backs of the working men. I know the frustration which grain workers feel when they know there are simple arrangements which can increase the productivity of the port and the handling of the grain, and which would also increase the take-home pay packet of the grain worker. I speak, for instance, Mr. Speaker, of the simple act of the dispatching of grain cars for the elevators in the Port of Vancouver from Kamloops or to some other inland point where the assembly of the trains matches the delivery need of the elevators. I speak simply of enlarging the four-mile switching limit at the Port of Vancouver to 12 miles. These are suggestions which have come from labour. However, when you enlarge the switching limit from 4 miles to 12 miles you immediately run into the interests of the British Columbia railroad which probably has revenues which are dependent on the 4-mile switching limit. However, over-all, the Port of Vancouver could work to advantage on a 12-mile limit.

I hope that if we put a labour observer into a committee that is as important as this one we can start to break down some of the artificial impediments to the improvements of the productivity of the whole movement system, because if we do not, the farmer is going to suffer along with the individual worker in the system. I feel it would do the attitude to this whole concept much good to bring labour more and more into this type of decision so that it can understand more and more of the problems of the farmer and of the manager. If we do not do this, we are going to have more and more people laid off and more and more labour strikes. We must work at explaining why decisions are made, and spread the knowledge and the reasons behind certain things which are being done. If we could allow input from the working man into these decisions, I feel we would do much to improve the productivity which this country needs if it is to start creating more jobs and addressing our serious unemployment problem.

I am very pleased to see all Parties in the House come together on the suggestion that labour should be involved. I feel this will go a long way toward creating a good working relationship for the future.

Mr. Les Benjamin (Regina West): Mr. Speaker, we tried initially, if I recall, to have this done by way of the Minister appointing a voting member of the Senior Grain Transportation Committee from the trade union movement involved in the storage, handling, elevating, loading and unloading and transportation of grain. I do not recall whether I was ruled out of order or whether I was voted down. However, we would still prefer that. One of the major players in the whole system is the worker. However, if this is all we can get for now by way of agreement from the Government and from the Official Opposition, that is fine. It is a beginning. We in this Party are under no illusion that this is a giant step forward, but it is finally a recognition. In legislation which is already in place there is little or no attention paid to workers, nor is any opportunity provided for workers to have some input. The railway workers are represented by somewhere between 15 and 20 different unions. With the grain handlers, one major union and a smaller one are involved. There are two or three unions representing the Great Lakes seamen, the deck officers and the engineers. The Grain Services Union represents country elevator employees in Saskatchewan and Manitoba, and some head office employees. There are the terminal elevator employees. There is the Electrical Workers Union. This adds up to about 30 or 35 unions which represent probably in the order of 100,000 workers.

It was interesting to see, Mr. Speaker, the input of individual trade union members and organizations prior to the hearings of the Transport Committee at the time we were holding the hearings, and following. I believe two different federations of labour and at least one city labour council presented briefs to the committee. The Grain Services Union representative appeared on behalf of many hundreds of country elevator agents. Surely that is a good indication, Mr. Speaker, in fact convincing evidence that the workers want to be included. They are in fact interested, they want to do a good job, and they want the opportunity. They have something to contribute. They know about the day-to-day operations in much greater detail and depth than a lot of their managers and foremen do.

• (1630)

The Parliamentary Secretary was wondering how the Minister would go about appointing that person. Well, it seems to me you will have to consult with the Canadian Labour Congress, the umbrella organization, which in turn would need to consult with all its member unions and probably strike a committee to get together and select from their number a person whom the Minister could appoint as an observer. It would not necessarily be the same person every year. Maybe

you could have two different people each year, one year someone from the grain handlers union, another year someone from the railway brotherhood, or some other organization. I would think the CLC would be the most convenient vehicle, or else the Minister himself could consult with the trade union organizations and the CLC and strike a committee of all unions involved in all aspects of grain handling and transportation. He could have them select from one of their number a person he can appoint as an observer.

I am assuming that this person who was there as an observer would at least have a voice but no vote. If all he can do is to sit there and observe, then you might as well mail him a copy of the minutes and he can stay home. But when there is a problem among the unions, or something like that, the union observer will be consulted and asked to participate in the meetings of the Senior Grain Transportation Committee to offer solutions, ideas, suggestions and tell the committee what their problems are. But if he is not going to have a voice, then he can stay home, read the minutes and save the expense of going to the meetings.

Let me illustrate an area we heard about in committee, especially from the railroads and once in a while from a Government Member and some other organizations, this business of weekend loading of railway cars at country elevators. I can tell you that the grain service union representing country elevator agents, and the elevator companies, when they co-operated with the railroads to spot some cars Friday night, they loaded them Saturday and Sunday for pick up Sunday night or Monday morning, there were a number of instances where this was done. The railroads brought the cars in, the employees and the elevator company worked like dogs over the weekend, loaded the cars, and a week later they were still sitting there. But they are willing to co-operate.

There is some dispute between the elevator agents and some of the grain companies regarding the 40 hours a week. I believe they can work it out because it is very similar to the dispute at the time when the 40 hour week was adopted in 1950 in the railroads. They can work it out and I am sure they will. But on the whole matter of weekend loading, both the elevator companies and the elevator agents as well as the grain services' unions can be most helpful. It is just a case of not listening to the railroads only, as has been to damn the case over the years.

I hope, Mr. Speaker, that I can get confirmation from the Parliamentary Secretary that not only will the observer have a voice but also that it will be the intention of the Government at some early date to provide for a voting member, at least one, from the trade union movement involved in the transportation of grain. When I was on the railroad myself, heavily involved in the strike of 1950, which all of us hated, over the 40 hours a week, and in every episode since, much of the difficulty and problems which led or contributed to a breakdown and a strike or lock-out could have been avoided if there had been a lot more involvement from the unions in the day-to-day operations and year-to-year decision making, whether it is on technological change or on how to do something more efficiently. The Hon. Member for Capilano (Mr. Huntington) is perfectly correct; it is not only the grain handlers union in Vancouver. If you talk to railroaders in Vancouver, Winnipeg and Thunder Bay, the mess which passes for a distribution system in those three locations is incredible. In the name of competition you have two or three railroads running all over the darn city using up valuable land which could be used for houses, when they could all be running on the same set of three or four tracks instead of having a dozen tracks all over the city. The railway brotherhood unions have a contribution to make in this area.

If the Government were willing to reconsider and bring in an amendment of its own, I am certain we could have unanimous consent to increase the voting members of this committee by one or two. So what? Bring in an amendment, in which case I would be glad to withdraw my own. Add one or two more representatives selected by the trade union movement and appointed by the Minister. That would go a long way toward helping in this massive task which all the players have. It would help to head off in advance potential misunderstandings, breakdowns in communication, and confrontation. It would help to head off a lot of that. My own experience as both an employee and an employer is that when you had people working with you and not for you, you got a lot more work done, and done a lot better, and you had a much more loyal group of employees no matter what the size of the operation. But the present practices of management have brought about troubles of their own making, so I hope the Parliamentary Secretary, in response to my question, will be permitted to confirm that the observer will have a voice. I know he cannot have a vote. The Government should consider, during the course of report stage, bringing an amendment of its own to add one or two more people to the committee who would be appointed with a voice from the trade union movement.

Mr. Flis: Mr. Speaker, I know I cannot speak twice but I would like to draw the Hon. Member's attention to Clause 11 which allows the committee to determine its own rules of conduct. He will find his answer in that clause.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I would like to enter the discussion very briefly at this point on, I am happy to say, a more peaceful tone perhaps than some of the previous incursions. First of all, I should like to give support to the amendment submitted in the name of the Hon. Member for Regina West (Mr. Benjamin), particularly as I am one who has had considerable direct experience in the involvement of employees in management decision-making, in fact in the company in which I am still on the seniority list. That was an experiment which produced healthy results in my own community. At least they were good results until the "BCRICing" of that company in British Columbia, an Act which terminated any local management, not to mention employee involvement in that management.

It was a worth-while experience, and I think it was generally recognized as such by Parties all around that table and in that given community. Because of that experience and my own

belief in the worth of such exercises, even if it is just representation in an observer capacity, as is mentioned in the amendment, I would particularly like to say how pleased I was to hear the comments of the Hon. Member for Capilano (Mr. Huntington) a few minutes ago, a Member with whom I often find myself in disagreement, even if we do not argue directly very often. My experience is much the same as his, that when representatives of working people and representatives of the management side of industry are able to work together over extended periods of time wearing a common hat, there is a greater understanding and non-conflict created during the long process of non-conflict situations which can be very useful in overcoming some of these instances which must of necessity occur from time to time in the adversary relationship that takes place around collective bargaining. There is a great deal to be said for the kind of common understanding that is built during such a period. That is an essential lesson in conflict management, one which this nation and its component parts really must learn if we are to continue to survive and grow as a nation and as a community in the way we should.

● (1640)

I would also like to say that I appreciate what seems to be the tone adopted so far by Members from all corners of the House in the debate on this particular amendment. In so doing, I would also like to pay tribute, which I think is appropriate, to one of my colleagues who succeeded, together with the stroke of rationality that struck both the Government and the Official Opposition, in having the thrust of his last amendment accepted. As one who studies more than just human behaviour from time to time, I would like to quote briefly from a text which I believe to be appropriate, particularly to the Hon. Member for Regina West but also to the process in which we are engaged. In a book entitled "On Aggression" by Konrad Lorenz, some time is spent discussing the habits of a species of bird called jackdaws, which is actually the second most common variety of crow, a species which seems rather appropriate to our discussion. It states:

> In jackdaws, and in many other very social birds, ranking order leads directly to protection of the weaker ones.

It continues:

> Since high-ranking jackdaws, particularly males, interfere in every quarrel between two inferiors, this graduation of social tension has the desirable effect that the higher-ranking birds always intervene in favour of the losing party.
>
> In jackdaws, another form of "authority" is already linked with the ranking position which the individual has acquired by its aggressive drive. The expression movements of a high-ranking jackdaw, particularly of an old male, are given much more attention by the colony members than those of a lower-ranking, young bird. For example, if a young bird shows fright at some meaningless stimulus, the others, especially the older ones, pay almost no attention to his expressions of fear. But if the same sort of alarm proceeds from one of the old males, all the jackdaws within sight and earshot immediately take flight. Since, in jackdaws, recognition of predatory enemies is not innate but is learned by every individual from the behaviour of experienced old birds, it is probably of considerable importance that great store is set by the "opinion" of old, high-ranking, and experienced birds.

I believe many people in the farming communities of western Canada would join with me in giving credit to the Hon. Member for Regina West who is certainly, in my own caucus, one of the oldest, highest-ranking and most experienced of old birds.

Mr. Pepin: Some bird.

Mr. Evans: Also one of the ugliest.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, just briefly I want to rise and associate myself with the expression of support that emanated from the Hon. Member for Capilano (Mr. Huntington) and the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). We certainly have no difficulty in supporting Motion No. 31, which provides for a person representing labour and the handling of the transportation of grain to attend all or any meetings of the Senior Grain Transportation Committee as an observer, and that appointment would obviously be made by the Minister. As has been said by myself and other Hon. Members, the importance of the Senior Grain Transportation Committee and the work that it will do centres around the hope that all components of the system will be represented at the table. It is fair to say that there are some perhaps who may well have wished that the unions, the labour movement, had been included as a system participant, because they are vitally and integrally involved in the transportation of grain.

As outlined in the interpretation section of the Bill, "system participant" means any corporation, partnership or organization engaged in the transportation of grain by rail or the shipping or handling of grain for transportation by rail as designated by the Governor in Council individually or by class. Because of the unique role that the labour movement plays in the orderly flow or movement of grain, I think a good argument could be made, because with that designation go some responsibilities as well.

I want to speak on the matter of reliability as an objective in our grain transportation system. Throughout the Bill, the original draft of the Bill, one sees the objective of the grain handling and transportation as being efficient and effective. We in our Party tried to incorporate the word "reliability" at every occasion possible. We felt that that was a clear objective and, that the Senior Grain Transportation Committee should cite it as an objective, because I think that if there is anything that has tarnished and damaged our reputation as a supplier of grain, it would probably not exceed the concept of reliability. In order for Canada to reap the kind of sales that it needs in the competitive marketplace and to receive the kind of premium prices that we hope to achieve, reliability becomes paramount.

My colleague, the Hon. Member for Kindersley-Lloydminster outlined a number of labour disruptions that have occurred over the last ten year and which have certainly hurt Canada's reputation as a reliable supplier of grain, and that goes without saying. To the extent that we can reduce the kind of labour disruption that occurs which, in turn, would reduce the disruption of the smooth and orderly flow of grain to all ports and hence to our markets, anything we could do in the

Bill to achieve that goal would certainly be a step in the right direction.

I certainly welcome the motion that has been advanced. As the Hon. Member for Kindersley-Lloydminster indicated, we did support the concept in committee and we will certainly support it now. I simply want to repeat that we have a grain transportation and handling system that is very complex. It depends upon the decisions of a great many people. It depends upon whether we face the challenges of geography. Naturally, we will be faced with strikes and labour disruptions, but we hope we can reduce those to a minimum and thereby increase the potential earnings of the producer. I think that the word "reliability", as a logical goal in achieving a worthwhile grain transportation and handling system, is something for which we should all strive. It ties in very closely with our other thrust, namely the need to maximize returns to the producers. That should be the bottom line objective of our efforts with this Bill in order to ensure that they receive top dollars for their grain and that they can move their grain rather than store it and have it become a very costly item in terms of storage and lost revenue.

• (1650)

Let me repeat the importance of having everyone at the table. Again I must say that it boggles my mind when the NDP suggests that representatives of the railways should not sit or the Senior Grain Transportation Committee. It is incomprehensible and certainly illogical.

I think there is sufficient latitude under Clause 10 for the Minister to appoint a person as his representative or a person who, in his opinion represents the producers of crops in the western division for the shipment of which a Canadian Wheat Board permit is not required. I think, to that extent, that we can allow the Senior Grain Transportation Commitee to have observers. If we include a union representitive, that will certainly be of assistance in having all components at the bargaining table. I also find it strange that the NDP, which dismissed the Senior Grain Transportation Committee as a non-entity, is now suggesting that it is a pretty important component of this legislation. I presume that by the process of osmosis they are either getting hooked or led into supporting this Bill. It seems they have come a long way from their original stance when debate on this Bill began. At that time they said they would do everything in their power to obstruct it and everything possible to ensure that the Bill did not move forward an inch in the House of Commons. We now see them proposing constructive amendments, as the Parliamentary Secretary alluded to earlier.

If there is any confusion in anyone's mind, it certainly must be in the minds of the supporters of the NDP because they are now making a strong case for having all components of the system, except the railways, represented on the Senior Grain Transportation Committee. I believe that they sense that this committee will have a great amount of influence over future policies of grain handling and transportation in Canada.

I think it goes without saying that while it is important to have a representative on the Senior Grain Transportation Committee, it is also important that he carries with it an obligation. When the Hon. Member for Regina West (Mr. Benjamin) makes his pitch to have labour represented, I hope he recognizes that the farmers of Canada will be looking to that labour representative for some leadership in ensuring that the rank and file workers, who can either allow the shipments to proceed or to stop, act responsibly. I hope it is taken for granted that the producers and all other representatives on the Senior Grain Transportation Committee will be expecting the labour movement to discharge its responsibility in a manner which will not impair the orderly movement of grain and that the labour representative will ensure that that happens.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I also rise to speak in support of this motion, particularly as it relates to the labour unions and workers being represented on the Grain Transportation Committee. One of the problems which farmers face is strikes. When there is even a rumour of a strike in the Prairies there is a great deal of concern on the part of the farmer. Usually those strikes come at a time when there is a maximum need for the movement of grain which is at the end of July or following road ban time or when there has been a glut of grain. As the Hon. Member for Vegreville (Mr. Mazankowski) noted, at that time the bins are bulging and storage is needed.

It is most important that there be a representative of labour on this committee so that dialogue can take place between all of the players. I think it is important to point out that this is the direction our Party has taken through the debate.

I wrote down three words expressed by the Hon. Member for Vegreville which I believe exemplify the direction in which the committee has attempted to head. There are "fair and equitable representation of all segments".

Let me deal with the question of fairness. Certainly it would only be fair to have some representation from the labour to present its views as it is fair to have producers, grain companies, rail companies, commissioners and the Wheat Board. On the other hand, it is interesting to note that the NDP has decided that it does not want representatives from the railroads, if one can believe that. How can problems be negotiated in the Senior Grain Transportation Committee if all of the players are not represented around the table?

The Hon. Member then referred to equality. Since I had the privilege of being the first to speak—other than a couple of words from the Hon. Member for Regina West (Mr. Benjamin)—I can go back to the basics that were laid out in Motion No. 27 which amended exactly the same thing that was introduced in Motion No. 26. We simply have a continuation of that in dealing with the members who relate very directly to the Grain Transportation Committee.

I am very happy to see the progress that is being achieved in the House. It is the direction that our Party believed we could achieve from the outset in the committee and at report stage as well. In our motion, we wanted equality for the grain compa-

nies; three representatives from each grain company, three from the line companies and three from the co-operatives. I believe that is fair and equitable. We have now reached that goal. We wanted representation from the primary producer, and the amendment put forward by my colleague for Kindersly-Lloydminster (Mr. McKnight) achieved that in committee with one producer from Alberta, two from Saskatchewan and one from Manitoba—none of which was directly related to the grain companies.

It is most important that we have someone from labour represented on the greater Grain Transportation Committee which can represent its problems about the bottlenecks that exist and also relate to the problems that farmers have in moving their grain.

● (1700)

Mr. Axworthy: Mr. Speaker, I realize that five o'clock is coming close. I believe, however, that we have had a pretty good examination of this particular amendment. As my Parliamentary Secretary has indicated, again we share the sentiments of the other side of the House and we believe that this is a useful amendment and we are prepared to adop it. I would hope that we could call the question on this issue so that on Monday we could start fresh on a brand new set of ideas and issues.

Before doing that, however, I would like the agreement of the House to spend a short minute or two on something that I would like to express to the House.

Some Hon. Members: Agreed.

Mr. Axworthy: I would simply say that I agree with the spirit of the amendment but I want to qualify it to this extent: I think it is very important that, as the Minister making such an appointment, I have a way of doing so that would be acceptable to the union movement as well as make it easier for me to expedite my duties. I would want to offer a suggestion. I believe there is a transportation grain handlers' subcommittee of the CLC. I would suggest that I work with them or have them put forward nominations of that kind so that they would be able to choose a person who would best reflect the various union interests. I know there are several major unions of that kind involved and I would prefer to have them make the nomination, which I could in turn respond to. Perhaps I could be in contact with the President of the CLC to work out some arrangement of that kind to make sure there was a broad base of support.

With that qualification, Mr. Speaker, I wonder if we could have the agreement of the House to call the question on this particular amendment.

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

Mr. Benjamin: I am sorry, Mr. Speaker. I may have misunderstood the Minister, or perhaps he misunderstood me. I said that we were agreeable to allowing the Minister to take his minute or two. However, my colleague the Hon. Member for Dauphin-Swan River (Mr. Lewycky) would like to speak for four or five minutes and my colleague the Hon. Member for Regina East (Mr. de Jong) would like to speak as well.

Mr. Deputy Speaker: Order. It being five o'clock p.m., this House stands adjourned until Monday next, at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 3, 1983

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Friday, September 30, 1983, consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 31 (Mr. Benjamin).

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

Mr. Nielsen: The Chair will recall that last Tuesday the Speaker expressed some concern about certain of the motions that were on the Order Paper, mainly as to their procedural acceptability or non-acceptability, and indicated at the time that the Chair might be prepared to rule on that first group raised last Tuesday today or tomorrow.

The first question I would have for the Chair is by way of suggestion. Would the Chair indicate when it will be the intention of the Chair to consider submissions with respect to the group raised last Tuesday, and when we might expect the remainder, so that we can consider whether or not we wish to make submissions on those?

If it is the intention of the Chair to make rulings tomorrow on those matters that were raised last Tuesday, then I would suggest that the Chair hear submissions on the first group at three o'clock this afternoon. However, if it is the intention of the Chair to go beyond tomorrow, then we would have more time to consider those of last Tuesday.

I suppose the more urgent request, though, is whether the Chair would give some indication as to when we would hear an expression of concern, if any, with respect to the remainder of the motions.

Mr. Deputy Speaker: I believe it is the intention of Madam Speaker to make comments regarding both matters raised by the Hon. Member after Question Period this afternoon.

Mr. Nielsen: May I just clarify one matter. Making comments and making rulings are two different things. May we rest assured that we will be permitted to make submissions at three o'clock this afternoon on the first group raised last Tuesday, if the Chair intends to rule on them on Tuesday?

Mr. Deputy Speaker: It is the Chair's understanding that Madam Speaker intends to give Hon. Members an opportunity to comment.

Mr. Nielsen: At three o'clock.

Mr. Deputy Speaker: I believe that after three o'clock today it will be more appropriate for the Hon. Member to raise the matter again with Madam Speaker.

Mr. Nielsen: Very well.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, when we left off debate on Friday, we were dealing with Motion No. 31 standing in the name of the Hon. Member for Regina West (Mr. Benjamin), my colleague, who proposed:

That Bill C-155 be amended in Clause 10 by adding immediately after line 20 at page 6 the following:

"(c) a person who in his opinion represents labour in the handling and transportation of grain".

That particular amendment is very important because, as has been previously pointed out by Hon. Members, a history of conflict has arisen in transportation of grain. Too often I think the conflict generated has been that of a superficial nature involving many people trying to pit, as it were, labour against the farmer, or agriculture against the people who are moving the trains and unloading the grain.

• (1115)

Of course, there are many railway unions within my own riding. These unions include those involved in running trains, seeing that the cars get moved and maintenance. There are also those who are involved in bridging and building. It would be very desirable for these many unions to have representatives at meetings of the Senior Grain Transportation Committee. As has been suggested, it is certainly possible that different unions could be represented at different times.

The suggestion of my colleague for Regina West to have labour represented on such a committee is valuable because whenever there is a good management and labour working relationship, the job is accomplished much better. It is possible for those people who are working at the grassroots level to identify certain shortcomings and areas where changes are needed and bottlenecks can be cleared up in the movement of grain.

Our other concern is that health and safety always be considered. In this respect, I want to refer to the study

conducted by the NDP in its special task force report on occupational health and safety in the federal work place. Its report is entitled "Graveyard Shifts: Life and Death on the Job in Canada". On Thursday, January 22, 1981, Members of Parliament from my Party who were involved in this particular occupational health and safety task force were at a grain elevator at Thunder Bay. They made several observations which appear at page 40 of that report and I would like to put them on the record because I think it is important for those involved in the farming and labour sectors to be aware of the type of concerns that were analyzed.

They found that the most serious and obvious problem is grain dust. It is everywhere. Although it is more dense in some areas of the elevator than others, there is no area free of it. The Hon. Member for Kootenay West (Mr. Kristiansen) picked up a mask discarded by a sweeper who had been on the shift for less than an hour. The accumulation of the dust in that mask makes it next to impossible to breath through. I am sure that management sometimes may not be aware of these types of problems. The Hon. Member also observed that the risk of fire must also be great. In fact, there had been several recent explosions in other elevators along the terminal. However, none of the workers could remember when the last fire drill had been held in their elevator.

Why is there value in labour being represented on such committees? They have insight and experience from being involved in working conditions. It is important that some of their experiences be understood and relayed to any type of Senior Grain Transportation Committee.

I also want to underline the link which exists between farmers and labour. Too often there seems to be people who want to try to split the two. Even within my own family, while my father worked on the farm he began to work on the railways on a seasonal basis. In a constituency such as mine there are many farmers who have gone on to work in the trades or maintenance of railways. If they had not gone on to work on the railways, their sons have done so. Of course, many have moved to western ports such as Vancouver of Prince Rupert. I have relatives who have worked on the farms and the railway in a riding and then gone to Prince Rupert.

Therefore, to try to drive a wedge between labour and farmers is to try to drive a wedge between families. There are many people on the Prairies who would not be fooled by that type of bogus wedge. In order to overcome those types of false wedges, I think it is important to see that the transport committees be represented by people involved in labour.

As the Hon. Member for Regina West has pointed out, we are sorry that we have come to this stage where the status of a labour representative on such a committee would only be that of an observer. I must say I was a bit disappointed when the Parliamentary Secretary referred us to Clause 11 and did not give any indication or guarantee that there would be an opportunity for the observers to speak up or have their voices heard. I underline that because, as my colleague mentioned, we in the New Democratic Party would be far happier to see a full-fledged member from labour on the Senior Grain Transportation Committee, perhaps even a couple of members. However the membership might rotate, I think it would be important that we have that type of representation. Even if we increased the size of the committee from 18 members to 20 members, it would be highly desirable. I would urge the Government to consider afresh the offer made by my colleague earlier that he would be delighted to withdraw this amendment if we had some idea that a full-fledged member of labour would be represented.

• (1120)

I hope the Minister of Transport (Mr. Axworthy) takes that suggestion into consideration. He has some labour union people living in his riding. A substantial number of railway people live in Winnipeg, and I am sure they would be delighted to see his concern in this area.

For the sake of unity and peace in the transportation of grain, for basic human relations, for the sake of communication and for the sake of understanding, I think it is important that this motion be considered and agreed to by all Members. I would strongly urge the Government to consider having perhaps a couple of full-fledged labour representatives on the Senior Grain Transportation Committee and then we could have these matters dealt with in a way that is fair and that recognizes the human value of those who work with their hands to see that we have bread on our tables.

I think it is important that we recognize afresh that there is no such thing as an ordinary person in Canadian society. Everybody is extraordinary. Insights which labour people can bring to us on such a committee would be more than worthwhile. I would urge the House of Commons to look favourably on this motion but also to see that a full-fledged representative of labour is placed on the Senior Grain Transportation Committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be here today to speak on this amendment. I spent the weekend and part of last week in the West.

An Hon. Member: You got more coverage than Mulroney did.

Mr. Hovdebo: I was very impressed to hear the Leader of the Opposition (Mr. Mulroney) speak in Saskatoon and again in Regina and make a commitment to the western farmers that the Progressive Conservative Party will do everything in its power to make sure the western producers would not bear the brunt of the upgrading of the railways. I am sure the Leader of the Opposition was as disappointed as I was when he got back to the House today and found that last week the Progressive Conservatives could have put up 48 speakers on these issues but deigned to put up only seven to make a contribution to the best legislation that this House can get to.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I am not sure whether it is appropriate for a Member to cast a reflection upon the attendance of other Members in participating in debate. There may be valid reasons for Members not

wanting to participate. For the record, Mr. Hovdebo attended 17 out of—

Mr. Deputy Speaker: Order, please.

Mr. Deans: He is not on the Committee, and that is pretty good.

Mr. Deputy Speaker: Order, please. The Hon. Member was referring to a number of speeches in the course of debate, and as far as the Chair is concerned a reference to a number of speeches from one group or another is not unparliamentary itself.

• (1125)

Mr. Mazankowski: Mr. Speaker, it should be clearly pointed out that the Hon. Member who now shows a great interest in the Crow debate only attended 17 of 66 meetings of the Standing Committee.

Mr. Deputy Speaker: The Hon. Member is not making a point of order.

Mr. Hovdebo: Mr. Speaker, considering that I was the second alternate, the third member on the Transport Committee, 17 out of 66 is pretty good.

Mr. Mazankowski: He still could have attended every meeting, and he knows it. He chose not to attend more than 17 meetings. That should be recorded.

Mr. Hovdebo: This particular amendment is an attempt to get the voice of labour on this particular Committee. The Hon. Member for Vegreville (Mr. Mazankowski) defends western farmers and this particular Bill. He has spent a considerable amount of time attempting to impute a feeling to the New Democratic Party that this particular Committee will not do any good. We know that the Committee has some flaws and that the Bill has some flaws. We also know that the total direction of this Bill as far as farmers are concerned is to reduce effectively the possibility of their survival.

Since we have the Bill before us and it seems that the Government is foolhardy enough to eliminate its chances in the West by passing the Bill or keeping it before the House, we must make it the best Bill possible. One way to make the committee work well is not, as the Hon. Member for Vegreville suggested, by eliminating any particular group, such as the co-operatives. We should bring in as many of them as possible. We made a motion to add labour to the regular Committee. This particular approach was turned down not only by the Liberals but by the Conservatives. We now allow labour at least to have an observer status. When one can only have the crumbs, I guess one accepts them. We need a strong labour voice. By having a labour member as an observer, at least there will be somebody there able to put forward labour's case.

In the last few years there have been a couple of grain handler strikes. Actually there have been very few. There are so many unions involved in the movement of grain that if one of them strikes, it affects the whole operation. We need someone on the committee who can present the views of labour. It could work both ways. Having a labour representative will help to get out the story of labour a little better and to a few more people than would be the case with no representative on the Committee. Also labour will be able to understand a little better the position of farmers.

Every time there is a strike in the grain handling system, there is a great movement across the country to do something about the labour union. I am a farmer. I know that the movement of grain is important, but I think the time has come when we have to look at who pays the penalty for a strike. When there is a strike in the grain handling system, farmers are affected by the possibility that their grain will not be sold as quickly as it would have. Eventually they will be able to sell their grain, but they may have to carry it over a few weeks or months longer. If affects them because they are paying interest on money and it stops their cash flow. It also affects the labourers, those working in every facet of the grain-moving operation. They are the ones to go without wages for the period of time the union is on strike.

• (1130)

In addition, a large number of elevators are involved in grain handling. They are paid for this handling of grain. Whether they handle it now or later does not make much difference as they will still be paid. When the grain is not moving, they are paid for storing it. Therefore, even while the unions are on strike the grain elevator companies including to co-ops go on collecting the storage charges. The grain handling strike does not affect the elevator companies. They are not affected the same way as the farmers, and obviously the union members who go without wages.

It is time the House looked at the penalties consequent upon a strike. There are two sides to every strike. If only labour pays the penalty, the grain companies collect storage charges as well as handling the grain later, whether this week, next week or two weeks down the road, they do not have much to lose. It is time that Parliament looked at imposing some kind of penalty on the other people involved in a strike.

Labour has made concessions to make the movement of grain more smooth over the years. If labour can be more knowledgeable about the needs of the system, I am sure we can find some kind of arrangement whereby labour will not always be on the outside. The Leader of the Opposition does not think that we should "Swedenize" industry in Canada. I say to him that "Swedenizing" must be pretty good because Swedish industry has fewer days lost to strikes than any other country. Labour is part of the discussion on every development in Sweden. That is what we should have here.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words on Motion No. 31. It is important that there be worker representation on the Senior Grain Transportation Committee. The reason is that the railways will not run, the ships will not be loaded and the grain will not be sold unless the workers in the system co-operate. Since the workers

are so important to the whole industry, it is only common sense that they have representation on the Committee.

My only disappointment with the Minister and other Members is that under the motion to be moved by the Minister, the working person or labour union person on the Committee will have observer status only. I urge the Minister to ensure that the union person be a full voting member of the Senior Grain Transportation Committee. It is important that the working people have a full voice. They are as important in managing the railways as the railway companies themselves. They are a very important part of the system and must be fully represented.

As has been said in this debate, there have been many strikes in our grain-moving industry. There are several different unions, such as the grain services union, the longshoremens' union, the railway unions, the grain handlers' union and so on. We on the Prairies become very frustrated when a union goes on strike and the system breaks down. One way of having a more efficient system and averting a strike is to ensure that workers have full participation at the table and more involvement in the management of their industry. There is no one better than the worker in managing the industry because he is the one who handles the cars and works with the equipment. If that person is fully represented, the system will operate much more efficiently.

The time has come to give the ordinary worker a much greater say at the bargaining table in terms of how companies should be managed. We in this country tend to cheer Solidarity and Lech Walesa in Poland. We all applaud the tremendous fight which he and Solidarity are putting up in that country. Until they were so cruelly and autocratically put down, the one thing they were campaigning for in Poland was worker control and participation in the management of industries. In addition to the straight political democracy that we take for granted in this country, they are also campaigning for economic demcoracy. In that regard, Solidarity in Poland was ahead of what is the reality in this country. If we are going to applaud them for what they stand for in their country, then we can set an example in this country by making sure that we practice economic democracy.

I am disappointed when the Minister says that he is willing to accept a labour representative on the Senior Grain Transportation Committee, but only as an observer. It has to be more than an observer: it has to be a participant with full voting rights that are equal to those of the farmers, the railways and the companies. If we do that we will have a much better system. In fact, we should do this as a matter of course in all of our legislation or all of our companies and Crown corporations. If we did that, we would have a much more efficient economy. Canadians would tend to pull together, work together and co-operate to make their own industry much more productive.

I will give an example. In my Province of Saskatchewan, we have SED Systems, a high-tech firm involved in the agriculture business and communications. SED Systems was responsible for building part of the Canadarm used on the American space shuttle. This is a very successful company. The ownership of that company is interesting. There is a real mix in the democratic sense. It is owned partly by the Government of Saskatchewan, partly by the University of Saskatchewan and partly by the company workers. It is a tripartite arrangement which works very well indeed.

We should strive for that kind of arrangement in this country. With that kind of arrangement there is greater pride, interest and enthusiasm on the part of the workers to ensure that the company goes well, is productive and makes a contribution to this country.

I will give a couple of examples of what I mean. On August 10 at the hearings in Regina, Mr. Hugh Wagner, the secretary-treasurer of the grain services union, appeared before the special committee. He said, and I quote:

> It is also ironic that the Minister of Transport introduces legislation to funnel hundreds of millions of dollars to the railway companies when he does not seem to see the need for such basic things as $500 per car worth of safety modification on hopper cars. Transport Canada's reluctance in this regard makes true sceptics of us when we hear promises to strictly monitor railway performance in return for the windfall of higher freight rates.

● (1140)

The secretary-treasurer of the grain services union says that something as basic as $500 worth of safety monitoring devices on a hopper car would make things so much better and easier for the workers who handle those hopper cars. It would make things much safer in terms of physical health and mental health by relieving anxiety about the possibility of being injured.

I do not know whether the secretary-treasurer of the grain services union is right or wrong and I do not know whether we are dealing with $500 or $800, but I do know one thing from what he has said and that is that worries, concerns and anxieties exist about the safety of hopper cars. It seems to me that if more workers were on the boards of directors of comapnies, on transportation committees and on advisory councils, these kinds of concerns would be heard by everyone involved and there would be a much greater chance of remedying concerns of this sort which would hopefully create a more efficient system for farmers and everyone else in Canada. That, Mr. Speaker, must be our objective.

As I have said before, I hope that we can begin to establish that objective and set a precedent for all industries in Canada. I have seen the operation of many industries in my constituency and I know that in most cases the people who are able to give the best advice about managing the company on a day to day basis are the workers who work for that company. They know the best way to load a car and the best way to organize an assembly line, because that is their livelihood and they do it all the time.

I think the time has come to start practising economic democracy in the country. We must extend political democracy to include economic democracy so that, regardless of one's income, one has some real clout in a democratic sense over what happens to the economy. I think that is what Motion No. 31, if accepted, will do in a very minor way.

I am pleading, Mr. Speaker, for the country to go in that direction. If we were to go in that direction, I think we would have a much better system and a much better country with greater equality and greater freedom for each and every person who lives in the country.

Why are we so cautious and conservative, Mr. Speaker? Why do we not become a bit bolder and give more power to the ordinary people? Why do we not decentralize our institutions and allow for more local control? Time and time again, I hear from the business community, from members of the Conservative Party and members of the Liberal Party that we must give more control to the businessman and to the private sector, that there must be more decentralization, more control of the economy, more incentives and the like. I say to you, Mr. Speaker, what about more control for the ordinary citizens of Canada? What about giving more control to the ordinary workers and the ordinary farmers of the country so that they can participate in the decisions that affect the direction the country is taking? What about decentralizing the power and putting it back in the hands of the ordinary people? I assure you that that would work very well, Mr. Speaker.

In my Province there is a very decentralized agricultural system. We have a country elevator system and the Wheat Pool is dominant. The Wheat Pool is a company that is owned by the farmers themselves and farmers are workers in every sense of the word. They have organized the largest grain handling company in the country and they have done it very efficiently and very well. It has worked well for Canada and it has worked well for the farmers themselves. We can use that as an example to show the many other industries in Canada how ordinary folk, regardless of their income, can make a great many important decisions.

Instead of worshiping the mighty dollar, I wish that members of the Conservative Party would begin to worship the ordinary farmer, worker and consumer in the country. If they did that, the whole country would be much better off. Have I run out of time?

Mr. Deputy Speaker: If the Hon. Member wishes to continue, he will need the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to take a few minutes of the time of the House to speak to this amendment. It is interesting that I should speak after a Member of the New Democratic Party has spoken. As a former psychologist, I can sometimes see the consistency in the way some people use language and language structure. The concern about power and control that is expressed through the repeated use of those words characterizes, I think, much of what goes wrong in the minds of NDP Members. Their basic philosophy is that they would have Government control an increasing number of Crown corporations. They are really asking for control to be placed in the hands of fewer people. It is a basic contradiction. The Conservative Party of Canada, Mr. Speaker, with its concern for the diffusion of power into the hands of many, many different people, is striving for the exact opposite of what the NDP strives for.

I stand in the House today to deal with one aspect of the Crow Bill, this specific amendment. It is a very good amendment and, if passed, would see that labour is represented in a way that allows it to co-operate in moving grain. It is a positive development, Mr. Speaker.

There is sometimes a sense of desperation on the part of Opposition Members, both of the New Democratic Party and the Conservative Party, about what the Government is trying to do with the Crow situation. Before Members of the New Democratic Party attempt to run away with the thought that they are strongly opposed to this piece of legislation, I think it is wise to remind the House that the only reason we are faced with this piece of legislation is that Members of the New Democratic Party combined with Members of the Liberal Party to get rid of a Government that was moving grain. The New Democratic Party and the Liberal Party threw that Government out of office. We are now faced with this legislation which will not do western Canada and Canada in general a whole lot of good and in fact may do it a whole lot of harm simply because Members of the NDP put the Liberal Party back in office. In their search for power and control over all of the affairs of the nation, it is the Members of the NDP who make us stand today to deal with the Crow Bill.

If Members of the New Democratic Party had been concerned about western Canadian small businessmen, farmers, yound people and Canadian people in general, they would have gone along with the budget which the Canadian Welfare Council called the fairest to poor people in the decade of the seventies. That is the budget that Members of the New Democratic Party stood up and defeated, throwing the country into an election and giving us the Crow Bill.

It is sometimes difficult for me to sit in the House and listen to my own Party's positions being so badly mangled and misinterpreted. The Conservative Party of Canada is the only Party in Canadian federal politics that consistently, in all areas of human endeavour, speaks about the need for co-operation. The alacrity with which we are prepared to support this amendment is simply one small example of the continuing commitment on the part of this Party to co-operative federalism and to co-operation in the affairs of mankind. Yes, Mr. Speaker, this proposed amendment takes us one small, necessary step toward co-operation in the grain handling industry.

We all know that a work stoppage in the grain handling industry is hard on the workers, hard on the companies and is even harder on the farmers and the customers. Every time we come to confrontation, we create victims. Our approach has always been consistent and it is to seek and move toward co-operation on every conceivable occasion. We should co-operate with provincial Governments, with labour, with large business and with small business.

Canada is a nation of immense geographic size with a relatively tiny population. Each time that we forget the need to co-operate and replace that need with an attitude of confrontation, we hurt ourselves and we hurt succeeding generations.

● (1150)

Much of the difficulty in this country has come about in the last 15 years because the Liberal Party of Canada, joined by the New Democratic Party, seeks power for themselves, power over the lives of Canadians by some small elite group. That is the philosophical ideology which guides both of those Parties in this House, and it inevitably creates confrontation. When one tries to centralize power in the hands of a few, it will be resisted by free people who want the diffusion and decentralization of that power.

I would be happier, Mr. Speaker, if we had an amendment before us today which would create a full voting member. However, we are prepared to support this amendment because it is a small step in the direction of co-operation. It is a small step in the diffusion of power. I commend the NDP for giving up their usual approach of centralizing power in the hands of the few and presenting this amendment for which I urge the support of the House.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I had not really intended to enter into this debate. However, I feel it is time to clear up the muddy waters. Our Party would have preferred that an amendment be accepted by the Government which would have made the labour representative a full voting member of the board. In fact, we were tempted to move such an amendment in committee. It was ruled out of order because the decision was made that that would require an expenditure by the Government and, quite clearly, the opposition is not in a position to move an amendment which requires an expenditure by the Government. That is the way the rules operate.

We accept, somewhat reluctantly, that the only way we can get those people who are so vitally concerned about the transportation system and whose co-operation is so desperately needed on the board, or at least to be heard by the board on an ongoing basis, is to have them as non-voting members; in other words, to have them as observers.

Our position, in terms of worker participation, is consistent with the positions which have been taken by this Party since its inception. For example, the Hon. Member for Calgary West (Mr. Hawkes), who is just about to depart from this House, would have read in his previous incarnation some of the statements of this Party made at its founding convention, and statements of this Party made at subsequent conventions, where we very strongly advocated the participation of larger and larger numbers of people involved in the decisions of government. In fact, we were true to that philosophy in December of 1979 when the Conservative Party, then the government in office, brought forward a budget which we anticipated did not enjoy the widespread support of the people of Canada. We moved a motion condemning that Party for moving to subject the people of this country to usurious taxes.

There was an election held subsequent to our decision to oppose the government and, by golly, we were right. The people of Canada, given the opportunity to vote on the budget of the Conservative Party in 1979, voted it out of office. If that is not an example of our commitment to participatory democracy, what is? How could we have involved more people in that decision than to have given the Canadian public an opportunity to cast its vote? I say to the Hon. Member for Calgary West, we were consistent right down the line, as we always are. It strikes me as odd that the Hon. Member's days of studying philosophy did not allow him to study it in sufficient depth so that he could see the consistency of what this Party has said.

What aggravates me, Mr. Speaker, is that here we are, as usual, fighting on behalf of the people of Canada to give them some way of having their say in the decisions made by government, and we are thwarted at almost every turn by the Tories. The Conservative Party, reluctantly, at the last moment, recognizing that there is some support for what we are proposing, gives its begrudging support to what it is we are trying to do.

I put to you, Mr. Speaker, that what this Party wants to see in this country is exemplified by what we have proposed in committee by asking that those people who are most actively involved in the transportation system be given a full voting place on the board, and subsequently, because that was not permitted, to give them observer status at least. What we are attempting to provide for those people is what we would like to see provided on all boards of all commissions for all the operations of government. The people of Canada must be given an opportunity to say what they believe is in their best interests.

We want to see those who are most affected, which in this case would be the employees of the transportation company, those people who, frankly, are most eligible, take part in the discussions which would affect their day to day lives. I know that that kind of thinking is foreign to the Conservative Party. I know it has difficulty coming to grips with that kind of proposal. I am surprised, however, that the Liberal Party is having difficulty coming to grips with it. I can understand that the belief of the Conservative Party has historically been that those with the money should have the say. I can understand that and can well appreciate that the attitude of the Conservative Party has always been that those who own everything should be the ones who have the say and the workers should never be heard from. That Party has been anti-union since its inception. It became a political party in order to oppose the trade union movement. It is just that simple. Margaret Thatcher will never be out of favour in Canada as long as there is a Tory Party here to stand up and spout her garbage. But let me say I am disappointed with the Liberal Party. I would have thought it might have accepted representatives of labour as fully-fledged members of the board in order to have their input, accepting the fact that they also should be part of the board and answerable for its decisions.

I believe this is the appropriate way to make these boards work. Labour does not want to be a sort of adjunct. It is quite prepared to sit down and be part of the discussions, to come to decisions and to stand up and defend those decisions before the public. The only way to guarantee it that opportunity is to include labour among the fully-fledged members.

As I think about it, I cannot understand why the Minister himself would not have agreed that observer status in this instance is not enough. It is denying a very significant segment of the industry which is most involved in this particular legislation an opportunity to accept its responsibility and to take part. I would urge upon the Minister that he divorce himself from the Conservative philosophy that those with all the power should be given more. I urge him to recognize the need to involve the workers and their representatives. The railroads, in particular, I might say, would work an awful lot better if some attention were paid to the people who do the work out on the lines, the people who have to get the trains from where they are to where they have to be, through all of the difficulties. I would urge the Minister, given the fact he has already accepted that labour should be given observer status, to go even further. Even though he would not have the support of the Conservative Party—which, frankly, I do not care about—he would certainly have our support.

• (1200)

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to participate in the debate on Motion No. 31 to give official observer status to representatives of the workers who perform the important task of cleaning, loading and transporting grain.

I want to take issue with the fact that this motion gives only observer status to labour. I would urge the Government to reconsider that. We are going to see massive improvements to our transportation system which could affect many workers right across Canada.

I want to speak about my riding for a moment, where a large amount of the money will be going in double tracking, retunnelling and a new diesel maintenance shop in Golden. In places like Revelstoke these changes could mean the relocation of many workers from Revelstoke, a divisional point on CP Rail. It would mean the relocation of mechanical workers from a small place called Field, British Columbia. These people are already subject to very tough Government measures regarding living in the parks. If they wish to sell their home, they must sell it to someone who has a need to reside in the park. But if they move to Golden, how will they do that because there will be no railway workers to live within the parks?

These are the kinds of concerns labour has, and they should have some say in what is happening. A long-time divisional point like Revelstoke has a population of about 9,000. If 1,000 of those workers are relocated to a place like Golden, which could happen, I think it is imperative that labour have someone sitting on this Committee to discuss the concerns of that community which would lose a major part of its payroll. Labour should have the right to vote, not merely that of an observer.

We have seen, Mr. Speaker, some of the ramifications of the Conservative type of legislation in British Columbia, legislation which was brought in without proper consultation with labour. It is sad, sad, sad that the Liberal-Conservative Government in British Columbia has moulded itself together virtually to roll back labour's voice in the communication which takes place between Government, labour and the people.

It is imperative, Mr. Speaker, that labour have a voice and full voting privileges. It is imperative that labour have full knowledge of what is taking place so we do not have the confrontation we have had in the past. It is high time that Canada started to recognize we should have full co-operation between labour, management, business and community so that we do not have to face the kind of conflict we see today where Government comes in and arbitrarily rolls back the advances made in human rights and other issues. Labour has to have a voice in negotiations which take place. In Revelstoke the CP payroll alone is about $1.5 million a month. If they were to lose that payroll, can you imagine, Mr. Speaker, what would happen to that community? These are the kinds of things that labour must be able to sit down and discuss to find ways of resolving these issues. If it means a better economic system of transportating the grain, that is well and good. But labour and management must be able to sit down and come up with some kind of program to offset the kind of changes being made.

To use the taxpayers' money, Mr. Speaker, to upgrade a rail system, and at the same time virtually destroy a community and its workers, I think is wrong. Labour must be involved, along with the other groups, and they must have the right to full representation and the right to vote.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 31 (Mr. Benjamin) agreed to.

Mr. Les Benjamin (Regina West) moved:

Motion No. 32

That Bill C-155 be amended in Clause 13 by striking out lines 10 and 11 at page 7 and substituting the following therefor:

"an employee of the Canadian Wheat Board".

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to speak on Motion No. 32 which takes the position that the Canadian Wheat Board is the most important of the agencies to take part in the movement of grain. The reason for putting this amendment before the House is that we recognize that marketing and transportation are so closely linked that it is impossible to control one without having some control over the other. By making the administrator an employee of the

Wheat Board, we would be making sure that linkage was there continuously.

In the presentation of the Canadian Wheat Board to the Committee they indicated some disturbance about what might happen in the development of a committee which had as much power as the Senior Grain Transportation Committee and was not related to marketing as closely as it should be. The Wheat Board is an agency established under legislation passed by this Parliament in 1935. It has three basic responsibilities. One is to market the wheat barley and oats. I will not go into them specifically but I think they have to be put before the House. Second, it had a responsibility to provide price stabilization for the farmers for those grains which it held by annual pooling. Third, it attempts to assure every individual farmer of a portion of the market available in any particular year.

● (1210)

The result of the Wheat Board controlling the marketing of grain has been that whether one lives in Peace River or as close to Thunder Bay as possible, one still has a fair proportion of the market in any particular year, which is quite different from the situation with which I grew up, when the amount of grain that could be sold in northern Saskatchewan was relative, possible only when the grain near to the ports had already been sold.

I would like to place in context the real need for the relationship between marketing and transportation. Mr. Jarvis, who is the Chief Commissioner for the Canadian Wheat Board, stated before the committee:

> The Canadian Wheat Board, like any other sales organization, must control shipment of its own products in order to ensure performance. For these reasons, the Board has always held the view that overall control of the system, as it is developed in co-ordination with the total of the grain industry, should be administered by the Board.

In the last number of years since the Conservative Government's short term in office, we have established the Grain Transportation Agency. Although Mr. Jarvis did not suggest that the Agency was entirely useless, he suggested the extension of that kind of power to a group which had more responsibility might effectively eliminate the relationship between the Wheat Board and transportation. Consequently, he went on to state:

> The Board still feels that the system operates most efficiently and effectively if grain transportation is fully coordinated by the major sales agency. If this is not permitted, it should be clear that we view any further reduction in the Board's ability to coordinate transportation as a very serious step backward for the export sales program for western Canadian grains.

What Mr. Jarvis was attempting to point out to the committee was that if one separates the responsibility for transportation so far from marketing, one finds no assurance that products which have been sold will get to the consumers, and that instead of improving the transportation system it may become worse than it is at present. It has been doing a pretty good job in the last while, and I think much of that can be attributed to the fact that the Canadian Wheat Board has been the main agency in controlling both sales and transportation. If the two are separated, it is bound to affect the efficiency and the effectiveness of the total grain sales operation. Mr. Jarvis went on to state:

> Our strong concern is that with the establishment of a grain transportation agency by bill C-155 and under Section 97 (b) of the Canada Grain Act, further powers could readily be shifted by order in council from the Canadian Wheat Board to this agency at a later date.

That in itself is a very great danger to every farmer who has derived a great deal of security from the Canadian Wheat Board, which is a Government agency but one operated on behalf of, and financed by, the farmers. I want Your Honour to know that no money from the taxpayers of Canada goes into the operation of the Canadian Wheat Board. The sale and marketing of Canadian grains by the Canadian Wheat Board is financed entirely by the farmers. Therefore, since what we are discussing in this Transportation Act is the movement of grain, it is very important that we have the kind of control over that movement which allows the farmers' agency to operate well and effectively. If we do not, we will be doing a real disservice to the farmers.

It is possible, as Mr. Jarvis pointed out, that if we do not have a close relationship between the Wheat Board and the Senior Grain Transportation Committee, we will be doing a disservice to the operation. He went on to say:

> These powers could include those the board currently has under Section 21(k) of the Canadian Wheat Board Act which allows the board to operate the block shipping system. Any such transfer in the future would result, we believe, not only in major problems for the efficiency of the transportation system but also for the effectiveness of our sales efforts.

If we allow this kind of situation by passing the Bill without the amendment we are suggesting, we will be contributing to lack of efficiency rather than increased efficiency.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am most anxious to hear from the Official Opposition in this debate. After all the great words we heard out in Regina and Saskatoon over the weekend, I would like to know where all this fighting to keep the Crow is coming from with regard to the Official Opposition. It seems to me that the Conservatives should be charged with false pretences as an Official Opposition.

The amendment under discussion is in accordance with the wishes of 90 per cent of the grain producers in western Canada who support orderly marketing and want to see the Wheat Board strengthened, not weakened. This legislation undermines and weakens—in fact, attacks—the Canadian Wheat Board. It will allow for the removal of certain powers. The Bill would set up one man, the Grain Transportation Administrator, as an agency. This agency, of course, even though it is comprised of only one man, has all the powers of any government agency.

We already have at least four agencies involved in the handling and transportation of grain: the Canadian Wheat Board, the Canada Grain Commission, the Canadian Transportation Commission, the Railway Committee and the Marine Committee. This legislation inserts an additional agency into this mix.

My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), quoted the Chief Commissioner for the Canadian Wheat Board, Mr. Jarvis. I want to quote the words of a well-known and respected figure in western Canada, one who served about ten or 12 years as President of the Sask Wheat Pool and then another dozen or so years as Commissioner of the Canadian Wheat Board. I refer to one Charlie Gibbings, who the committee voted not to invite and then voted to invite. When he could not come on the day they chose, they then voted not to invite him. We will also remember that out West.

● (1220)

Other colleagues will be quoting the Canadian Wheat Board Advisory Committee, the National Farmers Union and other organizations who want the authority envisaged in this legislation left with the Canadian Wheat Board. But let me quote Mr. Gibbings:

> As this committee has been told before, it is imperative that grain sales and grain transportation not be separated.

The Wheat Board Advisory Committee has told us repeatedly that the marketing and sale of grain are inextricably linked to the transportation of that product and that transportation is vital to the success of marketing and sale by the Canadian Wheat Board. That is $6 billion worth of export grain in addition to whatever we consume in Canada.

Mr. Gibbings goes on to say:

> The Canadian Wheat Board must be able to arrange transportation of its own product, or it cannot fulfil its obligations to Western grain producers or their customers overseas. The Board's marketing success depends on its ability to make day-by-day or even hour-by-hour decisions on grain movement. Its flexibility must not be compromised.

Providing powers to a Grain Transportation Administrator can do nothing else but compromise and threaten the prospect of the Canadian Wheat Board's ability and flexibility in the marketing and sales to be compromised.

At the moment we have a Grain Transportation Co-ordinator who works closely with the Canadian Wheat Board and Canada Grain Commission. The fact that we are moving record volumes proves that it is working.

The Canada Grain Commission allocates 5 per cent of the cars for individual producers and the Canadian Wheat Board allocates the rest for board and non-board grain under a quota system and a block system. It is working fine. Then why do we need another agency imposed on a group of agencies that are already doing a first-class job? That is why we submit that the Senior Grain Transportation Administrator is one person who should be an employee of the Canadian Wheat Board. This employee—an official, officer or even a commissioner of the Wheat Board appointed by the Minister—operates under the purview of the authority of the Canadian Wheat Board as an agency of Her Majesty.

Every attempt has been made since 1935 to get rid of the Canadian Wheat Board legislation. In more recent years, who has mounted the attacks, the undermining and criticisms? The private grain trade. The Winnipeg Commodity Exchange does not like it. The railroads would like to have most of the say in where the rolling stock goes and when, at their convenience.

Mr. Gibbings pointed out:

> We have a group of individuals in the GTA and in Transport Canada whose abstract economic principles tell them that the grain industry has gone the wrong way over the past hundred years. They want to see the transportation system in a certain configuration, and they expect farmers, the grain companies, the Wheat Board, and our customers to adjust to accommodate it.
>
> I suggest the reverse approach be taken. Let the transportation system develop to meet the needs of the people who are using it. That is the approach that makes real economic sense, and the Government should allow it to proceed by keeping bureaucracy out of the grain business.

We have always been operating throughout these decades on the basis of what is best for the railroads. They are a utility which everyone must use both directly and indirectly. Surely the railroads and every other transportation system should function to meet the needs of the shippers and receivers, the loaders and unloaders and the handlers of commodities that are to be moved.

Mr. Gibbings is right on. The situation should be the other way around. Our transportation system should be set up to meet the needs of the people who are using it, instead of the people who have to use it adjusting their operations to suit some people in the Department of Transport and the two railroads.

Most fundamentally of all, the attempt to undermine and reduce the authority of the Canadian Wheat Board has always been with us, particularly since the end of the Second World War. There was legitimate cause for the grain co-operatives and the grain producers to band together and build their own country elevator system to enable our three Prairie Pools and the United Grain Growers to handle some 80 per cent of all our grains. The private grain trade does not like that.

In addition, even the Government of the day in 1935 under R. B. Bennett recognized that there had to be a central marketing and sales organization for Canada's export grains. The subsequent Mackenzie King Government, particularly in the first and second year of World War II, really put the Canadian Wheat Board Act into a functioning state and enlarged its powers. Since the war those powers have been broadened to include the setting up of a block system, the administration of a quota system for the amounts of grain that farmers can deliver and the allocation of the cars to move that grain under those quotas in the block system. Surely that is keeping the railways functioning to meet the needs of the people who must use it.

Mr. Deputy Speaker: Order. The Hon. Member's time has expired. He would require the unanimous consent of the House to continue. Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, once again we witness the NDP grasping for straws, trying to sow the seeds of fear and attempting to create a mountain out of a molehill.

Mr. Fisher: All great Tory tricks.

Mr. Mazankowski: There is another great farmer from Toronto who wants to get into the debate. Certainly his comments would be welcomed, particularly his expertise.

The NDP are trying to create the impression that the Grain Transportation Administrator will undermine the role of the Canadian Wheat Board. I do not believe that that was ever the intent behind the establishment of a Grain Transportation Co-ordinator or Administrator. Historically, over the last four years I do not think there is any evidence that that has in fact happened. Quite the contrary.

If the NDP are concerned about the possibility of the Wheat Board's integrity being undermined, perhaps they would do well to pass their eyes over Motion No. 39. If passed, this motion would ensure that the provisions of this Act respecting the functions and the duties of the Administrator would not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grains necessary to achieve sales in its own behalf and in the interests of producers.

● (1230)

Quite frankly, the evidence that we received during the course of the committee hearings made two or three points very fundamentally clear. The Grain Transportation Administrator was serving a very useful function. His role was supported by all parties involved in the handling and moving of grain, and that should be continued. We heard time and time again during the course of the development of the legislation that all parties to the whole grain handling and transportation system supported the concept of the Grain Administrator.

Our Government established the concept of an administrator in 1979. It was felt at that time there was a clear need for it, and the concept was put in place for a trial period. It was not enshrined in legislative form but as a trial mechanism which has worked very well. I do not think, other than a few radicals, like the Chairman of the Advisory Board to the Canadian Wheat Board and a few other NDP socialists who want to see everything concentrated into one empire, that there is any great amount of negative reaction to the concept of the Administrator.

Let us look briefly at the terms of reference given to the Grain Transportation Authority in 1979. First, the objectives were to increase the grain handling and transportation system's capacity to achieve a 20 per cent increase in exports in 1980 and a 50 per cent increase by 1985 to 30 million tonnes. Those objectives have been achieved.

I do not think the Grain Transportation Authority would suggest for one minute that it achieved those targets on its own. It provided the mechanism wherein all parties could come together and sort out the difficulties and work together in a cohesive manner. I think that is important. We heard from the NDP about the importance of having all parties at the table to ensure that everyone was aware of their responsibilities and that everyone knew what everyone else was doing. That was really the start of it. While the Grain Transportation Authority did not have a whole lot of legislative authority, it did have a lot of persuasive abilities. It was in that connection that it was able to assist in facilitating the movement of grain and overcome certain bottlenecks.

The second objective of the GTA was to ensure that prairie grain moves to domestic consumption and export positions in a prompt, efficient and orderly manner. Third, its objective was to secure the co-operation and participation of the industries concerned in providing the required transportation and handling services and facilities. Fourth, the GTA was to carry out the required planning and implement the changes necessary to make the forwarding system operate more efficiently and effectively, and to increase its capacity to meet the 1985 target of a 50 per cent increase in exports. Fifth, it was to keep all parties and the public fully informed about the system's operations and shortcomings.

From that day hence there have been regular documents and publications released by the Grain Transportation Authority which make for some very interesting reading. For example, the January, 1983 "Grain Transportation Update" has the headline "New Grain Exports Records". I have its annual report for the 1981-1982 crop year. In April, 1983 the headline is "Another Record Breaking Winter". It talks about the West Coast performance and some of the difficulties. The August, 1983 headline reads "Canada Exports 28.3 million tonnes".

The GTA does not only publish the good news but it publishes some of the critical news and some of the things that have to be done to be sure all parties are fully informed and aware of the difficulties. I think the GTA works very well. If anything, it has enhanced the integrity of the Canadian Wheat Board.

Prior to 1979 the Canadian Wheat Board was continually embroiled in all the difficulties, arguments, charges and countercharges that were levied at the various players within the system. On frequent occasions the Wheat Board was caught in the middle. I think the Grain Transportation Authority has provided that kind of safety valve and it has taken a lot of the heat that would normally accrue to the Canadian Wheat Board.

In specific terms, what were the responsibilities? First, it took responsibility for the primary allocation and use of the car fleet, including the CN and CP grain-dedicated fleet, Government hopper cars, federal and provincial, and Canadian Wheat Board hopper cars. Second, it allocated railway equipment between the Board and non-Board sectors and between the various users of cars for non-Board grains.

It was in that connection that the role of the Administrator or the Co-ordinator was very important. Because the Board was involved in the allocation of cars, I am not suggesting this

was the truth but there was a perception that they were unfairly allocating a more favourable proportion to those Board grains and non-Board grains. However, that was overcome to a large extent by the bringing together of all the parties, by letting the public know what was going on and by the Administrator acting as a referee.

Third, the responsibility of the GTA was to develop policies and procedures where necessary to ensure proper functioning of the allocation system. Fourth, it was to determine future needs for rail cars and to make recommendations to the Minister of Transport on the required acquisitions for the grain fleet.

That is another area in which it did an excellent job. It has constantly monitored the hopper car and rolling stock fleet requirements, the cars that were going out of service and the need for additional cars coming on.

The GTA has served a very useful role and it will continue to do so. The important element in terms of this institution is that it must be neutral and function in a neutral way. It must not have any vested interest, either in the Board or in the non-Board side of things. It must have the necessary stature to deal with transportation issues on an equal footing with all participants.

I think that contrary to what my friends in the New Democratic Party suggest, there has been support for the concept of the Co-ordinator and it has come from rather interesting places: for example, a joint submission by the Alberta, Manitoba and Saskatchewan Wheat Pool. Let me finish with this quote from a submission: "Very important institution. The Pools accept the formal establishment of a grain transportation agency administrator with co-ordinating functions and powers." I can quote further comments of the Chief Commissioner of the Canadian Wheat Board, who said that they worked very closely with the Grain Administrator but they were concerned about any erosion of powers in so far as the Canadian Wheat Board is concerned. That protected feature is enshrined in the legislation. Therefore, we on this side will be voting against the motion of the New Democratic Party, Mr. Speaker.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is interesting to follow the Hon. Member for Vegreville (Mr. Mazankowski). He said our Party was once again, to quote him, "grasping for straws and making a mountain out of a molehill". It is interesting that he would say that because up until now he has been following the leadership of the Hon. Member for Regina West (Mr. Benjamin) in all the motions before the House. If he thinks we are always grasping for straws and making mountains out of molehills, why is he following the leadership of the Hon. Member for Regina West? Last week he supported the amendment by the Hon. Member for Regina West to move from one member to three members the Wheat Pool membership on the Senior Grain Advisory Committee. He also supported our amendment to make sure that Wheat Pool committee men, chairmen and secretaries could seek office. Today he is supporting another motion to ensure that labour has a voice on the Committee. He has taken his Party and the leadership of his Party very, very seriously. He is taking his cue from this side of the House. It is very ironic that he has to say that kind of thing.

• (1240)

He must have some concerns as well because Motion No. 39, in the name of the Hon. Member for Assiniboia (Mr. Gustafson), ensures in a legal sense that no power is taken from the Canadian Wheat Board. I am sure he must have the concerns we have as well. Once again he is following the leadership of the Hon. Member for Regina West.

Although Motion No. 39 on the Order Paper in a technical and legal sense will make it impossible, if the Government supports it, to take away any of the powers of the Canadian Wheat Board, it is very important that the chief officer or the Administrator of the new Committee be an employee of the Wheat Board. I say that from life's experience. When one looks at organizations, whether it is a political party, a business organization, a volunteer organization or a people's organization, the chief administrating officer has immense discretionary power by virtue of the office; the office is very important. What that person says or does, what staff that person has around him or her, gives that person an awful lot of power. For that reason I would like to see the Administrator be an employee of the Wheat Board.

Once again I say that we should listen to the voice of the people. The people in this case are the farmers of the land. They are saying overwhelmingly that Canadian Wheat Board must be the most powerful agency, that the Canadian Wheat Board must be the agency which markets, sells and tries to get them the best price for their grain. Any diluting or weakening is not responding to the wishes of our constituents. I remind my friends in the Conservative Party of that reality. I say this because I believe in democracy and that ordinary citizens have to have more say over the direction of the country.

If we allow the Administrator of this new Committee to be any person whatsoever, with the powers we are giving this person we run the possibility through the discretionary acts of the Administrator of taking away powers from the Canadian Wheat Board. I believe that does not go in the direction the people want, and we in this Chamber are supposed to represent the people.

I am sure as an urban Member, Mr. Speaker, you realize the points I am making are very important. In the Bill the Administrator is given tremendous power. It is said that the Committee may, on its own initiative, or shall, at the request of the Minister or the Administrator, advise and make recommendations to the Minister or the Administrator on any matter affecting transportation, shipping or handling of grain. In other words, immense powers are vested in the Committee and immense powers are vested in the Administrator himself or herself.

The Administrator is appointed for four years. Once the Administrator is appointed, that office, the make-up of the person and the gut feeling of that person about the transportation of grain become extremely important. It is also provided

in the Bill that the Administrator can be reappointed after his first term in office expires. For reasons like that it is very important that the Administrator be an employee of the Canadian Wheat Board. The Canadian Wheat Board is a farmers' organization. If one were to have a vote in my riding among permit holders, I would venture to say that over 80 per cent or 90 per cent would say that we must strengthen the Wheat Board in every conceivable way. It is as important to the farmers as a trade union is to workers in the Kootenays or as a professional association is to lawyers and doctors of the country. For reasons like that we must ensure that the Administrator is someone who comes from their organization, from the Canadian Wheat Board.

Over many years farmers have fought to build a co-operative movement. They have banded together collectively to help one another, to share and to work for the common good or common cause. They fought for many years. One could speak for hours in the House about the struggle to build the Canadian Wheat Board, about the tremendous problems with the Grain Exchange in Winnipeg, the Richardson family in Winnipeg, the commodities market, the Chicago futures market and the great Depression which was complicated by the fact that there was a drought. People of my grandfather's and father's generation sacrificed much to leave behind an agency or a system which represented the ordinary farmer, which ensured that ordinary farmers, whether small, middle-sized or large, obtained fair prices for their commodities, which ensured quotas, planning and an organization in place that would treat everyone equally. I want to see that organization strengthened. I do not want to see it weakened by default. That possibility is there when we allow the Administrator to have such powers and discretionary bases. Of course, every Administrator will reflect his own ideology and philosophy.

I say to Hon. Members of all Parties and from all regions that farmers are exemplified or represented by Roy Atkinson, the Chairman of the Canadian Wheat Board Advisory Committee. They made very clear in their testimony before the committee that it was very important for the Wheat Board to be supported. It is very important that urban Members from Toronto, Vancouver, Montreal or wherever understand—

An Hon. Member: Winnipeg-Fort Garry?

Mr. Nystrom: I suppose, although he should know, being a westerner. They should understand that the Wheat Board Advisory Committee is elected by farmers. They want to strengthen the Wheat Board and make sure that anything the House does does not deviate from that principle.

I have before me a transcript of the proceedings on August 18. Mr. Roy Atkinson, the Chairman, said—

Mr. Mazankowski: Another radical socialist.

Mr. Nystrom: I hear the Hon. Member for Vegreville (Mr. Mazankowski) indicating that he is another radical socialist and that he will not listen to him. I do not know whether or not he respects democracy, whether or not he likes or dislikes Roy Atkinson. This man is the Chairman of the Wheat Board Advisory Committee in Canada. He probably thinks Peter Lougheed is a socialist. He worships Margaret Thatcher; he is a clone of Margaret Thatcher.

Mr. Mazankowski: Why didn't you go and hear him if you like him so much?

Mr. Nystrom: I have heard Roy Atkinson many times. He is an old friend. He speaks the will of the people. He speaks for the people. He is the voice of the people. He was elected by grain producers, and that is important. I wish the Conservative Party would respect democracy. When we mention the Chairman of the Wheat Board Advisory Committee, they start to laugh and show disrespect for the farmers' own elected person. That is shameful. They rise in the House and talk about the Chamber of Commerce or Iron Ore of Canada, organizations of the elite which represent a small wealthy group, as if they are gods. Then they are snarky and make various kinds of unflattering utterances when we talk about someone who represents the voice of the people, like Roy Atkinson.

I am sure my farmers will be very interested in knowing that the Conservatives do not take the Wheat Board Advisory Committee very seriously at all. When there are elections for that office in my riding, various people participate. For example, in my riding we elected a very brilliant young farmer, Michael Halyk, who sits on the Wheat Board Advisory Committee. He represents us very well. I am sure he would be interested in knowing that the Conservative Party laughs at the Chairman of the Committee and at the work he is doing, just because he happens to be a person who is not afraid to speak out on behalf of Canadian farmers.

Are you starting to rise, Mr. Speaker, or could I have a few mintues to continue? It would be interesting to have some of these quotations on the record, such as the one of Mr. Roy Atkinson.

Mr. Deputy Speaker: Does the Hon. Member have the unanimous consent of the House to continue with his remarks?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

• (1250)

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am happy to have this opportunity to speak to Motion No. 32 as it gives us an opportunity to consider a number of matters. It again gives NDP Members an opportunity to say why we oppose this Bill so strenuously, and that is that it threatens the entire way of life on the Prairies. That is not just because of changes to the Crow rate and all that goes along with that. We have gone into the details of this on other occasions. We believe this is part and parcel of a long-term trend which will erode not just the way of life which has been built up on the basis of the statutory grain rate, but the whole economic

framework of western Canada, of which the Canadian Wheat Board has been a central part.

It comes as no surprise that Progressive Conservative Members do not support us in this amendment. They are not interested in defending the way of life which has built up over the years in western Canada. That is not clear to many western Canadians yet, but some day it will become clear that that is not on the agenda of the Conservative Party. The Conservatives are not a genuine defender of the way of life that has built up on the Prairies over the years as a result of certain economic institutions like the Canadian Wheat Board and historical arrangements like the Crow rate.

The fact that the Progressive Conservative Party is being picky about this amendment and is not seizing every opportunity, along with us, to reaffirm the role of the Canadian Wheat Board in the Prairie economy is a very clear indication of what we have been saying all along. The Conservatives are in line with the Liberals in so far as the long-term agenda in the West is concerned. What is that? The long-term agenda is fundamentally to transform the economy of western Canada so that western Canadians, in this case grain producers, do not have the control over their own destiny which they formerly had and would like to keep.

Mr. Breau: It is so that they will have a railway.

Mr. Blaikie: They have a railway, can have a railway and will have a railway as long as there is the political will to make the railways do what is necessary in this country. There is absolutely no reason why we should have before us this piece of legislation in order to have a good railway system. My Leader indicated in the House last week that we are prepared to go ahead with a Bill dealing with railway upgrading and expansion. However, we do not believe this should be done on the backs of the Canadian grain producers, unlike the Liberals and Conservatives who have capitulated to the blackmail of the railways in this country.

I come back to the Progressive Conservatives. The people in western Canada know that the Liberals are not their friends, so we do not have to debate that. However, there is still a significant number who believe that, when it comes to this kind of issue, they still have friends in the Progressive Conservative Party. That is not surprising because the Conservatives have taken almost every position they can take on this Bill. They have danced all over the place. They have been on one side of the fence, on the fence, on the other side, back again and then over again. It is very difficult to know what is going on. But, given the historical presence of the Progressive Conservative Party in western Canada, it is not surprising that there are still people who hope that the Party to whom they have given their loyalty over the years is a genuine defender of their interests.

Many western Canadians who do not think so now will come to think in the near future that the Progressive Conservative Party has abandoned the protection of their way of life on the Prairies. That will soon come to be known. They cannot bring themselves to defend this amendment which would reaffirm and reassert the authority of the Canadian Wheat Board because that Board is responsible for orderly marketing.

The Canadian Wheat Board is a symbol in Canada of orderly marketing, the way in which we have tried to protect grain producers and others from the effects of the marketplace. That is something which always rubs Conservatives the wrong way. Yet they have had to accept the Canadian Wheat Board over the years.

I cannot hear what the Hon. Member for Vegreville (Mr. Mazankowski) is saying. If he is going to have a bit of a jape between him and his comrades, maybe he could say it a little louder so that I could respond.

It is no surprise that the Progressive Conservative Party is not with us on this amendment, given the constant penetration of the Progressive Conservative Party by neo-conservative American ideas. There has been an abandonment of the Tory tradition in Canada of wanting to build up institutions to protect the common good and the people of Canada. It is not surprising that the Conservatives would not be with us on this amendment to reaffirm and reassert the authority of the Canadian Wheat Board. In their heart of hearts they would like to see orderly marketing in this country eroded. One way they can begin to do that is by allowing step by step the erosion of the Canadian Wheat Board. That will not just have an effect on orderly marketing of grain in this country, but a symbolic effect on the acceptance of orderly marketing throughout the country.

These are the people who normally rant, rave and froth at the mouth about bureaucrats who are not accountable to the elected people, to Parliament or in any other democratic way. Yet they are willing to lay back and take the appointment by Order in Council of one person who will not be accountable to the Canadian Wheat Board, to Parliament, nor be accountable in any of the ways which they always stand up and mouth off about with regard to the kind of accountability they would like to see. When it comes to the crunch, when they have to choose either accountability or their own hidden and not so hidden ideological agenda for orderly marketing in this country, what do we hear? Nothing. We hear the Hon. Member for Vegreville get up and whine about the NDP, as if that was some kind of argument. He has not said why he does not think the authority of the Canadian Wheat Board ought to be asserted in this way in the amendment.

I hope the debate on this amendment will be an opportunity for those who are paying attention to this debate to see clearly once and for all that the Progressive Conservative Party has an agenda other than strengthening the economic institutions that we have built up over the years in western Canada. On this amendment they refuse to come to the defence of the Canadian Wheat Board. With their procrastination on the Crow rate, their indecisiveness and talking out of both sides of their mouths, they have abandoned the whole of western Canada.

May I call it one o'clock?

S.O. 21

[*Translation*]

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1.00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PUBLIC SERVICE

REPORTED STATEMENTS BY LEADER OF THE OPPOSITION

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, Public Service bashing seems to be a hobby of the Official Opposition. The latest incident occurred when the Hon. Member for Capilano (Mr. Huntington) said that a Tory government would seriously consider throwing about 44,000 Canadians out of work, or 20 per cent of the civil service.

It can be small comfort to the thousands of honest, hard-working Canadians who work for the Public Service that the Hon. Leader of the Opposition (Mr. Mulroney) has repudiated his Treasury Board critic's numbers but not his intentions. It is small comfort indeed, when the Leader of the Official Opposition was reported in the Saint John *Telegraph-Journal* of May 26, 1983, as saying, "When we", the Tories, "come in walking softly and carrying a big stick, it's going to cause mass cardiac arrest in the Towers-of-Power of Never-Never-Land". The Public Service bashing by the Leader of the Opposition has included a claim heard on CBC television on May 26, 1983, that, "They've never worked in their lives. They've never done a day's work".

The Leader of the Opposition has threatened the Public Service on a number of occasions with some obscure actions to be taken if his Party should ever form a government. In the face of this Public Service bashing, Madam Speaker, simply stating that his Party has not considered cutting 44,000 Public Service jobs is not good enough. It is clear that the Leader of the Opposition's anti-Public Service bias could mean that he will get around to considering Public Service reduction at some point in time.

The goal of Government should be to provide the people of Canada with better and more efficiently delivered public services—

Madam Speaker: Order, please. The Hon. Member's time has expired.

EDUCATION

NATIONAL UNIVERSITIES WEEK—FUNDING OF POST-SECONDARY INSTITUTIONS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, yesterday marked the commencement of Canada's first National Universities Week. Ongoing publicity resulting from the chronic problem of under-funding has often overshadowed the host of positive and important achievements of our colleges and universities. It is hoped, therefore, that National Universities Week will not only underline the problem of under-funding but will also highlight the vital role played by post-secondary institutions.

At the present time, and well into the foreseeable future, universities and colleges are going to be key players in the economic recovery of the country. The technological revolution will require thousands of well trained and highly skilled people, and there will be a premium on those with a high potential for training and those with superior basic skills such as can only be provided by post-secondary schools.

As well, universities have always played an important role in research and development, a function that is becoming increasingly important if not vital to our future. Academics are being called upon to work jointly with business and government toward the application and development of new technology-related products and techniques in Canada.

For some time academics have been warning policy makers that chronic under-funding will result in the inability of institutions to graduate sufficient scientists, researchers, and even teachers, to meet the Government's stated goals. This warning must be heeded.

The motto selected for Canada's first National Universities Week has been well chosen. It is, "We have the future in minds". Might I add that we, the legislators, would do well to mind the future of our colleges and universities.

* * *

ABORTION

RIGHTS OF UNBORN CHILDREN

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, on Friday the Hon. Member for Vancouver East (Mrs. Mitchell) reaffirmed the support of the New Democratic Party for the concept of freedom of choice on abortion. The choice is conveniently given to the patient and to her doctor but is denied to a third very involved player, the unborn child who is the occupant of the womb. Quoting the names of agencies and institutions that support so-called freedom of choice does not make a wrong right.

A new individual's existence begins at conception. When the ovum is fertilized it acquires a distinctive genetic pattern which makes it a unique human being. It already has in place analogues of a major life-preserving system. It requires only time and nutrition to achieve full human development. The

legal dictum that the act of birth is the dividing line between regarding a fetus as human or not is an arbitrary distinction without functional basis.

It is the duty of society to defend and protect the rights of the most defenceless of human beings, the unborn child. Support of the principle of freedom of choice on abortion is an abrogation of the duty of society to protect those who cannot protect themselves.

* * *

THE PRIME MINISTER

Mr. Gordon Taylor (Bow River): Madam Speaker, the Prime Minister (Mr. Trudeau) and the Liberal Government are becoming more arrogant every day. Instead of calling a First Ministers' meeting, the Prime Minister interviewed four of the Premiers and then, because those four refused to say, "Yes, yes, Mr. Prime Minister," he questioned whether he would even see the other six.

As well, the Prime Minister has told the people that Bill C-155 will create jobs when in its present form, it will destroy the cattle industry, the hog industry, and the processing industry in western Canada, and will destroy the thousands of jobs that the potential expansion of these sectors would create. Bill C-155 will also force more farmers into bankruptcy creating a loss of more jobs. The National Energy Program all but ruined the petroleum industry in western Canada, and now the Liberals are doing the same thing to much of the agricultural industry. This Bill will certainly enrich the railways though.

If the Prime Minister wants to reduce inflation, why does he not start squeezing out some of the lard from his own administration by cutting out the unnecessary joy trips in government planes made by his Ministers? That in itself would save $1 million.

Worse still, the Prime Minister is now excusing the communists for shooting down the Korean passenger plane by calling it an accident.

The Canadian people want a free enterpriser with fresh ideas to head the Canadian Government, namely, the national Leader of the Progressive Conservative Party, Mr. Brian Mulroney, who calls shooting down the passenger plane murder. So resign, Mr. Prime Minister.

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POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE POSITION ON WESTERN GRAIN TRANSPORTATION ACT

Mr. Les Benjamin (Regina West): Madam Speaker, I wish to object most strongly to statements made by the Leader of the Official Opposition (Mr. Mulroney) in Saskatchewan over the weeken professing full-fledged Conservative support for the Crow rate. His protestations of true blue fidelity to the Crow rate have been flatly contradicted by the fainthearted efforts of Members of the Conservative Party in the House of Commons.

The truth is, Madam Speaker, that Conservative Members had 48 opportunities to speak in defence of the Crow rate in the House on Friday, and chose to put up only seven speakers. They are permitted to speak three times as often as are Members of the New Democratic Party, and instead they speak one-third as often. If that is defending the Crow, then the Conservatives should be arrested and charged for impersonating an Official Opposition. If the Leader of the Opposition says that that is defending the Crow, then he should change his last name so that it begins with a "B" instead of an "M" because he is slicing it that thick.

We intend to tell western Canadians that the Opposition Leader's words have not and are not being matched by action. When prairie farmers find this out, we think that Members of the Conservative Party will lose some seats because they have betrayed the interests of western Canadians.

The voters will also be interested to learn that CP Limited contributed $50,000 to the Conservatives in 1982, doubling its contribution of $25,000 in 1981. I think it is fair to ask why—

Madam Speaker: Order, please. The Hon. Member's time has expired.

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PROVINCIAL AFFAIRS

CONDEMNATION OF POLICIES OF MANITOBA NEW DEMOCRATIC PARTY GOVERNMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the Manitoba NDP Government is the worst Government in the country for business, and it is the most anti-business régime in Canada. Because of its socialist philosophies, businesses are being driven out of the Province. Because of the policies of the federal Liberal Government and those of the Manitoba NDP Government, the country of Canada and the Province of Manitoba have no hope for economic recovery.

In 1981 and 1982 the outflow of money from Canada totalled more than $23 billion. Under the federal Liberals and the Manitoba NDPs, 1983 is also proving to be another year of economic disaster, with expansion for the whole of this year predicted to be a valueless 3 per cent and falling rapidly. The unemployment rate is at 12 per cent, which means that two million people are unemployed. Under these two governments we will see only further recession with an expected $21.7 billion deficit in 1983, increasing to $31.1 billion by 1988.

• (1410)

The Manitoba government is blind to the fact that its policies are only creating problems which are adding to our already sick economy. Under these anti-business, anti-profit and anti-entrepreneur philosophies, we will never see and enjoy a healthy economy or full employment.

S.O. 21

CANADA POST CORPORATION

DELAY IN DELIVERY OF HOUSING GRANT APPLICATIONS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, many Canadians honestly believed that the now-ended CHOSP grant program was more than just government lip service to the housing problems of Canadians. How sad that this is not the case. Many problems concerning this program have been brought to my attention, but none so ignominious as the problem which was forced on residents of Langley, British Columbia, and on many Canadians across the country.

In the case of the residents of Langley, B.C., two applicants mailed their grant applications in what should have been adequate time to be considered for the $3,000 grants. In one case it was six full days, and in the other, eight. In both cases mailing times were documented. In one case there were sworn affidavits. Neither arrived at the CMHC in Vancouver by the May 5 deadline.

Slow postal service is not uncommon in Fraser Valley West. Even an eight day delivery for the 30 miles trip from Langley to downtown Vancouver is, sadly, not unheard of. What is truly incomprehensible in this instance is that one Crown corporation, Canada Post, literally thwarted the efforts of Canadians to receive assistance from another Crown corporation.

The President of Canada Post has apologized for the poor service but cannot give my constituents the grant. The Minister responsible for CMHC has apologized and said he would have liked to include postmarks, but added that no money is left for these innocent victims. These innocent Canadian taxpayers seek only what is rightfully theirs, service. They are being denied this by a Crown corporation—

Madam Speaker: Order. The Hon. Member's time has expired.

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THE LEADER OF THE OPPOSITION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, during the Conservative "Dump Joe Clark" campaign last spring, the new Leader of the Opposition (Mr. Mulroney) attacked his predecessor again and again, saying that, "If you spot Pierre Trudeau 100 seats in French-speaking Canada, the Liberals will win the Government ten times out of ten." Well, Madam Speaker, we hear that during the weekend the new Leader of the Opposition resurrected his famous mathematical equation. He told his audience in Saskatchewan that, "If you do this, you will get that, ten times out of ten". We hear this morning some more examples of that famous Mulroney math. Iron Ore of Canada, following in its former president's footsteps, is throwing 600 more people out of work in Sept-Îles and Labrador City. What is more, Iron Ore has reported a $37 million loss for 1982, and we all know who its president was for that year.

The people of Canada have now learned, as the people of Schefferville, Sept-Îles and Labrador City have learned all too well, that a vote for Brian Mulroney means you will lose your jobs ten times out of ten. They have also learned, Madam Speaker, that a vote for Brian Mulroney is a vote for financial mismanagement and deficits ten times out of ten. You can be sure that the approach used by the Leader of the Opposition in Schefferville, now being followed in Sept-Îles and Labrador City, is the same approach he would use as Prime Minister, in ten Provinces out of ten, ten times out of ten.

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EXTERNAL AFFAIRS

PRIME MINISTER'S STATEMENT ON SHOOTING DOWN OF KOREAN AIRLINER

Mr. Gordon Towers (Red Deer): Madam Speaker, I have in my possession a transcript of remarks by the Prime Minister (Mr. Trudeau) at a community reception in Sault Ste. Marie on September 25. Referring to the stalking and destruction of Korean Airlines Flight No. 007, the Prime Minister said—and I understand he repeated it on the weekend—this was an "accident" and "we have to be careful that other more serious accidents do not happen". This was no accident, Madam Speaker. It was cold, calculated, deliberate murder, and our Prime Minister's willingness to give the Soviets the benefit of the doubt does not reflect the thinking of the world community of nations, nor the outrage and disgust of our own Canadian people.

ORAL QUESTION PERIOD

[*English*]

SOCIAL AFFAIRS

PRIORITIES OF PRIME MINISTER—PLIGHT OF UNEMPLOYED

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Deputy Prime Minister. In Montreal over the weekend the Prime Minister spelled out his Government's priorities for actions, which may in themselves be laudable. What was shameful was that he did not include the needs of two million unemployed Canadians. They were not among his priorities. He did not include the needs of four million Canadians who are living in poverty. They were not on his priority list. When is the Prime Minister going to recognize that there are millions of Canadians without jobs, without adequate incomes, and who are fighting for their very survival? When are they going to become his top priority?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I believe the Hon. Member will realize that her question is

pretty rhetorical. It is not a request to clarify Government policy. It is not a request for information. It is really an attack on the Prime Minister's speech. However, if her question is non-rhetorical, then I will tell her that, of course, the reduction of unemployment is a major priority of the Government of Canada. All the policies of the Government have been established with a view to bringing about a continuing recovery in Canada and with a view to reducing the unemployment rate. That is the basic economic policy which has been laid out by the Minister of Finance, and which has been followed persistently and successfully by him.

RATIO OF POPULATION LIVING IN POVERTY

Hon. Flora MacDonald (Kingston and the Islands): It is true, Madam Speaker, that the Minister of Finance may inadvertently have spelled out the Government's priorities when he said last week, "A moderation in the pace of economic recovery is not only acceptable but helpful." In other words, slow down the recovery, put more people out of work, create more poverty. That is what the priority is of the Minister of Finance. One out of six Canadians are living in poverty. If the Government follows the advice of the Minister of Finance, would the Deputy Prime Minister tell us how many more Canadians is it prepared to see living in that condition? Is it going to accept one out of five Canadians living in poverty, or one out of four? How many is the Government going to accept if it follows the advice of the Minister of Finance?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I believe the Hon. Member has misunderstood the Minister of Finance. The Minister of Finance was paying attention to the necessity of maintaining a sustained recovery, not a recovery which would bloom immediately into renewed inflation and a downturn, but a recovery which will be so based that it will continue over a period of years and will lead to a progressive reduction in the unemployment rate. I believe that has been the policy which the Minister has recently reaffirmed with his colleagues in Washington where these matters were discussed at the International Monetary Fund Meetings. I believe the Hon. Member, upon reflection, would agree that that is a very desirable objective.

HUNGRY CHILDREN

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the Deputy Prime Minister does not seem to understand the real facts which exists in this country. Let me give him one shocking figure which he can remember. Today there are 119,000 children in metropolitan Toronto alone who are living in poverty, and over one million such children in Canada as a whole. If a single parent mother came to the Deputy Prime Minister and said, as they have to me, "I cannot get a job; I cannot get into a retraining course; I cannot feed my children properly", what advice would he give her? Where do people like that fit into the Government's priorities?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member talks as if she is the only Member of Parliament who receives Canadian citizens and who discusses their problems. Last Saturday I spent five hours in my office listening to individuals who have problems and, who are affected by the unemployment rate. In each case I attempt to provide the best advice and assistance I can. That is my responsibility as a Member of Parliament. As a member of the Government, I feel we all have the responsibility to bring about improvement in the economic situation.

The Hon. Member has referred to the situation of children in Canada. Obviously there are improvements that can be made, not only for children, but also for the single elderly. But there has been no Government in the history of this country which has done more for the children of Canada than the Government presently in office and the Minister of National Health and Welfare, who has consistently brought measures into this House to improve the situation, particularly of low income families and the children of those families.

* * *

● (1420)

NATIONAL DEFENCE

FATAL ACCIDENT AT LAC-LA-BICHE—ESTABLISHMENT OF BOARD OF INQUIRY

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is for the Minister of National Defence. I am sure I express the sentiments of all Members of Parliament when I say how grieved we are over the accident which occurred at Lac-la-Biche involving the three young people who were enrolled under the Manpower employment program.

In view of the fact there is going to be a military board of inquiry into this serious accident, can the Minister tell the House if the information derived as a result of this board of inquiry will be made public, especially to the parents and families of the people who were killed?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I hasten to join with the hon. gentleman in offering my condolences to the parents of those who died as a result of this accident. I also join with the hon. gentleman, and I am sure other Members of this House, in offering our condolences to the bereaved of those who died in other mishaps during this particular weekend.

I would indicate to the hon. gentleman that indeed there is going to be a board of inquiry. I will seriously consider, having received the report, what portion of that report can be made public.

AGE OF EQUIPMENT

Mr. Gordon Towers (Red Deer): Madam Speaker, can the Minister assure this House that none of the people who

survived that accident will be made scapegoats for faulty equipment, in view of the fact that some of the equipment they are using is now 40 years old and of World War II vintage?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I wish to assure the hon. gentleman that the boards of inquiry formed to study events of this nature are of the utmost competence. I want to assure the hon. gentleman that the facts will be found out and conclusions drawn based on an objective analysis of those facts.

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FINANCE

TAX TREATMENT OF POOR AND RICH

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Minister of Finance, and it goes back to the alarming report on the weekend about the level of poverty in Canada. The report indicated some 40 per cent of single parent families are at the poverty level. Is the Minister aware that literally thousands of these families living at the poverty level continue to pay taxes while, according to the most recent data available, about 5,000 Canadians who earned over $50,000 a year paid not one penny in income tax? If he is aware of this apparent injustice, what does the Government plan to do about it?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as far as the first part of the question is concerned, indeed the Government has taken steps to reduce the level of taxation at the lower end of the spectrum. I refer him to my April budget where some four million Canadians saw their tax decreased this year. I refer him in particular to that portion of the budget where we have provided that the workers' allowance increases from 3 per cent to 20 per cent while keeping the upper limit of $500. We have also taken steps to ensure that the child tax credit would be maintained at the level it was last year in order to assure that low income families—

Mrs. Mitchell: Not enough, Marc.

Mr. Lalonde: I hear a Member saying it is not enough. Of course it is not enough, and we will try to do more, and as the economy picks up and as we get the resources, we will allocate them to the people most in need. That has been the policy of this Government and this is the way we intend to pursue our policy vigorously. We want growth in this country so there will be more revenue for the Government and the people of Canada, and in that way we will be able to provide even more help to people in need. This is a very high priority for the Government, and always has been.

Mr. Broadbent: Madam Speaker, the Minister, who normally has a fair record for dealing with the facts in the House, knows that his most recent budget and those of his predecessor gave proportionately greater tax breaks to upper income Canadians than they did to the average people and the poor.

NON-PAYMENT OF TAXES BY WEALTHY

Hon. Edward Broadbent (Oshawa): Madam Speaker, so long as ordinary workers whose income is below the poverty level pay taxes, so long as pensioners whose income is below the poverty level pay taxes, so long as single parent families whose income is below the poverty level continue to pay taxes, how can the Minister justify a situation in this country where more than 5,000 Canadians earning over $50,000 do not pay one penny in taxes? Answer that question.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have not examined the files of those 5,000 Canadians for the good reason, as the Hon. Member knows, that Ministers do not have access to those files. The Hon. Member knows the income tax law and the provisions of the law. I do not know exactly how these people manage their affairs and how—

Mr. Broadbent: Ask Allan MacEachen.

Mr. Lalonde: —but the Hon. Member knows that in effect eventually these people are called upon to pay taxes. There are provisions in the Income Tax Act to take into account investments people are making and the losses they suffer in preceding years, for instance, if they have incurred losses in their business operations.

The fact is that the basic tax rate for people making $50,000 a year is higher than the tax rate for people with low income. There may be individual cases, a limited number as the Hon. Member has indicated, where, if you take into account events which have occurred in the previous years, although they may have made $50,000 this year, they may have suffered very heavy losses in the previous year or two which they are entitled to recuperate under the Income Tax Act.

Mr. Parker: Well, change the Act.

Mr. Lalonde: I hear "Change the Act". I invite my friends to participate in the debates when those Acts are considered because they will—

Mr. Broadbent: When we did, you voted against the changes.

Mr. Lalonde: Well, that is it. The NDP is always against change and progress and they are against growth, and that is not new.

Mr. Broadbent: How is that for a witticism, Madam Speaker?

Mr. Lalonde: I thought it was pretty good.

Mr. Broadbent: I will try the Deputy Prime Minister.

MEDICAL CARE

REPORTED REMOVAL OF ALBERTANS FROM BENEFITS

Hon. Edward Broadbent (Oshawa): Madam Speaker, on the weekend in the Province of Alberta, which has that wonderful and benign Conservative administration, somewhere between 100,000 and 200,000 Albertans were cut off medicare. That took place in this country in 1983 in the Conservative Province of Alberta. Does the Deputy Prime Minister not agree that this violates in the most fundamental way the principle of universal medicare? If the Government of Canada agrees with that, when is it going to take some action against such vicious, inhuman activity by a provincial Government, instead of just talking about it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member knows that the legislation passed by the Parliament of Canada provides for universal access to medicare. That was a principle introduced by a Liberal Government. In fact I happen to be the Minister who introduced that Bill, and the principle of universal access is still a principle of the Liberal Government. I hope that when we take action to ensure—

Mr. Broadbent: When? Do it now.

Mr. MacEachen: —that the principle is respected, that the Hon. Member will be a little more helpful than he has been on other pieces of important legislation before the House of Commons.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF NORWAY

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of His Excellency Svenn Stray, Minister of Foreign Affairs of Norway.

Some Hon. Members: Hear, hear!

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● (1430)

VIA RAIL

RESTORATION OF SERVICES—REQUEST FOR CROSS-COUNTRY HEARINGS

Mr. Bill Domm (Peterborough): Madam Speaker, we all listened with interest last week when the Minister of Transport announced that the rails might soon be rolling again in cities across Canada, where 20 per cent of the VIA Rail service was terminated in 1981. Given the fact that I have learned today that some of those trains may be rolling within 30 days, or could be rolling within 30 days, would the Minister inform the House whether these hearings to which he referred, will apply to all areas across Canada and not just to specific ridings for the political spinoff advantages that they might supply to the Government in power today?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, yes, I will give that assurance.

Mr. Domm: I thank the Minister for that assurance, and I can assure him that he will be hearing from delegations right across Canada.

BY-PASSING OF CANADIAN TRANSPORT COMMISSION

Mr. Bill Domm (Peterborough): Madam Speaker, my supplementary question is also directed to the Minister. It did not go unnoticed that the Minister of Transport did not go to the CTC, the normal course of action to take when opening hearings. He went directly to VIA Rail Canada Incorporated, which means that he gets an immediate result for his approaches. Would the Minister make the same approach involving 20 per cent of the passenger rail service in Canada, until such time as the CTC or the Canadian Railway Committee is able to determine that it should not be in operation, and given the fact that his present actions have already represented a flip-flop from a position of a former Minister to a more reasonable position of a current Minister?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would like to point out to the Hon. Member that the changes that we are considering were in fact put in place by the previous Minister in terms of establishing a review after a two-year period. What we are simply considering is what changes may have taken place in certain market conditions in different regions of the country, and to go back, as any proper corporation or organization would do, and assess the impact and results of those decisions, and the reintroduction of those lines wherever that may be possible and economical according to the standards and guidelines set forward in the decision in 1981. That is what we are presently examining. However, we would want first to discuss this with VIA Rail. We want to ensure it still fits within the fiscal framework that we have for that particular corporation and, at the same time, consider how we can improve services in areas where there have been market changes. As I said previously, when we are prepared to move on those fronts, we will let the House know.

VANCOUVER ISLAND PASSENGER SERVICE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is also directed to the Minister of Transport, who has just added confusion to a problem which has arisen on the West Coast. I hope the Minister is aware that the Railway Transport Committee of the Canadian Transport Commission has called hearings on the West Coast concerning the application of CP Rail into the operation by VIA Rail of the E & N Railway on the east coast of Vancouver Island. It is complicated, but I hope he has got hold

of that notion. Since a Crown corporation, VIA Rail, is operating this passenger service, I am wondering if he can tell us why the Railway Transport Committee accepted an application from CP Rail to discontinue the service which, incidentally, the Minister should know, CP Rail is under a statutory obligation to operate in return for very generous compensation.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would like to thank the Hon. Member for his very careful and precise explanation of the facts, of which I am already in full possession. If he were in full possession of the facts he would know that, indeed, the arrangements between VIA Rail and both CN and CP are under contract, that the ownership of the rails is retained by the railroads, and that the services are operated by VIA Rail. The application is now before the Transport Commission. It has both the responsibility and the obligation to receive such applications. I would not want to comment on the case until such time as those hearings are completed and decisions are made, at which time it would be or could be referred to me.

REQUEST FOR COPY OF CONTRACT

Mr. Donald W. Munro (Esquimalt-Saanich): The Minister apparently believes that I have within my possession an understanding of the relationship between CP Rail and VIA Rail. In this connection, I should add that documents have been denied me and others. I wonder therefore whether the Minister is prepared to make available to me and to those who will be attending the hearings this week in Victoria, Comox, Courtenay and Nanaimo, a copy of the understanding between CP Rail and VIA Rail involving the operation of E & N? That is not a public document, so far as I know.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would be quite pleased to look into the representations of the Hon. Member, but he would have to recognize the fact that in such transactions there are commercial arrangements in which there are fiscal arrangements being made. I would have to consult the signatories to the particular agreement. However, I will consider his representations.

* * *

EXTERNAL AFFAIRS

REMOVAL OF CANADIAN WORKERS FROM UNITED STATES RAILWAY PENSION PLANS

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, my question is directed to the Secretary of State for External Affairs. The Minister is aware that Canadian citizens employed by American railways in Canada have been involuntarily removed from their railway pension plans, without prior consultation or warning, by the U.S. Railway Retirement Board. The Minister has informed me that this issue was being raised with the U.S. Immigration and Naturalization Service and with the U.S. State Department by the appropriate officials. Could the Minister report to the House on the success of these representations made on behalf of the affected Canadian workers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes, Madam Speaker, I will be pleased to report to the Hon. Member when I check further into the actual results of these representations. I do not have the details at my hand at the moment, but I will check and make them available to the Hon. Member.

NEED FOR INFORMATION

Mr. Chuck Cook (North Vancouver-Burnaby): I would like to ask a very brief supplementary question, Madam Speaker. I would merely remind the Minister that there are thousands of Canadians across this country who are worried sick about their pension benefits and they should get some information from the Minister as rapidly as possible, and this should not be delayed any longer.

Mr. Nielsen: What do you say to that, Al? Answer that one. Yes or no?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): I agree.

* * *

INDUSTRY

TASK FORCE RECOMMENDATION ON ASSISTANCE FOR LOGGING INDUSTRY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I would like to ask a question of the Minister of Industry, Trade and Commerce, but it had better be answered by the Minister of Finance. The Minister of Finance will know that an industry task force, an advisory task force, which was appointed by the Minister of Industry, Trade and Commerce to check into the forest industry, felt it necessary to issue an interim report reminding the Government of its previous commitment to extend to the logging industry certain fast write-off provisions as a way to help the independent side of the logging industry, the independent trucker. As he knows, this is not the first time that the industry has made this request. At a time when we desperately need to stimulate the forest industry, would he agree that it is unwise, not very prudent, to delay the implementation of these provisions any longer?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, obviously the Minister of Finance receives many recommendations for incentives to various industries. The task force report was received a while ago. Its recommendations are subject to examination at the present time. When I have reached a particular conclusion I will be very happy to inform the House, through the form of budget, normally, or in other ways.

INNOVATIVE TAX REGIME URGED

Mr. F. Oberle (Prince George-Peace River): While the Minister carries on this inquiry and examination, would he also take into account the advisory committee's strong words with regard to the so-called grant programs for modernization and expansion? It stated, for instance, that it was "deeply skeptical" about grants for expansion of pulp and paper production. It stated that while grants were clearly "addictive", they were not necessarily a good system for helping the industry. Would the Minister also take under advisement the suggestion that we have consistently made that, instead of these grants to help the industry, he should really be working toward a more innovative tax regime to help all industries to recapture their market positions?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, we shall certainly consider the suggestions made by the task force. I should, however, like to inform the Hon. Member that the views of the task force are not shared by all members of industry, far from it.

Furthermore, as the Hon. Member is aware, although the tax credit system is advantageous for companies that make profits, other companies like those in the pulp and paper industry which in recent years have suffered very considerable losses were unable to benefit from the tax credits being offered, and the net result was that although these companies were basically sound, they were unable to make plans for necessary expansion projects. This occurred in a number of cases, and I think that generally, industry agrees it is a good thing to have both a grants system and a system of tax credits, since grants will help the weaker sectors that are unable to take advantage of the tax credit system.

* * *

● (1440)

[*English*]

EDUCATION

REQUEST FOR EMERGENCY FUNDING OF POST-SECONDARY INSTITUTIONS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State who, of course, will be involved in National Universities Week, speaking tomorrow evening, I believe. Can he give any hope at all to the universities and colleges in Canada at their time of genuine national crisis as a result of swelling enrollment and very serious, almost crippling, Government cutbacks, including the federal Government's cut-back of $102 million in fiscal transfers? Specifically, will the Minister take up the suggestion which I made a few weeks ago that, since the situation is so critical, the federal Government might indeed join with the Provinces to establish a joint emergency fund designed to assist universities and colleges throughout Canada?

Hon. Serge Joyal (Secretary of State): Madam Speaker, I thank the Hon. Member for her question. Indeed, the question of funds being available to students is a matter of prime concern. As she already knows, this Parliament unanimously approved Bill C-161 under which more than $60 million was transferred to Provinces to help students especially in this crucial year. Last summer I brought to the attention of all provincial Ministers of Education the importance of transferring that money to the students. Unfortunately, in some Provinces, of which British Columbia is one, those moneys were not transferred directly but have been used by some Provinces to reduce their corresponding share.

If we are to put more money in any fund, it would be with the clear understanding by the Provinces that the money would at least be transferred to students and not used by Provinces to offset their own financial responsibility.

Miss Jewett: I entirely agree with the Minister. The Government should never have entered into block funding in the first place. We in this Party, as well as the academic community, urged it not to at the time.

REQUEST FOR NEW FUNDING FORMULA

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, with reference not only to students but the institutions themselves, I want to ask the Minister specifically if he will develop a joint emergency fund for the institutions, to be spent in no other way? Will he also use this moment when we are under six and five to begin talking with the Provinces about a new funding formula that will ensure that federal money does in fact go to the universities?

Hon. Serge Joyal (Secretary of State): Madam Speaker, the Hon. Member has put her finger on something very important. In our Constitution there are two levels of Government, one of which especially has exclusive jurisdiction in matters of education. When the federal Government wants to spend money and help the university community, it cannot go over and beyond the Provinces. We have to ensure that we agree on the objectives and we have to agree that the money must be spent in that sector. Although we would increase our block funding—and the Hon. Member has very specifically pointed out the need in the community to maintain an increased level of funding—there is no need for the Government to increase it if there is no involvement on the part of the Provinces to make sure that the money is used in the system.

A permanent feature of our negotiations in the last few years has been to make sure that we get a formal commitment from the Provinces that the money will be earmarked for the post-secondary level and will be spent in that sector.

Oral Questions

INTERNATIONAL MONETARY FUND

CRITERIA CONSIDERED IN GRANTING LOANS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Secretary of State for External Affairs. The Minister has been quoted as saying that Canada will use its position on organizations like the IMF to stop loans to countries which trample on human beings. I believe he used Viet Nam as example. Will he tell the House whether he, in fact, said that and if it was a statement of Government policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not think that is a statement of Government policy. To the contrary, it has consistently been our view that applications to the International Monetary Fund for assistance should, in the main, be judged upon economic and financial criteria. If we introduced political considerations it would be very difficult to manage the Fund in a commercially satisfactory way. I do not recall having made that statement but, if I did, I would be very surprised.

Mr. Kilgour: The speech referred to was made in Bangkok, I believe.

HUMAN RIGHTS ISSUE

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, will the Minister tell us if he believes that the Government of Canada should take no position with respect to the IMF and the trampling upon human rights wherever that takes place in the world?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the question is a very difficult one. It has been addressed in another context by the standing committee with respect to the delivery of foreign aid. I thought the conclusions of the committee were sound because, in the main, the committee did not recommend the suspension or termination of aid in countries where there had been violations of human rights. It did say that where the violations were so gross that aid programs would be inconsequential or inoperative, then that would be a matter to influence not granting, reducing, or terminating aid.

As far as the International Monetary Fund is concerned, to my knowledge there has been no rule, except the general one, that applications should be based and judged upon economic criteria. That has been the Canadian view. Although there have been other countries which have requested that financial issues be judged upon non-financial criteria, we have not endorsed that view up to the present.

SHIPPING

MONITORING OF UNCTAD AGREEMENT—EFFECT ON CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is directed to the Minister of Transport. It rises out of the fact that on Thursday of this week the UNCTAD arrangements with respect to the new code of ethics for liner operations, the 40-40-20 split on trade carriage will come into effect.

Will the Minister indicate to the House what steps his Department will take to monitor the initial phases of this new arrangement for the purpose of protecting Canada? Does he, at this point in time, have any reason to believe that Canadian shipping or shippers might be detrimentally affected by Canada not being a signatory to that agreement?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, there is no indication of that kind at present. As the Hon. Member knows, the negotiations on that were a responsibility carried out by officials of External Affairs, in consultation with people in the marine administration. I recognize his concern and would certainly undertake again to ensure that a proper monitoring and analysis are done. We would try to prepare such an assessment for him.

REQUEST FOR RELEASE OF STUDIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): The Minister will be aware that if we were signatories to that agreement and were to reserve for ourselves the right of moving 40 per cent of our in exports and imports, it could mean up to 30,000 new direct Canadian jobs for Canadian merchant marine engineers and others.

At the end of his review period during the initial stages of this arrangement, will the Minister undertake to review or release in public whatever reports or studies are done, and to make some visible comment on the gradual re-establishment of a Canadian merchant marine so that we might take immediate advantage of the opportunities accorded under this United Nations arrangement?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as the Hon. Member knows, the development of a deep sea fleet is a subject that has been examined many times by different federal Governments, including this one. It is a subject in which we certainly have a continuing interest. However, there are certain significant interest groups in the country, particularly those in the west port areas, that are quite strongly opposed to the introduction of such a fleet. I would hope, with his co-operation and that of others, once we are able to complete the debate on the Crow Bill it will give me more time to go places out West to meet with such groups to see if we could arrive at a more cordial arrangement and therefore be able to pursue that matter more constructively.

SCIENCE AND TECHNOLOGY

UNIVERSITY EXPENDITURES ON RESEARCH

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Science and Technology. I believe all of us in the House would want to commend the universities of Canada for the 150 years of very important contributions they have made to the development of the nation.

Could the Minister explain to the House why spending on research and development by our Canadian universities, which was at a level of 12 per cent through the 1960s and 1970s, dropped to a level of only 8 per cent in 1983? The actual performance of research within our Canadian universities dropped from some 25 per cent through the past decade to only 19 per cent for 1983. Could the Minister explain this sudden reduction of spending on research and development within the universities, and say what he proposes to do about it?

• (1450)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the issue of spending for research and development generally is, of course, one of prime importance to the Government and fundamental to the technology policy which I introduced in the House last May. I am sure the Member in question is gratified by the increased levels of funding which have been provided to NSERC. The other granting councils are primarily responsible for all research and development at the post-graduate level in the university system in Canada.

What we see happening across the country on an almost weekly, if not daily basis, is an increased effort on the part of industry to involve universities in research as well. We have some outstanding examples with which the Hon. Member is undoubtedly familiar, such as at the University of Waterloo, which I will be visiting on Friday this week—

Mr. Nielsen: What time?

Mr. Johnston: —to examine its success first hand. It is also happening elsewhere. It is also happening at McGill with Allelix. It is happening at the University of Quebec with Bell Northern Laboratories. It is also happening at the University of Calgary, to name a few examples that have come to my specific attention. On the whole I would say the picture is a very optimistic one, that the level of awareness of the importance of university research has reached Canadians on a very broad basis. We can look to much more active co-operation and effective applied research at the university level, a level we have not seen in the past to the same extent whatsoever.

MISSION ORIENTED RESEARCH WORK

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, the Minister of State presents a very rosy picture but he did not answer the question. The Statistics Canada figures I refer to show that university investment in and performance of research declined by almost two-thirds from what they were prior to 1982. I asked the Minister why that was the case.

Does the Minister feel in terms of specifics that universities should be making a more mission oriented approach to the very serious economic problems that our country has to contend with for the balance of this decade, and does the Minister have some suggestions as to how the work of the universities might be made increasingly relevant in seeking that goal?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Yes, indeed, Madam Speaker, the mission-oriented research, which I assume the Hon. Member is referring to as applied research as opposed to basic research, is something which the universities are involving themselves in more and more. But it is also terribly important, as the Hon. Member will know, being an aeronautical engineer himself with a great interest in science, and fundamental to the well-being of the entire scientific establishment in this country, that basic research not be forgotten; there must be a major thrust at the university level toward maintaining and enhancing the basic research capacity.

That being said, we have introduced programs, such as the program in micro-electronics unveiled by NSERC earlier this year, which will enable somewhere between 26 and perhaps 30 work stations to establish engineering faculties across this country which will enable engineering students to design very large integrated circuitry which will be co-ordinated through Queen's Control Centre and, probably, will be produced by a number of Canadian corporations and then returned to those universities for testing. There is an example—

Madam Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

CYPRUS—FATE OF MISSING GREEK CYPRIOTS

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is for the Secretary of State for External Affairs. The Minister no doubt will be aware that some 2,000 Greek Cypriots have been missing since the war of invasion of 1974. I presume he is also aware that many of these people have been seen, indeed fairly recently, and we have good reason to believe that at least a lot of them are still alive. Will the Secretary of State for External Affairs give the Government's commitment to take up this matter very seriously as a humanitarian issue to see that these people are released from the camps in Turkey and are able to return to their homes and families?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I

will certainly take note of the Hon. Member's interest in the question and see what can be done on the matter.

In the past week I did have discussions with the President of Cyprus and discussed the situation on that island. I do not say that it was his obligation to raise this question, but it was not raised, nor was it raised in the discussion I had with the Turkish Foreign Minister. In both conversations I was attempting to develop a better understanding of the situation in Cyprus, and particularly to what extent we should recommit ourselves to maintaining our peace forces in Cyprus. But I will examine the Hon. Member's question.

CANADIAN PEACEKEEPING FORCE

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, could the Minister comment more directly on the peacekeeping issue itself? There is considerable concern. When there is discussion in the press about withdrawing Canadian troops, which we all want, without the context of the withdrawal of Turkish occupying troops and the establishment of a just settlement in accordance with a United Nations resolution, this does cause concern. Could we have a very firm commitment that the troops will stay until there is a proper and a fair settlement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Canadian peacekeeping forces have been in Cyprus for 19 years. The intention originally in putting them in Cyprus, along with forces from other countries, was to create the possibility for a political settlement. One wonders after that length of time how long it is justified to keep the peacekeeping forces there, particularly when there seems to be rather little progress made in terms of a political settlement. I think it is relevant for countries like Canada to raise this question if only to encourage the parties involved to make some progress in securing a political settlement.

I want to assure the Hon. Member that Canada will continue to play a responsible role as is required by the circumstances. But I think at the same time we ought to be putting some pressure on the parties to reach a political settlement so that these forces can be removed.

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SPORTS

COLLEGE FOOTBALL—BANNING OF ATLANTIC CONFERENCE

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the Minister of State for Fitness and Amateur Sport. The CIAU has barred the Atlantic Conference from being eligible for the National College Football honours, affecting universities such as St. Francis Xavier, St. Mary's, Mount Allison, and Acadia, which will be ineligible to play in the football finals. Did the CIAU directors contact the Minister before making this decision?

[*Translation*]

Hon. Céline Hervieux-Payette (Minister of State (Fitness and Amateur Sport)): Madam Speaker, this matter has been under consideration in our Department since July, and I can give my colleague the assurance that our offer to mediate between the CIAU and the Atlantic association still stands. The two organizations have been unable to agree on a game schedule that would be convenient to all universities. As Hon. Members are aware, last year, some last-minute changes had to be made, resulting in a loss of $50,000 plus academic time for students at the University of British Columbia. Madam Speaker, we are maintaining our efforts to finance university associations, but in this particular case, while our mediation offer still stands, it was the CIAU that refused to allow the Atlantic region to participate in the Vanier Cup, and we deplore this.

[*English*]

AMATEUR BOXING—INQUIRY RESPECTING MINISTER'S POSITION

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my supplementary question is also for the Minister of State for Fitness and Amateur Sport. It concerns the doctors' report on the banning of amateur boxing in Canada. Can the Minister, in a short one minute or so, tell us whether she agrees with the banning of amateur boxing in Canada?

[*Translation*]

Hon. Céline Hervieux-Payette (Minister of State (Fitness and Amateur Sport)): Madam Speaker, in amateur boxing as in all other sports, associations are governed by a national association that determines the rules for that discipline. In the case of boxing, we have had a commission of inquiry which has reported on its findings and recommended the appointment of a commissioner, but since there are federal and provincial jurisdictions to be respected, the position of commissioner has not been created although there are strong recommendations to do so. We are meeting the provinces at the end of the month, when we will be working on a set of rules of conduct. However, we feel that the rules should apply equally to both men and women in all sports disciplines, including boxing.

* * *

[*English*]

PETITIONS

MR. TAYLOR—CLIFFORD ROBERT OLSON

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Bow River (Mr. Taylor) on Friday, September 29, 1983, meets the requirements of the Standing Orders as to form.

• (1500)

ROUTINE PROCEEDINGS

[*Translation*]

WAYS AND MEANS

TABLING OF NOTICE

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in accordance with the provisions of Standing Order 46(2), I wish to table, in both official languages, a notice of ways and means to amend the Income Tax Act and also the draft regulations related thereto.

* * *

[*English*]

PETITION

MS. McDONALD—BROADCASTING ACT

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I have the honour to present a petition in support of my Private Member's Bill which amends the Broadcasting Act. This petition was signed by a large number of people in my riding of Broadview-Greenwood and in other constituencies in Toronto.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the following questions will be answered today: Nos. 4,815 and 4,966.

[*Text*]

CANADIAN DAIRY COMMISSION ADVISORY COMMITTEE

Question No. 4,815—**Mr. Mazankowski:**

1. Is there a Canadian Dairy Commission Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes, pursuant to Section 5 of the Canadian Dairy Commission Act.

(a)	(b) (i)	(ii)	
Members	Expertise & Organization Affiliation	Term of Appointment From	To
Claude Chevalier (President of Committee)	Dairy product marketing Dairy Bureau of Canada	31/10/80	01/11/83
Ken McKinnon	Dairy Farmer Dairy Farmers of Canada	01/11/81	01/11/84
Jacques Boucher	Dairy Farmer Dairy Farmers of Canada	31/10/80	01/11/83
Raynald Giroux	Dairy processor National Dairy Council	14/01/83	14/01/86
Neil Gray	Dairy processor National Dairy Council	01/11/81	01/11/84
(Candidates under consideration), Vacant	Dairy processor National Dairy Council	—	—
François Goulet	Food wholesaler Canadian Grocery Distribution Institute	31/10/80	01/11/83
Eugène Vallée	Food retailer Association des détaillants du Québec	14/01/83	14/01/86
Victoria Billingsley	Consumer advocate Consumers' Association of Canada	31/10/82	01/11/85

(c) Remuneration and expenses are fixed by the Governor in Council pursuant to Section 6 (2) of the Canadian Dairy Commission Act:

Members	
Claude Chevalier	$ 549.70
Ken McKinnon	$ 3,909.39
Jacques Boucher	$ 3,633.97
Raynald Giroux	$ 3,306.51
Neil Gray	$ 7,309.75
Dwight Stacey	$ 4,141.81
François Goulet	$ 946.20
Eugène Vallée	$ 2,991.85
Victoria Billingsley	$ 9,990.89

The members all receive the same per diem rate of $200 per day for attendance at meetings of the Committee as well as $200 a day for the time spent to travel to attend meetings and return home, plus travel and accommodation expenses.

	Others amounts paid
Translation Service	$ 1,679.58
Luncheons and Coffee	$ 848.08
Expenses of invited guests	$ 796.90

(d) No other direct funding is provided. However, certain secretariat costs, such as office supplies, stationery, etc., are covered by the Canadian Dairy Commission budget.

2. (a) The Advisory Committee advises the Canadian Dairy Commission with respect to matters arising under the Act and as are referred to it by the Minister or the Commission.

(b) The Committee has been considering subjects such as alternative domestic skim milk powder pricing systems, dairy product promotion and sales to the food service industry, the quality of dairy products, and monitoring programs, attitudes towards nutrition and health aspects of dairy products, co-ordination of industrial and fluid milk price increase

announcements, new users for skim milk powder, and low fat dairy products, etc.

(c) In 1982-83, the Committee met twice. No fixed number of meetings is required.

(d) The Committee's opinions and recommendations are not published but are recorded in the minutes of the proceedings.

CANADA GRAINS COUNCIL BOARD OF DIRECTORS

Question No. 4,966—Mr. Orlikow:

1. What is the composition of the Board of Directors of the Canada Grains Council and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Council?

Hon. Lloyd Axworthy (Minister of Transport): 1. See below.

2. Compensation nil. Directors receive travel and accommodation expenses when attending meetings of the Council.

1. The composition of the Board of Directors is as follows:

Name	Occupation	Address
Mr. Dobson Lea (Chairman)	Farmer	Jarvie, Alberta
Mr. Julian Smith	Vice Chairman—Canada Grains Council	Toronto, Ontario
Mr. Boyd Anderson	Farmer Past President Saskatchewan Assoc. of Rural Municipalities	Fir Mountain, Sask.
Mr. Harry Vis	Robin Hood Multifoods Ltd. Chairman, Canadian National Millers Assoc.	Willowdale, Ontario
J. A. Campbell	Farmer Director, Palliser Wheat Growers Assoc.	Southey, Sask.
Mr. R. L. M. Dawson	Senior Vice-President Cargill Grain Co. Ltd.	Winnipeg, Manitoba
Mr. H. DeBoer	Farmer Director, Canadian Federation of Agriculture	Annapolis County, Nova Scotia
Mr. Lorne F. Hehn	Farmer President, United Grain Growers Ltd.	Winnipeg, Manitoba
Mr. H. C. Heimbecker	President Parrish & Heimbecker Ltd. Chairman, Canadian Feed Industry Assoc.	Toronto, Ont.
Mr. D. R. Larsen	Manager Pioneer Grain Terminal Limited	Vancouver, B. C.
Mr. Maurice Lavallée	Manager Feed & Fertilizer Div. Coopérative Fédérée de Québec	Montreal, Québec
Mr. Gerry McLintock	Vice-President Continental Grain Co. Ltd.	Winnipeg, Manitoba
Mr. Lorne Parker	Farmer Director, Manitoba Farm Business Assoc.	St. Agathe, Manitoba
Mr. C. R. Pike	Vice-President C.P. Rail, Prairie Region	Winnipeg, Manitoba
Mr. Fergus Young	Farmer Director, Ont. Wheat Producers Marketing Board	Ennismore, Ontario

[*English*]

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

[*Translation*]

Madam Speaker: The questions as enumerated by the Hon. Minister of Justice have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

TRANSPORT

PRESENTATION OF EIGHTEENTH REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I regret I must have missed your calling of Reports from Standing and Special Committees. I wonder whether the House would agree to reverting to reports so that the report of the Standing Committee on Transport could be tabled.

Hon. Erik Nielsen (Yukon): Madam Speaker, I assume that the report deals with Bill C-163, an Act to set up an Aviation Safety Board. If that is the case, we not only would welcome the report but, if the Hon. Member wishes to move concurrence later this day, we will ensure that it is dealt with in all stages today.

Madam Speaker: Does the House agree to reverting to Presenting Reports from Standing and Special Committees?

Some Hon. Members: Agreed.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I thank the House for its consent. I have the honour to present the eighteenth report of the Standing Committee on Transport.

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

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western

grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 32 (Mr. Benjamin).

Madam Speaker: Before beginning the debate, I would like to make another preliminary ruling, as I promised to do last week in the House. This time it covers all the amendments, but before I commence my ruling I would like to ensure that the Leaders of each Party have a copy. Since there are so many numbers involved, I think it is very important that Hon. Members have a copy to follow.

I would like to indicate to Hon. Members that I have now had an opportunity to examine all the motions standing on the Notice Paper in amendment at report stage to the Bill now before the House. It is my intention to make a comprehensive statement on all the motions, including those motions to which I had referred in my statement to the House on Thursday, September 29, 1983.

I would first like to refer to the motions that give the Chair some concern about their procedural acceptability. These are Motions Nos. 1 to 23 inclusive, 28, 36, 41, 51, 54, 57, 59, 64, 66, 67, 70, 73, 74, 75, 80, 81, 85, 86, 87, 89, 104 to 117 inclusive, 116 to 126 inclusive, 129, 134, 135, 139, 145 to 147 inclusive, 150 to 153 inclusive, 155, 157, 165, 166 and 172 to 174 inclusive.

Motion No. 1, as I indicated to the House last Thursday, seeks to introduce into the Bill a disguised preamble. Motions Nos. 2, 3, 4, 5, 13 to 23 inclusive, 28, 36, 41, 51, 54, 57, 59, 70, 80, 81, 85, 89, 134, 135, 146, 147 and 166 go beyond the scope of the Bill, in some cases are substantive amendments to an interpretation clause, and also infringe upon the financial initiative of the Crown.

Motions Nos. 6 to 12 inclusive, 64 to 67 inclusive, 73, 86, 87, 139, 150, 151, 155 and 165 are contrary to the principle of the Bill as agreed to at second reading and in some cases infringe on the financial initiative of the Crown. Motions Nos. 104 to 114 inclusive, 172 and 173 infringe upon the financial initiative of the Crown. Motion No. 129 attempts to introduce substantive changes to an interpretation clause and infringes upon the Crown's financial initiative. Motion No. 145 is consequential to this motion and therefore cannot stand on its own.

Motion No. 152 proposes a new scheme not contemplated in the Bill and goes beyond the royal recommendation. Likewise, Motion No. 153 is contrary to the purpose of the Bill and also goes beyond the royal recommendation.

Motion No. 157 proposes to introduce an entirely new proposition which is contrary to the purpose of the Bill. Motion No. 74 is consequential to Motion No. 157 and therefore cannot stand on its own.

Motion No. 174 seeks to amend the title of the Bill. Our precedents would not permit an alteration in the long title of a Bill unless such substantial changes are made to the Bill that would necessitate a change in the title to reflect the content and intent of the Bill. However, as Motion No. 174 is the last motion to be considered, we will wait until we reach the motion before making a final decision upon it.

In my statement on Thursday last I had referred to Motion No. 61 as giving me some procedural difficulty as to its acceptability. That was at first blush. I have now had a second look at this motion and I feel that it is relevant to the Bill, covered by the necessary royal recommendation and therefore will be proposed to the House at the appropriate time.

However, I have no difficulty in ruling on Motions Nos. 75 and 116 to 126 inclusive. These motions are clearly irrelevant and bear no relation to the Bill as amended by the committee and reprinted at report stage. Therefore they will be removed from the Notice Paper.

I would hope that the procedural arguments that Hon. Members may wish to place before the Chair on the other motions to which I have referred could take place soon. I would suggest Thursday morning at the opening of the day's sitting in order to allow Hon. Members sufficient time to consider the reservations I have just expressed. I will then be in a position to study Hon. Members' arguments and come back to the House with my final decision on the motions.

I will now refer to those motions that are acceptable to the Chair. They are Motions Nos. 33, 34, 35, 37, 38, 39, 40, 42, to 50 inclusive, 52, 53, 55, 56, 58, 60 to 63 inclusive, 65, 68, 69, 71, 72, 76 to 79 inclusive 82, 83, 84, 88, 90 to 103 inclusive, 115, 127, 128, 130, 131, 132, 133, 136, 137, 138, 140 to 144 inclusive, 148, 149, 154, 156, 158 to 164 inclusive and 167 to 171 inclusive.

• (1510)

As Hon. Members are aware, Motions Nos. 24, 26, 27, 29, 30 and 31 have been disposed of. Motion No. 32 is now before the House. Motion Nos. 33, 34 and 35 should be debated separately and voted on separately. Motions Nos. 37 and 38 should be grouped for debate and voted on separately.

Motions Nos. 39 and 40 should be grouped for debate. An affirmative vote on 39 will dispose of 40. A negative vote on 39 would necessitate the question being put on 40. Motions Nos. 42, 43, 44, 45 and 46 will be grouped for debate but voted on separately.

Motions Nos. 47, 48 and 49 will be grouped for debate. Motion No. 47 will be voted on separately. An affirmative vote on 48 will dispose of 49. However, a negative vote on 48 will require the question to be put on 49.

Motions Nos. 50, 52 and 53 should be grouped for debate. Motion No. 50 will be voted on separately and a vote on Motion No. 52 will dispose of Motion No. 53.

Motions Nos. 55 and 56 will be debated together and voted on separately. Motions Nos 58 and 60 will be debated separately and voted on separately. Motions Nos. 61 and 62 should be debated together. An affirmative vote on 61 will dispose of 62. However, a negative vote on 61 requires a vote on 62. Motions Nos. 63, 101 and 102 appear to be related and should be grouped with Motions Nos. 103 and 142 for debate. The voting sequence should be as follows: Motions Nos. 63, 103

and 142 separate votes; Motion No. 101 in the affirmative disposes of Motion No. 102; Motion 101 in the negative requires the question being put on 102.

Motion No. 65 should be debated and voted on separately. Motions Nos. 68 and 69 will be debated together and voted on separately. Motions Nos. 71, 72 and 76 will be debated separately and voted on separately.

Motions Nos. 77, 78 and 79 should be grouped for debate and voted on as follows: Motion 77 in the affirmative disposes of 78; Motion 77 in the negative requires question on 78; Motion 79 by itself.

Motion No. 82 should be debated and voted on separately.

Motions Nos. 83 and 84 should be debated together with an affirmative vote on 83 disposing of 84 and a negative vote on 83 requiring the question to be put on 84. Motion No. 88 will be debated and voted on separately. Motions Nos. 90, 91 and 92 will be grouped for debate with separate votes. Motion No. 93 causes the Chair some misgiving as to its procedural acceptability. However, I am giving the Hon. Member the benefit of the doubt and I suggest that it be grouped for debate with Motion No. 94 but that each should be voted on separately.

Motions Nos. 95 and 96 should be grouped for debate but voted on separately. Motions Nos. 97 and 98 should be debated separately and voted on separately.

Again, I have some doubt as to the procedural acceptability of Motion No. 99 but will rule in favour of the Hon. Member. This motion will be grouped with Motion No. 100 for debate and a vote on 99 will dispose of 100. Motions Nos. 101, 102 and 103 I have dealt with when dealing with Motion No. 63. Motion No. 115 should be debated and voted on separately. Motions Nos. 127 and 128 will be grouped for debate with a vote on 127 disposing of 128.

Motion No. 130 should be debated and voted on separately. Motions Nos. 131 and 132 should be grouped for debate and a vote on 131 disposes of 132. Motion No. 133 should be debated and voted on separately. Motions Nos. 136 and 137 will be grouped for debate and a vote on 136 will dispose of 137. Motion No. 138 should be debated and voted on separately.

Motions Nos. 140 and 141 will be grouped for debate and a vote on 140 disposes of 141. Motion No. 142 was grouped with Motion No. 63 and others and has been mentioned earlier. Motions Nos. 143 and 144 will be grouped for debate and a vote on 143 disposes of 144. Motions Nos. 148 and 149 will be grouped for debate and a vote on 148 will also dispose of 149. Motions Nos. 154, 156 and 158 should be debated and voted on separately. Motions Nos. 159, 160, 161 and 162 should be debated together but voted on separately.

Motions Nos. 163 and 164 will be debated separately and voted on separately. Motions Nos. 167 and 168 ought to be debated together but voted on separately. Motions Nos. 169 and 170 will be debated together and voted on separately. Motion No. 171 should be debated and voted on separately.

I apologize to Hon. Members for taking so much time of the House with this statement. I suppose Hon. Members understand that it was impossible to do it otherwise. However, as Hon. Members are aware, there were 174 motions to be dealt with, which have taken a good deal of time and study. I have made the grouping, I think it is right, but if Hon. Members who are intimately aware of the content of some of the amendments feel they can make a suggestion to facilitate the grouping, I would welcome that. I ask them to bring it to the attention of the Table officers.

That is the preliminary ruling. I ask Hon. Members to reflect and make their arguments to the Chair on Thursday morning, if that is agreeable.

Hon. Erik Nielsen (Yukon): Madam Speaker, I thank the Chair and the Table officers for the assistance which this lengthy statement will give us in considering our submissions concerning the acceptability or non-acceptability of the motions which have given the Chair some concern.

I have one concern. Naturally we will harness all of our resources in an effort to address the motions in this statement which the Chair has given today where the Chair has some concerns about their procedural acceptability. However, I would simply point out that the very able Table officers, with all their resources, have been studying these motions since last Wednesday. They have had some five days to come up with this very lengthy statement. We are going to try to make the Thursday date suggested by the Chair, but that only gives us, I am sure the Chair appreciates, two days to do the kind of work that the Table has taken five days to do. It is certainly not balanced. We will certainly try to make the Thursday date.

The other matter gives me more concern. It occurs on page 3 of your statement where the Chair says: "However, I have no difficulty in ruling on Motions Nos. 75 and 116 to 126 inclusive. These motions are clearly irrelevant and bear no relation to the Bill as amended by the committee and reprinted at the report stage. Therefore, they will be removed from the Notice Paper".

I, of course, did not anticipate the concern that would be expressed by the Chair with respect to these numbered motions. I urge the Chair, before removing them from the Order Paper, at least to allow us to make submissions with respect to the conclusions reached by the Chair. It may well be, as I was prepared to do today, that we will agree with the Chair on some of the concerns you raised last Thursday. Before deciding about hearing any submissions that certain motions are going to be removed from the Order Paper, I submit that the fair course to be followed, and I suggest that the Chair follow it in this case, is to hear submissions with respect to that decision before making it unilaterally.

Madam Speaker: I would point out to the Hon. Member that this particular group of amendments is, in my view, so obviously out of order because they do not relate to the Bill as it was reprinted. I can give the Hon. Member an example and I would like to mount those arguments for Hon. Members and I will do so in time. However, they are so obviously out of

order that I think much time could be saved if I do mount those arguments and give them to Hon. Members in detail.

• (1520)

If the Hon. Member wants to take time to look at them, I do not mind; but when the Hon. Member has looked at this particular group of amendments, I think he will agree with me that they are so obviously out of order. The Hon. Member can look at them and I will certainly listen to any reasonable argument unless, in mounting all of my arguments, the case seems to me to be so close that I will rule definitively on it.

Mr. Nielsen: Madam Speaker, I have simply not had enough time to look at them. The chances are that the care with which you have examined these amendments will compel me to come to the same conclusion, but I would at least like the opportunity to look at them. If I come to another conclusion, I would then like to be able to submit arguments on it.

The last point I make is with respect to those so-called amendments that have been filed under Standing Order 79(6). Nowhere in last week's statement or this week's statement has the Chair commented with respect to the acceptability or unacceptability of those amendments which the Government purports to file under Standing Order 79(6). Are we to assume, in the absence of any comment from the Chair, that the Chair has found them all to be in order? If that is the case, we of course would want to have the opportunity to make submissions with respect to their acceptability.

Madam Speaker: I will tell the Hon. Member right away that not all of those motions were found to be in order. If the Hon. Member is referring to those that required a royal recommendation, I can tell the Hon. Member that those royal recommendations were attached to the motions and therefore, in that respect, they would be in order. Some of them have been ruled out of order. In any event, we can all look at this. I will take into account the remarks of the Hon. Member and I will also take into account that on Thursday perhaps Hon. Members will not be ready to present argument and then we can postpone it.

Mr. Nielsen: Madam Speaker, I would like to make it quite clear that none of the proposed amendments filed by the Government under Standing Order 79(6) is numbered. I know the Chair has addressed concerns with respect to some Government amendments that are numbered, for instance No. 116. However, nowhere in last week's statement or this week's statement has the Chair directed its attention, as far as I am aware, to those amendments filed by the Government under Standing Order 79(6).

Before coming to any conclusion on those amendments, I would appreciate first if I could have some indication from the Chair as to whether or not any or all of them, or one or more of them, are acceptable or not acceptable; and second, of course, could I have the opportunity to make submissions with regard to any of the concerns that may be expressed by the Chair on any of those amendments? In any event, I would like to have the opportunity to make submissions on certain of those or all of those amendments which may appear to us to be unacceptable.

Madam Speaker: I will listen to the arguments the Hon. Member has to put to the Chair concerning that. Neither I nor some of the officers of the Table really know what the Hon. Member is getting at, but I am sure that when he makes his presentation it will become much clearer to us.

Before I sit down, there has been a mistake made in the retyping of the ruling and I would ask Hon. Members to look at the paragraph that is numbered three on page 2. Motions Nos. 6 to 12 inclusive, 64, 66 and 67, 73, 86, 87, is the proper version. There was a mistake made in the retyping.

Mr. Nielsen: Madam Speaker, I am sorry that I do not seem to be getting through regarding the Standing Order 79(6) question. The Chair has not addressed the regularity or otherwise of the amendments filed by the Government under Standing Order 79(6). I would like to know, as I am sure would other Members, whether the Chair has any concern with respect to any one of those amendments filed under Standing Order 79(6). If the Chair does not have any concern with any of those amendments, then I will, of course, have a global submission to make with respect to their acceptability or unacceptability. If the Chair has any concerns, I would request the Chair to state those concerns now or perhaps tomorrow in the same way that the Chair has for all of the numbered motions that stand on the Order Paper. I am asking for guidance.

Madam Speaker: I would prefer, rather than consulting here without fully appreciating the Hon. Member's question, to let him know what my feeling is on that particular question tomorrow.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, to help clear the anxiety of the Hon. Member Leader for the Conservative Party, I think the Chair has already commented on Government amendments. In fact, two were held in reserve last week and the Chair has since accepted No. 61 but still holds in reserve or considers the advisability of No. 14, which is a proposal affecting the interpretation clause. In fact, those comments have already been made and we will be prepared to submit arguments similarly.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would like to deal with two matters. Both of these matters have already been raised, but I would like to add my voice to them. One is the question of whether or not it is possible to be ready to argue on all of these proposals by Thursday morning. I do seriously question whether everyone can be ready to do that. I hope we can work out a more satisfactory way of dealing with them.

On the question of the acceptability of Motions Nos. 75 and 116 through 126, you, Madam Speaker, referred to having no difficulty with ruling on the motions. I would simply like to ask that there be the opportunity at least to make representation on one of the motions, either No. 116 or one of those

numbered between 116 and 126; the same argument would be applicable in all of those cases since each of the motions deals with the same topic but uses somewhat different numbering in order to arrive at somewhat different conclusions. I would hope that at least the opportunity will be afforded to Members to make their representations on those motions and, indeed, that they need not be made repeatedly but could be made on any one of them since each of them addresses the same general topic.

Madam Speaker: I would be prepared to accept that because I fail to see how any of these amendments are relevant to the Bill. I think I would accept one single argument about the relevancy of all of these motions. I do warn the Hon. Member, however, that at first blush and even further than that they do seem to be out of order.

Mr. Arnold Malone (Crowfoot): Madam Speaker, you have just made a statement that is both long and detailed. Bearing in mind that the easiest thing to do would be to wait for tomorrow's *Hansard* in order to read your statement, I am wondering if you might ensure that all Hon. Members have the opportunity this afternoon to have that statement in hand so that we can have the opportunity to go through it as we deal with the amendments.

Madam Speaker: Yes, I am told that we have sufficient copies to circulate to all Hon. Members who are interested. I suppose that as usual Hon. Members can get them behind the chair.

Motion No. 32 is now before the House.

• (1530)

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I would like to speak this afternoon on Motion No. 32, which is an amendment presented by the New Democratic Party.

What we are trying to establish is the clear authority of the Canadian Wheat Board over the movement of grain. We have no real opposition to the appointment of a Grain Transportation Agency Administrator, as long as that is the person where the buck actually stops. If there is a problem with grain transportation, that individual should be answerable and responsible for co-ordination and efficiency in the movement of grain throughout the country. Very clearly, whoever the Grain Transportation Agency Administrator might be, he must be answerable to the Canadian Wheat Board. The Canadian Wheat Board is recognized, Mr. Speaker, as one of the best, if not the best, orderly market systems, in terms of its sales, its record and its representation of the producers of this country. It may very well be the best agency in the world.

Part of the problem, Mr. Speaker, which I have encountered in grain transportation in my own constituency comes, perhaps, from the lack of boxcars and hopper cars to move the grain out of certain areas. There are a good number of elevators each and every year which are plugged for a good portion of the year, either because there have been no cars into the siding to haul the grain out, or rail conditions are so bad that cars cannot be loaded up to full capacity. Meadow Lake in my constituency is a good example of an area where the rail is in such poor condition that a hopper car cannot take out a full load of grain because the track cannot physically stand the weight of the loaded hopper car. However, the important problem is when there are no cars at all. I can think of cases where farmers have to haul grain to many small delivery points which are already plugged with grain, and this causes some very real problems. If the elevator is plugged, the local farmer cannot, of course, haul his grain to that elevator. In some cases farmers for many miles around end up hauling grain long distances in order to sell it, especially if they are under the time constraints of a quota. In most cases in which I have made representations to the Canadian Wheat Board, we have been successful in having quotas extended for a period of time. The Canadian Wheat Board understands that sometimes there is a need to extend the quota because the farmers have been unable to deliver by reason of plugged elevators. This is not the fault of the grain company and it is not the fault of the farmer, but it is the fault of the rail companies, I suppose, because the box cars are not there. Or is it the fault of the Grain Transportation Agency? Is it the fault of the CN or the CP or is it the fault of the grain company? It is very difficult to tell. That is why it is important, Mr. Speaker, that the Grain Transportation Agency Administrator who is put in place be responsible solely to the Canadian Wheat Board. The Canadian Wheat Board, of course, is responsible to the members who make up that board, the farmers of Canada.

The fact that the elevators are plugged for a good portion of the year indicates some efficiencies which must exist because there are a number of delivery points within the Battlefords-Meadow Lake constituency which do not ship any grain in the wintertime. In fact, there are places like Denholm and Brada and others in various parts of northwestern Saskatchewan which only ship during the busiest times of the year for farmers, which is just before, during and just after harvest, and around seeding time. It seems very unfair to me that there cannot be a consistent flow of grain through the elevators as the farmers hault it in. There are all sorts of reasons why that does not happen right now. That is why I feel that if there is a Grain Transportation Agency Administrator set up, the buck has to stop with that individual. Right now there might be a problem with the grain cars not coming into a certain delivery point. You can call the Grain Transportation Agency and you are told the cars have been allocated. There are so many cars at that siding on Wednesday, for example. Well, on Wednesday the cars do not show up. When a complaint is made, the Grain Transportation Agency says, "The cars were allocated. It is the fault of the rail company. " If a complaint is made to CN or CP, you are told, "Well, we did not have enough cars. We could not deliver them." You are also told that their crews are overworked, that they could not get there, that they have been on a double shift.

I am not blaming the employees of the rail companies. However, the point I am trying to make, Mr. Speaker, is that there is not a whole lot of co-ordinating going on. It seems quite often that the right hand does not know what the left hand is doing. The only thing which the local elevator agent sees, and the farmers see when they want to haul their grain, is that there are no cars there and they cannot haul their grain to a plugged elevator. The farmer usually gets upset with the local elevator agent, who in turn has to pass it on to someone else, or he tells the farmer whom he should contact, and quite often the Member of Parliament for that area is contacted. We, as Members of Parliament, try to make representations as best we can to the grain companies themselves, because they allocate the cars out to the different blocks. We deal with the transportation agency, which tries to be very helpful. In fact, it goes out of its way to be helpful, but sometimes the situation is beyond its control. We also deal with the Canadian Wheat Board. It is very happy to accommodate and extend the crop year if just cause can be shown. We also have to deal with CN and CP, which seem to be more interested in the main lines and commodities which they can haul to maximize their own profits, especially in terms of Canadian Pacific. It is more interested in upgrading the rail lines in order to haul coal than it is to haul grain because hauling coal is where the real money is.

I suppose that the point we are trying to get across by presenting Motion No. 32 is that there is a need for better co-ordination and better service in the transportation of grain. That can best be accomplished by the producer agency, which has worked so well for so many years in the Canadian Wheat Board. We have heard some Hon. Members of the Conservative Party who have spoken in the House today being very critical about a producer organization, which has in fact worked so well. They made comments which at least the Conservatives viewed as insulting about the chairman of the Canadian Wheat Board Advisory Council. The Conservatives say that they want to preserve the Crow rate for a three-year period. But certainly their actions in this House do not portray that as being their real desire. They might say it, but they are not carrying it out. They say they want to save the Crow just as they say they want to save the Canadian Wheat Board. But what we see is that the Conservatives and Liberals together do the opposite through the amendments they propose or by not supporting the amendments we in the NDP move to strengthen such agencies as the Canadian Wheat Board, which has done a very good job for producers for a good many years.

• (1540)

Thank you, Mr. Speaker. I see my time has come to an end.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I would like to echo some of the statements made by my colleague and emphasize a few other reasons as to why we are asking that the Grain Transportation Agency Administrator be made an employee of the Canadian Wheat Board.

The producers know the value of having the Canadian Wheat Board market their grain. In fact, even people writing Canadian history have recognized both the uniqueness and the strength of a marketing agency such as the Canadian Wheat Board. I would like to refer to a comment made by Donald Creighton, a historian, who wrote in Canada's first century. He was talking about the enthusiasm and energy grain growers were putting into a giant new co-operative marketing venture, the Wheat Pool, which only a few years ago they had given to political action. He was referring, of course, to the progressive movement. The Wheat Board had proved to the farmers' complete satisfaction that a single selling agency could do more for them than they could do for themselves through ordinary commercial channels.

It is important to recognize the benefits that western Canadian farmers have received from the Canadian Wheat Board. The largest proportion of wheat, oats and barley is produced in the western Provinces of Manitoba, Alberta and Saskatchewan, with a small proportion being produced in British Columbia as well. The farmers of western Canada are ever mindful of, and grateful for, the fact that the Government of Canada, through an Act of Parliament, has given to the Canadian Wheat Board the sole authority to export wheat, oats or barley grown in their area. Over the years the Canadian Wheat Board has come to handle 90 per cent of the grain exported from Canada.

It is a unique and very important institution to western Canada, Mr. Speaker. By pooling the farmers' grain, the board ensures that the farmer gets a return proportionate to the amount of grain he has delivered. Contrast that with the open market situation which is subject to wide price fluctuations over a short period of time. Farmers did not have access to information which would allow them to make the type of marketing decisions most beneficial to them, but they found that through the Wheat Board they were able to get the best price for the grain. The system had smoothed over the hills and valleys, as it were. That is especially important when you consider some of the northern rural areas of Manitoba.

Because of their presence at committee hearings or because they have availed themselves of the opportunity of looking at briefs, Members will be aware that the Canadian Wheat Board itself indicated its concern regarding the original proposal and the powers of the Administrator as envisioned under the Act without our amendment. The Canadian Wheat Board, like any other sales organization, must control the shipment of its own product in order to ensure performance. For these reasons the board has always held the view that over-all control of the system as developed in co-ordination with the industry should be administered by the board.

Our amendment, Mr. Speaker, seeks to enhance Wheat Board control over the sale and transportation of grain. I might add that the board still feels that the system operates most efficiently and effectively if grain transportation is fully co-ordinated by the major sales agency. It should be clear, Mr. Speaker, that we view any further reduction in the board's ability to co-ordinate transportation as a step backwards for the sales program involving western Canadian grain exports.

I think those words have to be taken very seriously, coming as they do from the major farm marketing agency. Farmers have found it beneficial to work together in a marketing agency such as the Canadian Wheat Board. I also hasten to add that as a Member of Parliament I have always found the board, its commissioners and officials, to be very accommodating. They are always ready and able to ensure that we are provided with the best information. Also, the Canadian Wheat Board has been very accommodating in providing farmers the opportunity to visit, be briefed by and to understand the operations of the Wheat Board. I have taken constituents from my riding of Dauphin-Swan River to Winnipeg and we have been provided a tour by the Canadian Wheat Board. Our farmers have had the opportunity to ask questions of board officials, any questions they might have about their permit book, Wheat Board surveillance of crops, how the board is organizing the transportation system, any questions about the block shipment or about turnaround time for cars getting back to the elevator sidings. We have found these officials to be very helpful. I know that even as Members of Parliament, we have had occasion to drop in there. We have had the opportunity to ask questions and to be provided with the answers.

● (1550)

In the West, we have confidence in the Canadian Wheat Board and have been pleased with what it has been doing. Our amendment wants to ensure that this type of work will continue. That is the intention of the motion, that the authority of the Canadian Wheat Board over the movement of grain remain.

I notice that Your Honour is rising at this time, so I just want to make it very clear—

Mr. Deputy Speaker: The Hon. Member's time has expired and he may continue only with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is with pleasure that I also enter the debate on the very important amendment that has been introduced by my colleague, the Hon. Member for Regina West (Mr. Benjamin). As Hon. Members have previously indicated, the preservation of the Canadian Wheat Board is essential if western agriculture is to remain a healthy and viable industry in western Canada.

The role of the Wheat Board in western Canada is indeed unparalleled anywhere in the world. It is a unique organization, one which should be preserved. We are therefore afraid of what exists in the Act, not so much what is specifically stated but, rather, what is implied, and the powers that it would give the Government to change the Wheat Board in the future by Order in Council. Our concern is that the Wheat Board could be changed by Order in Council at some time in the future and its authority and powers over transportation eroded. We must only consider the experience of VIA Rail to know that this is not an empty fear but, rather, a real fear.

There have existed, especially with VIA Rail, instances where the Government, through Order in Council, has really taken measures that have reduced the effectiveness of VIA Rail. We are not the only ones who have expressed this fear. Mr. Jarvis, the Chief Commissioner of the Wheat Board, when he appeared before the Committee on Transport considering Bill C-155, stated the following:

> I am going to be more specific now. Our strong concern is that with the establishment of a grain transportation agency by Bill C-155 and under Section 97(b) of the Canada Grain Act, further powers could readily be shifted by Order in Council from the Canadian Wheat Board to this agency at a later date. These powers could include those the Board currently has under Section 21(k) of the Canadian Wheat Board Act which allows the Board to operate the block shipping system.

It is a concern of the Wheat Board which Mr. Jarvis' testimony to the committee brought forth. He went on to state the following:

> —because we should have realized any new agency would not be content to simply split the car fleet, but rather, would keep looking to expand its own powers.

Therefore, Mr. Jarvis raised two ways in which the powers of the Wheat Board could be eroded. One would be through Orders in Council. Second, the new agency which is being established, would seek, as do many agencies and bureaucracies, to expand its powers and put pressure on the Wheat Board and its ability to fulfil its important role. Not only is the Wheat Board concerned, but, as well, the Wheat Pools, the Famers' Union, the Canadian Wheat Board Advisory Committee, and significant and knowledgeable individuals have all expressed the same fears about Section 13.

It is essential that the Wheat Board have the ability to direct traffic to make certain that, with regard to the grains it has for sale and the customers it has located, the transportation system is there to meet those orders and needs. For example, in the Wheat Board's submission it is stated:

> Currently about 85 per cent to 90 per cent of all producer deliveries of grain in western Canada are to the account of the Canadian Wheat Board. Competing successfully for international contracts and executing them to the buyer's satisfaction requires flexibility and decisiveness. Decisions regarding transportation availability during contract negotiations cannot await a decision by another body. In addition, often there is information which the customer regards as highly confidential and some information which could expose Canada's competitive position.
>
> The Canadian Wheat Board, like any other sales organization, must control shipment of its own product in order to ensure performance. For those reasons the board has always held the view that overall control of the system, as it is developed in co-ordination with the total of the grain industry, should be administered by the board.

Again, the statement by Mr. Jarvis brings forth another important point. The Canadian Wheat Board must have the flexibility to meet transportation demands almost on a day to day basis. It cannot await the decision of another body. The creation of this agency which Bill C-155 would create, is really only the creation of another layer of bureaucracy. It is just another actor who must be consulted and brought into the picture. It is complicating matters and, in the end, will have a

negative effect on the Canadian Wheat Board being able to perform its duties, duties which it has performed so well in the past.

Not only is the Canadian Wheat Board's submission clear on this point, so was Mr. Gibbings', the former Chief Commissioner of the Wheat Board, when he stated in his presentation to the Transport Commission hearings:

> The board's marketing success depends on its ability to make day-by-day or even hour-by-hour decisions on grain movement. Its flexibility must not be compromised.

We maintain that what we have in front of us today, the section that we wish to amend can, and, indeed, most probably will, compromise the ability of the Canadian Wheat Board to fulfil its role.

In Bill C-155 we really find an attack on western agriculture. There are three basic and main pillars in western agriculture. All three of them are attacked, in one way or another, by Bill C-155. The first pillar of western agriculture involves the Wheat Pools, the cooperative effort of the vast majority of farmers in western Canada who pool their efforts together through their organizations, their Wheat Pools. The second major supporting pillar is the Crow rate. The third is the Canadian Wheat Board. All three of them are under some form of attack by Bill C-155. Mr. Gibbings, in his submissions, makes this clear when he said:

● (1600)

> We have a group of individuals in the GTA and in Transport Canada whose abstract economic principles tell them that the grain industry has gone the wrong way over the past hundred years. They want to see the transportation system in a certain configuration, and they expect farmers, and the grain companies, the Wheat Board, and the Wheat Board's customers to adjust to accommodate it.

Mr. Gibbings concluded by saying:

> I suggest the reverse approach be taken. Let the transportation system develop to meet the needs of the people who are using it. That is the approach that makes real economic sense, and the Government should allow it to proceed by keeping bureaucracy out of the grain business. The Government has repeatedly stated that it will not remove existing responsibilities of the Canadian Wheat Board; yet it proposed to open the door to do so with the expanded Grain Transportation Administrator provided for in Bill C-155. If the Government is sincere, why does it not demonstrate this by eliminating the new agency, thereby firmly locking the door on the possibility of the board's effectiveness being eroded at the whim of individuals who are not responsible to grain producers or their customers.

Mr. Gibbings has the same fear that the Wheat Board will be under attack and will have its power eroded over time by what is in Bill C-155. As Mr. Gibbings pointed out in his submission, there are those who consider the development of western agriculture to have gone the wrong way in the last 100 years. They want to reverse it. Who are they? They are the grain companies.

Mr. Deputy Speaker: The time allotted to the Hon. Member has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise today to speak to this motion which has the effect of making the Grain Transportation Agency an employee of the Canadian Wheat Board rather than an agency of the Government. I should commence by saying that we are not particularly pleased to have to resort to this type of amendment simply to make the agency an employee of the Canadian Wheat Board. We would prefer that it not be set up as an ongoing entity at all.

In order to make the House understand our position, I would like to point out the background of the present Grain Transportation Agency. Members will recall the years 1976, 1977 and 1978 when we had three bumper crops in a row. Along with those bumper crops there was a combination of labour strife, bad weather, mountain slides and late starts in the shipping season in those ports that freeze up. Above all, there was a tremendous shortage of cars for moving grain.

The railways had not purchased any new grain cars since approximately 1952. Therefore, the fleet of cars was getting old. The existing cars were not maintained, and normal additions were not made to the fleet when those cars were wrecked or removed from service because of their age. The grain companies assumed there was something wrong with the way the Canadian Wheat Board was allocating cars when these problems occurred. No one asked the simple question as to why there were not enough cars being supplied by the railways. The initial pressure was put on the Canadian Wheat Board, whose duty and function it is to arrange for the allocation of cars from the number that are available. Since there was some concern that there was an unfair allocation of cars, the Grain Transportation Authority was established.

That agency used most of the staff from the Wheat Board. It conducted some experiments with allocating cars differently, but I would remind the House that ultimately it reverted to exactly the same method of allocation that was in place before it came into existence. It appears that the agency became useful since figures show that while exports dipped to 18 million tonnes in 1978, it was up to approximately 29 million tonnes by the end of the 1982-83 crop year. However, I think it should be made clear that this increase was not a result of having a Grain Transportation Agency. It was achieved by having people from the Wheat Board continue the allocation system which was used prior to the experiments, which did not prove anything. The old allocation system is still being used. The basic reason for this increase was that there were 8,000 more hopper cars. As a result, more grain could be moved. It was as simple as that.

We have some fears that including the Grain Transportation Agency under this Bill and calling it by a slightly different name will lead to less efficiency. Its chief function seems to be that of taking some of the heat from the grain companies which they used to direct at the Wheat Board. The fact is that the Wheat Board personnel still does most of the work, therefore, it makes eminent sense to keep the Grain Transpor-

tation Agency under the Wheat Board, which is an agency which farmers are familiar with and have come to trust.

Our Party as well as the farmers have doubts that a permanent agency will benefit producers. For instance, rather than 18 employees, we understand that the new agency intends to have a working staff of some 35 professionals. We are not sure what they will do, but any new agency whose priority is to double the amount of staff begins to create questions in the minds of people about what sort of power it is attempting to grab and what extra influence it is attempting to impose.

I do not think we should stray from the very straightforward basics of marketing grain. I will point them out because I believe they are fundamental to the kind of car allocation and transportation arrangements that are built into the system. The first priority is to sell the product. Once that potential market is found it must be established which grains and what kind will be purchased in that market. The next step which sometimes causes problems is getting the right grades, the right grains and the right amounts at the right point on the right day. To do that, the marketing agency has to have full control of the process. If it does not, if it is shifted over to another agency as is proposed in this Bill, the chief function and the main reason for that agency to exist is downgraded and undermined. That is why we are afraid of that kind of agency being established on a permanent basis. We think that as a co-operative, short-term entity it functioned and showed that the Wheat Board was fair in its allocation of cars. The facts speak for themselves. The agency ended up adopting the original methodology which the Wheat Board used. This tells me and virtually all observers in western Canada that there was nothing much wrong with the system they had in place. It was eminently fair. It tells me as well that we should look again at setting up an agency that is separate and distinct, otherwise we have one more potential impediment to the completion of that all-important sale of grain from the farm to the final buyer.

• (1610)

We urge Members on both sides of the House to reconsider this agency and to support the amendment which would put it back under the jurisdiction of the Canadian Wheat Board, which has done an excellent job in the past and can continue to do so.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order! It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Consumer and Corporate Affairs—Removal of urea formaldehyde from Manitoba homes. (*b*) Manitoba Government's non-compliance with regulations; the Hon. Member for Athabasca (Mr. Shields)—Employment—Denial of access to training for grade six educated workers. (*b*) Policy inquiry; the Hon. Member for Fundy-Royal (Mr. Corbett)—National Defence—Canadian Forces Base Chatham, N.B. (*b*) Prime Minister's statement.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 32 (Mr. Benjamin).

Mr. Deputy Speaker: While I am on my feet, may I have the permission of the House to deal with Motion No. 25 in the name of the Hon. Member for Regina West (Mr. Benjamin)? The matter was raised on Thursday of last week and again on Friday.

As explained in Citation 792 of Beachesne's Fifth Edition, "the rules concerning the admissibility of amendments at the committee stage . . . are applicable to motions in amendment moved at the report stage of the bill".

Since the House, in its wisdom, agreed to Motion No. 26 on Thursday, September 29, 1983, Motion No. 25 would now have the effect of amending what the House has already agreed to.

Beauchesne's Citation 773(2) states that:

> An amendment must not be inconsistent with, or contradictory to, the bill as so far agreed to by the committee, nor must it be inconsistent with a decision which the committee has given upon a former amendment.

Further, Beauchesne's Citation 774 says, in part, that:

> If it appears during the course of discussion that an amendment or new clause which has been moved is out of order, then the Chairman directs the committee's attention to this fact and withdraws the amendment or clause from further consideration by the committee. As examples, the discussion of an amendment or clause brings forward the fact:
>
> (1) that the question raised thereby had already been decided by the committee;
>
> (2) that the amendment was inconsistent with the previous decision of the committee—

For all these reasons, I now have to rule that Motion No. 25 is out of order and should not be proceeded with further.

Motion No. 25 (Mr. Benjamin) withdrawn.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Before you complete your ruling—

Mr. Deputy Speaker: The Chair has ruled. The Chair is not prepared to hear argument reflecting upon a decision of the Chair. The Hon. Member was given opportunities on two days last week and again today to raise any further arguments which the Hon. Member had in mind. He did not do so. He did not take advantage of the opportunities, and the Chair has ruled.

Mr. Benjamin: I rise on another point of order, Mr. Speaker. The Chair will recall, and the Chair agreed with me last Thursday or Friday, that this matter would stand until Madam Speaker was prepared to make her ruling.

Mr. Deputy Speaker: A ruling has been made with regard to this.

Mr. Benjamin: Mr. Speaker,—

Mr. Deputy Speaker: Will you please return to your seat?

Mr. Benjamin: What for?

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: The Hon. Member for Portage-Marquette (Mr. Mayer)

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, there are a few things that need straightening out.

Mr. de Jong: First Tory today.

Mr. Mayer: It sounds as if we needed a central recording agency for those people to the left to keep them in line.

Mr. Mazankowski: The NDP Members are nervous.

Mr. Mayer: The Hon. Member for Vegreville (Mr. Mazankowski) says the NDP Members are nervous. They ought to be nervous with their performance to date on this very important Bill on behalf of farmers which they have so badly misrepresented to producers. I must say I do not need any lectures from these weed growers, such as the Hon. Members for Regina East (Mr. de Jong) and Regina West (Mr. Benjamin), and I do not know where else they come from.

An Hon. Member: Tell us.

Mr. Mayer: We have them going, Mr. Speaker. When you strike a responsive note, you get a little bit of noise from them.

Mr. de Jong: You have a great imagination.

Mr. Mayer: Members of the NDP talk about supporting the Canadian people and what it means to be a producer in the West and to have the Canadian Wheat Board sell on behalf of producers—

An Hon. Member: Don't get rattled.

Mr. Mayer: I happen to have had quite a bit of experience with quotas and what it is like to sit in a grain truck in a line-up. In fact, when I was a little guy of about 12 years of age, that is how I learned to drive a truck. My dad used to take me to town and leave me in the truck, and I would get a chance to drive a length of the truck in front as one moved ahead in the line-up. I do not need any lectures from those characters to my far left on what it is like to have the Canadian Wheat Board and what the quota system means. I suspect that not very many of them even know what the block shipping system is. They have blocks between their ears but I do not think they know very much about a block shipping system. I think that is evident in their performance this summer in committee.

Mr. Miller: Sit down.

Mr. Mayer: As I said, it was a real treat for me as a little guy to think that I could drive a truck for 20 feet or 30 feet with a load of grain on it.

Mr. de Jong: What a great contribution.

Mr. Mayer: Let me tell you, Mr. Speaker, the real disappointment was—and I do not know whether any of the Hon. Members to my far left have ever experienced this—when you got very close to the elevator door and had a chance to dump your load of grain, the elevator agent would come out and say, "I am sorry, there is no more room. You will have to come back tomorrow." I know what that meant to my dad who was hoping to be able to sell some grain to pay bills. I know about all those things. I do not need to have lectures from the hon. gentlemen to my left. Anybody who grows up in western Canada knows the problems of raising grain, knows the vagaries of the market system and knows full well the value of the Canadian Wheat Board.

An Hon. Member: How is your relevancy coming, Mr. Speaker?

Mr. Mayer: Again, Mr. Speaker, I would submit that all the NDP is doing is attempting to raise a political ruse. Our record in terms of this Party in supporting the Canadian Wheat Board is well established. For the NDP to engage deliberately in what I consider to be scare tactics in so far as this particular clause in the Bill is concerned is nothing more than political cray fishing.

Some Hon. Members: Oh, oh!

Mr. Gustafson: Our Leader was in Regina yesterday.

Mr. Mayer: My friend from Assiniboia said their Leader was in Regina yesterday.

Mr. Gustafson: No, our Leader.

Some Hon. Members: Oh, oh!

Mr. Mayer: Our Leader. I can understand in both cases. When their Leader is in Regina they are nervous. Wait until the next election and see how they bring him out. I can also understand that when our Leader is in Regina they are nervous. I know he pointed out that we are going to sweep the Province in the next general election.

Some Hon. Members: Hear, hear!

Mr. Mayer: I look forward to that, Mr. Speaker.

Let me point out a couple of things. One of the things the Official Opposition did during the committee hearings—and I agree there is some concern over the power given to the Administrator—was to have the length of office of the Senior Grain Transportation Administrator reduced from seven years to a term of four years. I think that is a step in the right direction. I think that will address some of the concerns which the NDP may have with regard to the length of time the Administrator will be in office, as well as some of the powers he may enjoy on behalf of the producers. Second, if the NDP is really concerned about democracy and that the Administrator should not have such powers, why does it not raise the issue of the type of appointment which the commissioners for the Canadian Wheat Board have? On the one hand Members of the NDP are saying that they do not want the Administrator because they think he will be an agent of the Government and will have too much power, but let me point out that at least the Government of the day will have the chance to reappoint the Administrator every four years. However when it comes to the commissioners of the Canadian Wheat Board, let me read you, Mr. Speaker, what their tenure of office is. Part I of the Canadian Wheat Board Act reads:

3(3) Each commissioner holds office during good behaviour but may be removed for cause at any time by the Governor in Council, but no commissioner shall hold office beyond the age of seventy years.

● (1620)

There is a little inconsistency. If they are really concerned about the length of office of the Administrator, I would like to see them be consistent and carry the same concern over to the office of the Canadian Wheat Board commissioners. There is nothing contradictory between having an Administrator and having the Canadian Wheat Board. If we think about it, it can enhance the kind of work the Canadian Wheat Board does so well.

I would like to look at what the Pools indicated in their brief under the section entitled, "H. Grain Transportation Agency Administrator". They said:

The Pools accept the formal establishment of a Grain Transportation Agency Administrator with co-ordinating functions and powers.

Then I would like to refer to a question which was put by Mr. Benjamin to Mr. Jarvis, the Chief Commissioner of the Canadian Wheat Board. By the way, the Hon. Member for Regina East (Mr. de Jong) gave Mr. Gibbings a very nice promotion. He has since retired as a commissioner for the Canadian Wheat Board, but he referred to him as the former Chief Commissioner. Mr. Gibbings served western Canadian agriculture in a very distinguished way. He was the former distinguished head of the Saskatchewan Wheat Pool, but he never served as the Chief Commissioner of the Canadian Wheat Board. I think the record should be corrected in that regard.

Mr. McKnight: He also served as a director for the Royal Bank.

Mr. Mayer: That is true, he is a director for the Royal Bank.

I would like to refer to Proceedings No. 127 at page 22 of the Standing Committee on Transport. At that point Mr. Benjamin was speaking—

Mr. Deputy Speaker: The Hon. Member should refer to Members by their constituencies.

Mr. Mayer: I am sorry, Mr. Speaker. The Hon. Member for Regina West (Mr. Benjamin) is reported as asking:

Do you feel it was a mistake to establish a Grain Transportation Agency?

His question was posed to Mr. Jarvis, who replied:

We have said in the brief that we find, in relating to the Grain Transportation Agency and the prime function that it plays, and that is splitting the rail car fleet, the available fleet, between board and non-board grains and among the companies for non-board grains, that this has not been cumbersome and it has worked, as far as we are concerned.

I think the evidence is there that it has worked. It is one of the major factors in the increase of grain exports from 18 million tonnes to 29.2 million tonnes. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) made that point well, except he was not smart enough to understand what he was saying. I thought he made a very eloquent argument in favour of the Grain Transportation Agency. One of the more thoughtful speeches of that group to my left today was the one by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). He made quite a thoughtful presentation. He really came down with an argument in favour of the Grain Transportation Administrator and against the amendment of the Hon. Member for Regina West.

Mr. Jarvis continued:

What we wanted to underline here is that if there is any contemplation to transfer more power from the Wheat Board to that body, then, of course, we would be opposed to its existence.

That is not what this clause in the Bill does. I do not understand what is their concern about this. Let me read what the GTA said about a grain transportation agency. It indicated that there was never any serious question raised as to the continuing need for a body to allocate cars between users and to co-ordinate over-all movement. Based upon the GTA's experience, it was its view that such a body must have the following characteristics. I do not want to go through them totally, but I will summarize them. First, it must be neutral, that is neutral as far as the committee is concerned. It does not have an axe to grind. It is there to co-ordinate and to get all the players together, including the railways which the NDP, in its blind adherence to dogma, want to lock out of the room. I

do not understand why the NDP would not want to have them in the room so that they could grab them by the scruff of the neck, shake them up a little and say, "Why don't you guys perform?" They want to keep them out of the room, the same as they wanted to keep the truckers out of the room. First, it must be neutral. Second, it must have a clear mandate. That is what this section is doing. The agency must be responsive to the needs of the grain handling and transportation industry. It must have accountability to the industry. Most important, I would submit, is that the agency must be equipped to deal effectively with the concerns of grain producers. That is the main thing this Party has tried to address in its concerns over the Bill, that we must stand up for the producer.

I do not understand Members of the NDP. I do not understand why they would not be in favour of more producers on the Grain Transportation Committee. On the one hand they say they will block the Bill, hold it up and use everything they can to kill it. Yet, when they rang the bells last Thursday, I think almost half their Members were away. Now we see them proposing amendments which will strengthen the Bill. They are going to make it a better Bill. They talk about our being inconsistent. I could get into that if I had enough time, but we have been entirely consistent in our position from day one on this Bill. I suspect that Members of the NDP are squirming a little because they cannot get their act together. They have Members from British Columbia who are under a lot of pressure to support the Bill. They want parts of the Bill, they do not want other parts of it. They should make up their minds.

Let me put on the record what the Hon. Member for Vegreville (Mr. Mazankowski), a former distinguished Minister of Transport, said when the Bill was introduced for second reading on May 12. He said:

> The statutory freight rate, Mr. Speaker, as I said earlier, is tantamount to a constitutional right for the producers of Canada. If it is to be traded or bargained away, the end result should be something as good as, or something better in place than, we have had before. Looking at this Bill, and notwithstanding the so-called "good intentions" of the Minister, we are not ending up with anything as good as, and certainly not anything better than, what was the case before.

That has been our consistent position throughout the whole debate on the Bill and throughout committee proceedings. Let me reiterate by indicating that we are in favour of the Grain Transportation Agency for the reasons I have outlined. We think it will enhance the work of the Canadian Wheat Board which is needed and vital. As a result of that, we will not support the amendment.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, let me begin my remarks this afternoon by saying that I represent only a few farmers in the northwest corner of my constituency, but I represent a large number of railway workers, both working for CPR and CNR, who have a very vital interest in an efficient transportation system. They have a very vital interest in seeing that the railways operate as efficiently and as actively as possible. When railways do not move goods, whether it be grain or anything else, workers in my constituency are laid off.

I find it strange that the Hon. Member for Portage-Marquette (Mr. Mayer) suggested that Hon. Members of the New Democratic Party did not have their act together and have not been consistent while Members of the Conservative Party have been consistent from the beginning. The Hon. Member should remember that Members of my Party said from the beginning that we were opposed to the Bill, that we would not support the Bill and that we would do whatever we could to impede or stop its passage.

I also remind the Hon. Member for Portage-Marquette that the Bill has been on the Order Paper and debated for months. A couple of weeks ago after many dozens or hundreds of speeches by Members of the Progressive Conservative Party, we heard a proposal by the Hon. Member for Vegreville (Mr. Mazankowski) that the provisions of the Bill be stood over for three years. If anyone has taken time to decide what to do about it, it is Members of the Progressive Conservative Party!

We heard a great deal about the Canadian Wheat Board, the Pools, the National Farmers' Union, the Advisory Committee to the Wheat Board and what they have supposedly said. It has been suggested that they are not opposed to the Bill. I would like to quote from a statement by Mr. Jarvis, the Chief Commissioner of the Canadian Wheat Board, who said:

> Our strong concern is that with the establishment of a Grain Transportation Agency by this Act (Bill C-155), and under paragraph 97(b) of the Canada Grain Act, further powers could be shifted by Order in Council from the CWB to this agency at a later date. These powers could include those the Board currently has under Section 21k of the Canadian Wheat Board Act which allows the CWB to operate the Block Shipping System.

● (1630)

I said at the beginning that I am not an expert in this field. However, if I understand English, Mr. Jarvis was saying as politely as he could that the Wheat Board is happy with the present situation and that it does not want any more power given to another person or agency which will mean in effect taking power away from the Wheat Board.

I remind Hon. Members that the Canadian Wheat Board was established by the Conservative Government of Bennett in 1935. It established it because it came to the conclusion, a conclusion shared by almost all prairie grain producers, that the sale of grain to private agencies, with all the up and down speculation every day, left the farmer with the short end of the stick. That Government wanted orderly marketing of grain, and that is what the Canadian Wheat Board does.

In its presentation to the standing committee which dealt with this Bill, the Wheat Board currently markets about 85 to 90 per cent of all producer deliveries of grain in western Canada. In order to do this, it says, and I quote from its brief:

> The Canadian Wheat Board, like any other sales organization, must control shipment of its own product in order to ensure performance. For these reasons the Board has always held the view that overall control of the system, as developed in co-ordination with the industrty, should be administered by the Board.

The Government is proposing to give more power to the Administrator, who is not a representative or an employee of the Wheat Board. Keeping in mind that what Mr. Jarvis

pointed out could happen under the power which the Government holds through this Bill and the Canada Grains Act, we can see why the Wheat Board is worried about what will happen. Again I quote from the presentation of the Wheat Board to the committee:

> The Board still feels that the system operates most efficiently and effectively if grain transportation is fully co-ordinated by the major sales agency. If this is not permitted, it should be clear that we view any further reduction in the Boards, ability to co-ordinate transportation, as a very serious step backward for the export sales program for western Canadian grains.

I do not know how the board can make its position any more clear than in the paragraph which I quoted and in the statement of Mr. Jarvis. The board feels very strongly that it must maintain the control of the shipping, sale and delivery of grain which it markets for Canadian farmers.

As the board indicated, it markets between 85 and 90 per cent of all grain produced in western Canada. That is why we moved this amendment, to make it clear that the Administrator is responsible to the Canadian Wheat Board. With this amendment we intend to assert the authority of the Canadian Wheat Board over the movement of grain. As the Bill now stands, it would erode the authority of the Canadian Wheat Board. That would be a mistake. It would impede the ability of the Wheat Board to control the grain car fleet, something we say is essential.

If you have an Administrator who is not an employee of the board, the board would not be able to control its block shipping system as it has until now. The block shipping system now permits the board to ship grains of a specified grade or quality or a blend of grades and qualities to meet the needs of its customers.

Let me reiterate what was said by my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and answer some of the complaints of the Hon. Member for Portage-Marquette. The reason farmers could not deliver their grain to the elevators in the past and why it has been better lately is not that there is a grain Administrator. The failure in the past was not the fault of the Wheat Board. The reason the situation is somewhat better is that we have 8,500 more hopper cars. That made the difference in the ability of the farmer to deliver. The board has been able to move the grain out of the elevators to the ports, something it could not do before.

The block system, as it has worked until now, permits the board to ship grains of a specified grade or quality or a blend of grades and qualities to meet the needs of its customers. Without this ability, sales of Canadian grains for export by the Wheat Board could suffer. Our competitive position would certainly be weakened. The Wheat Board made that point in its submission to the standing committee.

The movement of grain could be delayed by having an outside agency, or Administrator, without the day to day knowledge of sales and the grades, quantities and location of grains in storage, to assume control of the grain car fleet. The Wheat Board must be able to call the grain it needs, when it needs it, and be able to assign cars to the points where it knows it is stored. the proposal in this amendment meets the needs of the Wheat Board which, in turn, meets the needs of grain producers in western Canada. That is why we have moved the amendment.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. McKnight: I certainly appreciate the welcome being given to me by the comrades on my left. I am sure the reason so many Members of the NDP are rising to speak is that so few had the opportunity during the Transport Committee hearings to make their concerns known. Most Members on this side who represent rural western Canadian ridings took part at one time or another in the hearings that were held throughout the summer months.

I am sure I heard the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), the agricultural spokesman for the NDP, correctly. If not, it will show up on the "blues". He said he would just as soon not have this agency at all. He said that if he had expressed his concerns properly, he would have said that he would just as soon not have this agency. That means that the Hon. Member for Humboldt-Lake Centre was saying that he would just as soon not have four producers on the Senior Grain Transportation Committee and just as soon not have a feed grain user.

Mr. Althouse: I didn't say that.

Mr. McKnight: I think it will show up that the Hon. Member said, "If I had my way, we would just as soon not have this agency." When we start from that point, it is a little disconcerting for those of us who would like to have moved an amendment about the amount of grain we would like to see in western Canada, transported in an efficient manner in the best interest of producers.

Some of my colleagues pointed out part of this, that there is a lot of concern about these appointments. The Chief Commissioner and the other four Commissioners are appointed. They are responsible to the Minister. They are Canadian Grain Commission appointments. These appointments are all made in the best interests of the producers.

Some of the amendments to this Bill that were accepted in committee were put forward by our Party. They have to do with authority, duties and functions of the transportation Administrator, through the Senior Grain Transportation Committee. It says "promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing producers' returns". I presume the NDP are against the phrase "for the purpose of maximizing returns to the producers". I think those of us on this side have much more faith in the ability of the producers to make their feelings and concerns known to any government that happens to be in power if their returns are not being maximized and are suffering through some regulation or action taken by either an appointed or an elected person. The producers in my part of the country and

their part of the country were certainly able to make their views known.

• (1640)

I had some responsibility, along with the Hon. Member for Wetaskiwin (Mr. Schellenberger) and under the chairmanship of the Hon. Member for Lisgar (Mr. Murta), for establishing the four-year trial period with the Senior Grain Transportation Authority. That was established because we travelled across western Canada and consulted with the Alberta Pool, the Saskatchewan Pool, the Manitoba Pool, the private grain companies, the railroads, the Canadian Wheat Board, the Canadian Grain Commission, the employers' union on the west coast and the Saskatchewan Association of Rural Municipalities. I could go on and on, Mr. Speaker. Everyone we met with encouraged us, under the auspices of the Hon. Member for Vegreville (Mr. Mazankowski) who was then Minister of Transport, to establish in a formal way this body called the Senior Grain Transportation Authority and put in place someone who had some authority to allocate between board and non-board grains.

To go back in history, Mr. Speaker, I am sure the Hon. Member for Lisgar can correct me if I am wrong and elaborate on this, but I recall that when we first started that study in 1979, it was necessary to ship three cars of grain to the west coast to get one car load of the particular grain that was required. That meant that if a carload of No. 1 grain was required, it took three cars to be sure that No. 1 was received because they would end up with a car that contained No. 2, a car that contained No. 3, and a car that contained grain that was lower in protein. These were the concerns that were expressed to us by the system participants whom we consulted with and indeed, Mr. Speaker, by the producers. We felt then, and we still feel, that it is necessary that the Senior Grain Transportation Authority be led by a neutral body and that the co-ordinator or Administrator establish the direction and the fairness that is required so that every producer in the West who tries to deliver grain and has an opportunity to deliver grain has equal access to the system.

Another thing that was done at that time in a very formal way at the cost of Canadian taxpayers was that the railing for the movement of grain passed Thunder Bay. When the Seaway froze, grain moved past Thunder Bay to the Ports of Halifax and Sorel and Saint John. That was done under the auspices of the Administrator of the Senior Grain Transportation Authority or, as that position was then called, the co-ordinator. By doing that, Mr. Speaker, the movement of grain continued throughout the year and did not stop when the Seaway was frozen. Hundreds of thousands of bushels of grain moved by rail from Thunder Bay to ports in the eastern part of the country.

Some of the Hon. Members on my extreme left have spoken about this Party. At least the Hon. Member for Winnipeg North (Mr. Orlikow) who just spoke said that the Canadian Wheat Board was established by a Conservative Government. That is something we have known for a long time and is something of which we are quite proud. However, as those Hon. Members spoke, they have accused us of not being very firm and of changing our minds in this debate. I would like to take this opportunity to read from House of Commons debates of Friday, May 13, 1983. In fairness, the Hon. Member for Regina West (Mr. Benjamin) did not say that about me, and I guess he knows why. On that date, the Hon. Member for Regina West said, as reported in *Hansard:*

> Mr. Speaker, I have a short, quick, to the point question for the Hon. Member. Does he support the position of the Government that the grain producers should pay increased freight charges for shipping grain, or does he believe those freight charges should remain at the statutory grain rate level?

I answered:

> Mr. Speaker, if I had to choose between the Bill as presented and the statutory grain rate as it exists now, I would be forced to choose the statutory rate.

A little further on in the debate, I was asked a question by the Hon. Member for Parkdale-High Park (Mr. Flis). He asked whether we felt there was adequate funding of the movement of grain. My answer was:

> —if this Bill goes through as it is, to the farmers in western Canada, and if they will listen I will explain. I feel, and my Party feels, that the $651.6 million is certainly generous enough, at least until 1985-1986. It is certainly the benefit of the Crow. If it were protected in inflated dollars rather than in constant dollars, I think that would be sufficient for the railroads to continue moving grain.

I think that is consistent, Mr. Speaker, with what my Party has put forward since the beginning of this debate.

I would like to draw to the attention of Hon. Members something of which they may not be aware. The Canadian Wheat Board does not—I repeat, does not—sell all the grain that is sold on behalf of producers in western Canada. The Canadian Wheat Board sets the price of the grain that is sold and it completes coutry-to-country contracts and contracts with other corporations.

All of the grain that is sold is not sold by the Canadian Wheat Board. It is sold by agents of the board, and those Hon. Members who are cognizant of the Wheat Pools in western Canada should know that those Pools have a company called Excan and that company is in the business of making export sales of grain on behalf of the Canadian Wheat Board. While it is doing so, it is making a commission, it is making a dollar. The producers of western Canada are well served because there is another sales agency that is taking action on their behalf.

It is not only the Canadian Wheat Board that is involved in the business of selling grain. That is why we need an authority that is neutral and that cannot be accused of acting in the sole interest of any of the system participants on the Senior Grain Transportation Committee. That is why we feel that the Administrator of the Senior Grain Transportation Committee must be neutral and must be independent. There is more at stake here than the Canadian Wheat Board's fear that some of its present powers may in the future be taken away.

As I said when I rose, I am sure that the grain producers in western Canada have the ability to make their feelings well known in a very strong and forceful manner to anyone, whether elected or appointed, who impinges upon their ability to

move grain and receive a profit from it. That is the simple reason why we find it very difficult to support this motion.

There is an amendment that I put forward in committee which my colleague will be putting forward later on in debate. The motion that I put forward in committee dealt with the duties of the Grain Transportation Administrator and reads as follows:

The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of and in the interests of producers.

I think that sums up our concerns, Mr. Speaker, and our belief that the way the Bill is presently written with the duties and authorities of the Administrator placed where they are serves the best interests of the primary producers of grain in western Canada.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise to speak in opposition to the motion before us put forward by Hon. Members of the New Democratic Party. When we look at the question of the growing and selling of grain, the factors of maximizing production and maximizing sales in the international marketplace are all very directly related to the nation's ability to transport and move its grain. What this country needs is an efficient transportation system which will move as large a volume of grain as any of our producers have the capacity to grow. And seeking that objective, it becomes paramount that we have a system of transportation co-ordination which is autonomous with that of marketing. We must have a system which is neutral in relation to that of marketing, because when one takes a look at the whole question of transportation, the enormous complexity of that question must be borne in mind. It is not simply a case of getting a hopper car from some country point to port. There is also the question of the very large number of grades in any one specified grain. The numbers are enormous.

● (1650)

Transportation has to be co-ordinated with the ships coming into port. It has to be co-ordinated with the capacity of the rural points to deliver. I challenge those who believe there is no issue in terms of grain transportatioan to put the simple question to the rural farmers on the Prairies, those permit holders, "Are you satisfied with today's transportation delivery system?" I know intuitively that the overwhelming answer will be a rejection of the notion of complete satisfaction, because virtually every community believes there can be an improvement in transportation.

Hon. Members of the New Democratic Party have been arguing essentially with an illogical set of logical-sounding logic. What they are in effect saying is that ducks are good swimmers. "Les is a good swimmer. Les is a duck." Quite frankly, what they are telling us is that the Canadian Wheat Board is good. We in the Conservative Party are saying that some of the authority which the Wheat Board now has ought to go into a special agency, therefore, we are attacking what is good. The argument simply does not hold, Mr. Speaker. There are many examples of good in which we make divisions. Automobile dealers may have a specialized truck lot apart from their car dealerships. A doctor may practise as an M.D., apart from those who are dentists. If we look at our society we see that in every profession there are examples of good being divided, and a specialization of good would probably equal more good. Hon. Members in the New Democratic Party would have us believe something else. They would like to have us believe that because the Canadian Wheat Board is good—and there is no argument against that—if we did anything at all to remove what is presently within the authority of the Wheat Board to some other agency, that we are attacking what is good. That kind of logic simply means that all NDP Members are ducks and none of them can swim. That simply is not borne on by the facts.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) earlier this day said that in 1978 the transportation system in this country was a mess. Little did he know that he was making the case for having a specific agency, because it was in 1979, the following year, that such an agency was set up and there was a very significant improvement in grain transportation on the Prairies.

Mr. Althouse: Because we ordered cars three years before that.

Mr. Malone: I do not know how I would get along, Mr. Speaker, if I did not have the Hon. Member for Humboldt-Lake Centre helping me. He said it was because they ordered the cars three years before that. That is the point. If in 1979 we had put up the agency and then ordered the cars, it might seem that, well, it is the cars, all confused. But, no, they were there three years before. Yet the Hon. Member said in his speech that in 1978 the system was a mess. Then in 1979, one year after the three years with which he starts, when the agency is in place, he tries to say, "Well, it does not have anything to do with the agency. It was all due to the cars which were ordered three years sooner." That kind of debating, Mr. Speaker, by Hon. Members of the NDP is called "squirrel-cage debating". It means that the faster they run the more they stay the same. There the Hon. Members of the NDP are pedalling away in their squirrel cage, trying to make Canadians believe that somehow the Conservative Party is attacking the Canadian Wheat Board. That is just pure balderdash, and it ought to be recognized as such by Canadian farmers everywhere.

We have indeed 8,500 more hopper cars. We also have an agency which is able to give its full attention to co-ordinating those cars into an active transportation system. Members of the NDP like to speak a lot on this particular Bill. They like to speak when they are recognized. They like to speak when other people are recognized. I would like to challenge them to ask a question in a questionnaire distributed among their farmer permit-holder constituents: "Do you believe, when you have a transportation concern, that you will get more attention by calling the Canadian Wheat Board rather than the transporta-

tion agency?" I believe, at least in the area which I represent, there is a belief today that the Canadian Wheat Board is a good agency, but that, in the question of transportation, when it comes to getting action, it is much more effectively done when someone's full concern is focused solely on the question of transportation.

The Hon. Member for Dauphin (Mr. Lewycky) was saying earlier in his speech that the officials of the Canadian Wheat Board have been very helpful. What he was really saying was that since it is helpful, how can we possibly in any way demote the Wheat Board? That was followed on a similar theme by the Hon. Member for Regina East (Mr. de Jong) when he said that the Wheat Board is absolutely essential. We find that each of the Hon. Members is implying that because the Wheat Board is good we cannot in any way detract from any of its powers. But what we really need is farmers who can grow to capacity, a Canadian Wheat Board which can market to capacity, and a transportation system which can deliver to capacity.

The autonomy of a transportation system is essential because it is its autonomy which gives it its status. What we want to have is a group of people who are proud to be working for a very efficient transportation system. So when farmers, grain elevators locals or grain elevator companies call the agency, the full focus of attention of that agency should be on transportation. We do not want people who wear a number of hats, one under which they market grain, another for the handling transportation. I believe that kind of separation is important.

I believe the amendment being put forward by the New Democratic Party is not at all in the best interests of the producers of western Canada. In fact, what should happen is that we should achieve a type of system whereby transportation is considerably improved from what it is today. Clearly the farmers at present, Sir, are not happy with their transportation service. They are much happier than they were prior to the establishment of an agency in 1979, but most farmers believe that quotas can become larger and can open more frequently than has traditionally been the practice in this country. In short, I feel it is important to underscore that what we have to maximize is the full capacity of this nation to become a producer, exporter and mover of grain. We must put specialists into all those categories so that not only will the farmers be able to sell all the goods they can grow but we can also deliver them effectively in order to meet and keep our markets.

• (1700)

In closing, Mr. Speaker, may I add this thought? If producers can deliver their grain much more quickly then they can convert their product into cash, put that cash in the bank and earn interest. They would then be able to avoid a considerable amount of borrowing, on which they have to pay interest, in order to pay their operating expenses. That is all dependent upon transportation. It is a question of how large and how fast quotas open. If the NDP Members do not believe this is very important to the primary producer, then they do not understand farmers and they do them an enormous disservice.

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to join in this debate very briefly to outline some of the reasons why I personally, along with my Party, would not be able to support the NDP amendment. I would also like to illustrate a number of, for the lack of a better word, red herrings that the NDP Members have dragged into the debate this afternoon, mostly because they are trying to generate scare tactics directed at the majority of grain producers in western Canada.

The first question concerns the Canadian Wheat Board and its acceptability on the Prairies, and whether it is going to be around for a long period of time. In my opinion, and certainly in the opinion of the agricultural producers I represent in southern Manitoba, indeed in all of Manitoba, there is absolutely no question that the Canadian Wheat Board rates as highly now in the esteem of grain producers as it has for a long, long time. Producers in Canada, primarily in the West, feel that while there are some things we could do better with the Wheat Board, the concept, which was put in place many years ago for all the reasons we have heard, is a good one and should remain. No one has said in any way, shape or form that that is going to change. It is not in trouble, although the NDP would like to make it seem that some political Parties would like to decrease, shall we say, the powers of the Wheat Board. That, of course, is utter nonsense.

Some years ago, I, along with two other Members of Parliament, was part of the whole exercise of setting up a grain transportation co-ordinator. It was a great learning experience not only for the committee which I had the honour to chair but also from the point of view of the people with whom we came into contact. The reason the Conservative Party moved to set up that co-ordinator is that we felt, in discussions with the industry, that the direction the industry was taking or wanted to take was unclear. It was unclear to the participants themselves.

It has been mentioned that we held extensive hearings throughout western Canada, into Ontario, parts of Quebec and even in the Maritime Provinces to see just where we should be moving. We found an incredibly complicated system, as I think everyone in this House will realize. We found a system with 160,000 farmers, all individual producers, entrepreneurs or, if you like, small-businessmen. We found a system with two major railways that were in some cases competing against each other, in some cases not possibly as strenuously as they should, but with a large number of employees and a tremendous capital investment in that particular area. We also found many elevator companies which had not only investments on the Prairies, but some substantial investments in facilities in Thunder Bay, the Port of Vancouver and, to a lesser extent, Prince Rupert, as well as investments in the Province of Quebec in elevator facilities.

Of course, Mr. Speaker, all these players, if you like, in this vast complex business of producing and marketing grain have a highly vested interest in the whole system. Rightly so, because they have a lot at stake. Given the number of people

involved in this one industry, it was not very surprising that we found friction. We found that unless there was a co-ordinating body to sort out the conflicting interests and in effect set out the direction in which the industry should go based on what the various groups want, over time the industry will virtually pull itself apart. That, in our opinion, was starting to happen when we set out on our task force study.

In our first few meetings it was obvious that the people involved were very cautious about saying too much or doing too much with a group of politicians, which may jeopardize their bargaining position later on. The first meeting we held in which all the participants came together, and that happened to be in Winnipeg, was truly remarkable. While we as a committee had heard from other people that there was dissatisfaction with the system, we did not realize how extensive or deep that dissatisfaction was until we tried to get everyone to sit down and talk out their problems. We could not do it. It was impossible because there was so much distrust within the industry. Over a number of weeks or months, there were a series of meetings. Many times they were with the Canadian Wheat Board, which was distrustful at the start but eventually came around to being of great help. In the final setting up of the grain transportation co-ordinator, the commissioners and the people involved in the Wheat Board were of substantial help. It is true to say that it would not have been set up unless the Wheat Board had given its help and assurance that it was willing to go along with the concept. I believe they saw the need for a co-ordinator because of the distrust that was inherent in the industry at that time. In effect, it made their life a little easier because it took some of the responsibility from them and set it into someone else's area. That of course made it a little easier for them.

So over the period of time we studied this matter, until the transport co-ordinator was appointed, the hostilities and tension surrounding the various participants slowly started to ebb until we could sit down together and have a reasonable discussion and know where we were going. These were all grown men, intelligent people, but they all distrusted each other initially, and obviously they all had a substantial vested interest in an industry which they did not want taken over by anyone else.

What has been the outcome of the appointment of a grain transportation co-ordinator? I think if we look back over the last number of years, one of the things that we can truly be proud of is the establishment of that body. It has helped out substantially. One will find very few people in the grain industry who have very much to say in a negative way about the grain transportation coordinating agency that was set up. The Canadian Wheat Board, the railways, the elevator companies, the three prairie Pools, farmers in general and farmer's organizations all agree that that was certainly one positive step taken under the Clark Government. I think all of us in the House would agree. Therefore, in my opinion, any move which would have a tendency to downgrade that body, even though it would be transferred into another area and made more permanent because of the legislative component attached to it, would be a disservice to the grain industry.

• (1710)

The Canadian Wheat Board, it is true, appeared before the Standing Committee on Transports and indicated some concerns, although in my reading of its brief they were very mild concerns about the direction that the legislative body would take. That is only natural. It was, once again, staking out its position. It was very gently telling the politicians, "Do not go too far because we think we are doing a good job in selling grain. We want to ensure that we maintain that. We want to maintain certain activities that we consider to be important". The politicians have basically said, "Yes, we agree that you will maintain those particular areas, the responsibilities that the Wheat Board has had in the past", and we have proceeded from there.

I have spoken with various officials of the Canadian Wheat Board. My riding is just outside of Winnipeg and, of course, the head office of the Canadian Wheat Board is also in Winnipeg. I can tell Your Honour that its officials are not concerned about the particular aspect of the dilution, shall we say, of their powers.

I return to the point at which I started my remarks by saying that the NDP, for some reason, is using this particular amendment as a simple and pure scare tactic. What Members of the NDP have said here this afternoon in terms of the potential destruction of the Wheat Board, or suggestions that the Conservative Party wants to destroy or in any way downgrade the Wheat Board, amounts to sheer and utter nonsense, and should be taken as such. I cannot support the amendment, and my Party cannot support the amendment.

Mr. Benjamin: I rise on a point of order.

The Acting Speaker (Mr. Blaker): The Hon. Member for Regina West is rising, I presume, on a point of order.

Mr. Benjamin: Mr. Speaker, I am sorry to interrupt in the course of a very good debate, but I wish to draw a matter to the attention of the Chair before proceedings go much further. I know that the Chair and the Table officers are in consultation as a result of something that happened earlier this afternoon. I want to assure the Chair completely that I am not trying to debate or question the ruling of the Chair. I would like to ask, though, that the Chair refer to *Hansard* of last Thursday, at page 27600, wherein it is reported that I rose on a point of order and said:

> Mr. Speaker, I was pleased to hear the remarks of the Minister. Madam Speaker grouped Motions Nos. 24, 25, 26, 27 and 29 for debate. No. 24 should bevoted on separately. Affirmative vote on Motion No. 25 would dispose of Motion Nos. 26 and 27. A negative vote on Motion No. 25 would require further voting on Motion Nos. 26 and 27, and Motion No. 29 is to be voted on separately—

I went further in my point of order to say:

> Mr. Speaker, I rose on a point of order. The Minister asked for the guidance of the Chair.

The Minister had just said that he was prepared to accept Motion No. 26 and move the appropriate consequential amendment. I stated:

I am asking for the guidance of the Minister. Is he saying that he is accepting all five of those motions, two of which are identical, and he would then move consequential amendments following the deferred votes? Or is he only accepting certain ones, and what would be the procedure then? Do we vote separately in spite of Madam Speaker's preliminary ruling? Do we vote separately if the Government indicates it is prepared to accept amendments that the Speaker said should be voted on in concert? I think we are going to find ourselves in trouble farther down the road.

In the next column, on the same page of *Hansard*, the Minister of Transport (Mr. Axworthy) is reported as saying:

I was asking what the appropriate timing for moving such a motion was. I know that Motion No. 27—

The Acting Speaker (Mr. Blaker): Order, please. I want to extend to the Hon. Member every opportunity for him to raise the level of understanding of the Chair, but there is some difficulty. As I understand it, the matter has been discussed before in points of order. It would help me, in the beginning, if the Hon. Member for Regina West could explain the point of his point of order.

Mr. Benjamin: Very well.

The Acting Speaker (Mr. Blaker): Then, if he wants to develop it further, I would be better able to understand it.

Mr. Benjamin: I am sorry, Mr. Speaker. I confess immediately to not being an expert in these sorts of things. I really rely on my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans). The point is that it was agreed on Thursday, implicitly and specifically, that an opportunity would be provided for discussing the merits and demerits of whether or not Motion No. 25 should be withdrawn. I want to provide Your Honour with another quote. The Minister was asking for advice, I take it, from the way he spoke as reported at page 27600 of *Hansard*, about the timing of his consequential amendment and the acceptance of my Motion No. 26 and Motion No. 27, the amendment of the Hon. Member for Assiniboia (Mr. Gustafson). I then said:

Mr. Speaker, I take it, then, that the Government is prepared to accept Motions Nos. 26 and 27, which are the same as the original wording of the Bill. Can I take it, then, that now he would bring in his consequential amendments to Motions Nos. 26 and 27 but that Motions Nos. 24, 25 and 29 will remain under debate and will be voted upon separately?

Mr. Deputy Speaker asked if that was agreeable to the House, and some Hon. Members agreed. Mr. Deputy Speaker went on to say:

Motions Nos. 26 and 27 appear to be the same motion. Therefore, we can put these two motions at the same time and they can be voted on by the House, presumably. With the consent of the House I am taking Motion No. 26—

That was on Thursday, Mr. Speaker. On Friday, Your Honour yourself, the Acting Speaker, raised the subject with regard to Motion No. 25 and whether or not it should be withdrawn, whether it was superceded and became redundant with the adoption of Motions Nos. 26 and 27. Your Honour said, as reported at page 27622 of *Hansard:*

I understand that last night the House considered Motion No. 26. In accordance with Madam Speaker's ruling which grouped certain motions, it would follow that Motion No. 25 would now be withdrawn.

I gather that the Hon. Member for Regina West (Mr. Benjamin) wanted some consideration of the issue. If he has any comment, perhaps now is the time, because it should logically now be withdrawn.

I then said:

Mr. Speaker, at the moment, my druthers are that it does not logically follow that it be withdrawn.

The Acting Speaker (Mr. Blaker): Order, please. I know the essence of the argument that the Hon. Member is making. He referred to remarks that I made on Friday indicating at that time that I could not see anything in his own words which supported an argument that Motion No. 25 should be put to the House. I am further aware that the Deputy Speaker, the previous occupant of the Chair, has ruled that no vote will be taken on Motion No. 25.

I think I know what happened, that is, that the House did not protect Motion No. 25 when it made certain judgments as to how it wished to proceed with other motions. I would think it was an oversight at the time, but that is not the business of the Chair to judge unstated arguments by the House or by Hon. Members. Therefore, we are faced with a problem, it seems to me, involving the desire of the Hon. Member for Regina West to protect a vote on Motion 25. The problem is that the Deputy Speaker has ruled that Motion No. 25 has now fallen as a result of the vote on Motion No. 24.

• (1720)

The Hon. Member needs to offer me some argument that gets around the problem that a decision has already been made. I want to make it clear that it would not be possible for me to overrule the decision already made by an individual previously in the Chair.

There is another method I can offer to him. He may want to take a few moments to see whether there would be unanimous consent, among representatives of the Parties or through whatever other means he wishes to take, that his Motion No. 25 be eventually put to a vote.

As I said, in attempting to helping him, I must say that it seems to me that the House was silent on that matter at the time and that that is his difficulty. I cannot overrule previous decisions. I would now invite the Hon. Member to address his remarks to some field of language that gets around that problem. To repeat the procedural argument related to the problem is now out of order because there has been a ruling on it already. I will recognize the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, I appreciate your comments. I was coming to another point that you made on Friday when I said: "That is why I would like to ask if Your Honour—

The Acting Speaker (Mr. Blaker): This is the third time I have interrupted the Hon. Member. I cannot entertain arguments which proceed along a presumtion that the Chair is going to overrule itself. That is not in order at all.

Mr. Benjamin: That is not what I am asking.

The Acting Speaker (Mr. Blaker): I need to know what the Hon. Member is asking.

Mr. Benjamin: I am asking the Chair to consider what I requested and what the Chair agreed to on Friday, that is, to leave this matter in abeyance until—

The Acting Speaker (Mr. Blaker): I am sorry to advise the Hon. Member that I am reliably informed that the previous occupant of the Chair has ruled that Motion No. 25 will not be voted on.

Mr. Benjamin: Why?

The Acting Speaker (Mr. Blaker): There is no way that the present occupant of the Chair can overrule that decision.

Mr. Benjamin: I am not asking you to do that. I am asking you to consider what the Chair said on Friday when I said, "Hold this in abeyance until Monday, and we can discuss it further." The Acting Speaker said that the Chair would accept the Hon. Member's request. We had no chance to discuss that today. It was ruled upon by the other Speaker. We were told on Friday that this matter was in abeyance and we would have an opportunity to discuss it further, but no such opportunity was made available.

The Acting Speaker (Mr. Blaker): This is now the fourth time that I have offered the Hon. Member for Regina West a possible solution to this problem.

I see an Hon. Member and a Minister seeking the floor. I should have thought that a moment's private conversation behind the curtains would have done the Hon. Member a great deal more good than lengthy points of order.

Mr. Mazankowski: Mr. Speaker, I certainly do not want to deny the Hon. Member a chance to debate his motion but the facts are fairly clear. If he really now wants to introduce Motion No. 25, it runs counter to Motion No. 26, which is in his name and was carried. He cannot really have it both ways. Under Motion No. 26, he proposed that there be six members, each representing one of the six largest primary elevator licencees in Canada. In Motion No. 25 he is proposing that five members be included representing the licensed primary elevators.

He has had one of his motions carried which provides for six members representing the primary elevators to sit on the Senior Grain Transportation Committee. Does he now want the House to debate this issue again so that he can have an opportunity to reduce that number from six to five? I really do not quite understand it.

Mr. Axworthy: Mr. Speaker, I rise on the same point that was just made by the Hon. Member for Vegreville (Mr. Mazankowski). As I recall the statement made by Madam Speaker, she indicated that an affirmative vote on Motion No. 25 would dispose of Motions Nos. 26 and 27. Logically, an affirmative vote on Motions Nos. 26 and 27 would dispose of Motion No. 25.

I heard Members of the NDP previously making an appeal for logic. Surely the same appeal should be made to them. They might try to be logical. I know it is not their intent to be logical in this debate but simply to filibuster as they have said publicly. Surely they should respect the rules of Parliament and at least a semblance of logic in what they say. One cannot introduce two amendments which have different points of view, have one accepted and then say they want the other one debated.

After all, they are beginning to stretch the point a little far, and they just might begin to convince people across the country that they are really not serious at all but are just here to waste the time of Parliament, which we all know is probably the reason. At least they should not be so blatant in their admission of that, and I would suggest that the ruling of the Speaker should stand.

Mr. Deans: Mr. Speaker, the problem lies in something that took place last week. Let me put quite bluntly where the difficulty lies. When the Speaker grouped the motions for debate, ruling that some were in order for debate and others were not, I suggested at the time that there should be some time given for a review of that ruling before the debate proceeded. If we had that time we would have asked that Motion No. 25 and Motion No. 26 be dealt with separately rather than grouped for debate because they were, in fact, different questions. We were not given that opportunity.

The Minister chose to accept the second of the amendments offered within the grouping that the Speaker had determined were suitable, without any opportunity for discussion. We would have preferred to deal with the first amendment, but we were not afforded the opportunity of dealing with that amendment because the Minister moved to accept an amendment that satisfied him rather than the one which we considered to be the most important of the two.

What happened on Thursday was that my colleague raised that very point. He first asked that the Minister's suggestion that he would accept one of the amendments not be agreed upon at that point because we considered the other amendment to be of greater substance. At that particular point, the Speaker agreed not to put the accepted motion of the Minister. On Friday you yourself, Mr. Speaker, indicated to my colleague, the Member who has just spoken, that you did in fact agree that the question of Motion No. 25 was still before the House.

That is the essence of what was said on Friday afternoon. We did not anticipate at all that the Deputy Speaker would walk into the House today and make a ruling on Motion No. 25. We did not even anticipate that Motion No. 25 was still under consideration by the Speaker today. We anticipated that if there was to be any further consideration of the merits of Motions Nos. 25 or 26, an opportunity would be given to the House to discuss the relative merits before the question was put on either of them.

Quite clearly, in the sequential order that the amendments are listed in the Speaker's ruling Motion No. 25 would have to have been disposed of before Motion No. 26 could either be accepted or turned down. Common sense tells us that and the rules of Parliament tell us that. While debate on the questions could proceed dealing with each and every one of them at the same time, Motion No. 25 would have to be put to the House before Motion No. 26 could be agreed to or turned down.

That is the essence of what we were saying. It is grossly unfair that the Speaker should walk into the House in the middle of the afternoon and make a ruling which had not been asked for and make a ruling without allowing discussion to take place with regard to the relative merits of the argument to be put and expect us to sit back and allow the second of our choices. I make it quite clear that we would accept Motion No. 26 if Motion-No. 25 were voted down, but we wanted Motion No. 25 to be considered as the more substantive of the two. We do not appreciate the Speaker's making a ruling on something about which no ruling was necessary.

• (1730)

I therefore ask you to reconsider, if you will, between now and tomorrow whether, in fact, there may have been a misunderstanding as to what took place on Thursday and Friday. We are quite prepared to discuss the matter further privately in order to find some accommodation for the question we put before you. It is not up to the Minister to say which of the four or five amendments grouped at any one time is acceptable to the Minister. You can imagine, for example, that if we were to accept that kind of procedure and there were five amendments grouped for debate, one of them being the Minister's, he could rise at any point in time and say, "That one is acceptable to me, and so everything else is out of the way." That is ludicrous, Mr. Speaker. I can see from your face that you can see the stupidity of that and you can, therefore, understand the point that I am now making. It is not up to the Minister to say something is acceptable or otherwise. It is up to the House to dispose of it. It was our intention, safely protected by the Hon. Member for Regina West (Mr. Benjamin), that we should deal with Motion No. 25 before we dealt with the Minister's intention to accept Motion No. 26. That was said by the Hon. Member on Thursday, reiterated by the Hon. Member on Friday. It required absolutely no Speaker's ruling on Monday. I simply ask that until tomorrow we be given an opportunity to discuss it further, and that Motion No. 25 not be removed from the Order Paper.

Mr. Gustafson: Mr. Speaker, I rise on a further point of order on the same subject. For clarification, I think at the very beginning the Hon. Member for Regina West (Mr. Benjamin) moved to adjourn the House. The Hon. Member for Regina then gave up his right to speak. We then introduced Motion No. 27 which was the same Motion as Motion No. 26.

Mr. Deans: No.

Mr. Gustafson: It became a matter of politics in this House, at which time we had upstaged the NDP. We were getting some ink in the papers in western Canada, and the NDP became very jumpy at that point and it made its move to Motion No. 26, thus bypassing Motion No. 25.

The Acting Speaker (Mr. Blaker): I may be able to assist in the resolution of the problem. I will try to do so. I see the Hon. Member for Regina West rising. I have recognized him several times and I wonder if he would let me see if I could find a solution to this problem.

We can take the issue in this order. In the first instance I know that all Members will recognize that it is the policy of the Chair that rulings are, if I may call them such, indivisible. It is not possible for me to overrule a ruling made by a previous occupant of the chair. That option I do not find possible. I do not think any Hon. Member would want the Chair to start that kind of practice. We would soon have four different Speakers offering four different kinds of rulings.

Mr. Blaikie: We do.

The Acting Speaker (Mr. Blaker): You would never know what was going to happen in the House.

The second option which the Hon. Member may be able to achieve himself is by way of private discussions which would lead along the subject matter of unanimous consent. I have to leave that to him. It is pointless for me to put that proposition to the House right now, and it would do the Hon. Member no service. Judging from what was said by the two Hon. Members who have spoken on that matter, I think I would have difficulty getting unanimous consent for the Hon. Member now.

There is a third issue which the Hon. Member for Regina West and the Hon. Member for Hamilton Mountain (Mr. Deans) have raised, and that is, that somehow the Chair committed itself to creating certain opportunities for the Hon. Member for Regina West. I will look at that. This argument is made and it is made with myself in the chair on Friday, found on page 27622 of *Hansard*. The exchange was as follows:

THE ACTING SPEAKER (MR. BLAKER): I understand that last night the House considered Motion No. 26. In accordance with Madam Speaker's ruling which grouped certain motions, it would follow that Motion No. 25 would now be withdrawn.

I gather that the Hon. Member for Regina West (Mr. Benjamin) wanted some consideration of the issue. If he has any comment, perhaps now is the time, because it should logically now be withdrawn.

In the next paragraph the Hon. Member for Regina West concludes by saying:

That is why I would like to ask if Your Honour could just leave this matter in abeyance until Monday and we could discuss it further.

The Chair replies with what is obviously a repeat of the same warning, a warning that Madam Speaker grouped these motions, but it logically follows from the treatment of the motions by the House that Motion No. 25 would now be withdrawn. The words used are:

The Chair would accept the Hon. Member's request. I do not hear a procedural argument which would affect the statement I made to the effect that, with the passage of Motion No. 26, it would automatically follow that Motion No. 25 would be withdrawn.

I then went on to indicate to the Hon. Member that I could see no harm to the proceedings of the House if his request were met. That is, in his own words, "Leave it in abeyance until Monday and we could discuss it further."

The question now arises for the Hon. Member and his colleague, the Hon. Member for Hamilton-Mountain, whether there is some way in which my words on Friday give to the Hon. Member for Regina West some opening for a better treatment by the Chair or by the House. In opposition to that question is the fact that my predecessor ruled that Motion No. 25 was deemed withdrawn. I will undertake to consult with the Table officers to determine whether there is some way the Chair can assist the Hon. Member, or the Table officers may be able to advise the Hon. Member of some procedure which he might find available. I want to warn the Hon. Member in advance that I do not know of any, but I am prepared to put the matter in the back of my mind. I am not prepared to consider overruling the previous Deputy Speaker. I am prepared to do a little research to see if in some way the Chair can fulfil its duties, which is always to offer assistance to Members.

Some Hon. Members: Well, help us out.

The Acting Speaker (Mr. Blaker): But the Hon. Member understands in advance that I regard the previous Speaker's ruling as binding. If we can leave it at that, fine.

I do not think we can entertain more points of order on the matter because the point is very clear. The issue is very clear. I do not think the House should have to take up too much more time on the matter. If the Hon. Member is satisfied with that, we can proceed in that fashion. If he is not, I will now give him an opportunity to speak again. One of the responsibilities of the Chair is to move the business of the House along in some orderly fashion and I will have to do that as quickly a possible. The Hon. Member for Regina West.

Mr. Benjamin: Thank you for your comments, Mr. Speaker. I only want to be helpful in discussions which I hope will take place. I have had conversations with some of the Table Officers only to point out, for the sake of discussions that I hope will take place between now and tomorrow when the House convenes again, that Madam Speaker said in her preliminary ruling that Motions Nos. 24, 25, 26, 27 and 29 standing in my own name and that of the Hon. Member for Assiniboia (Mr. Gustafson) appear acceptable to the Chair and should be grouped for debate. But she then went on to say that Motion No. 24 should be voted on separately, and an affirmative vote on Motion No. 25 would dispose of Motions Nos. 26 and 27, but a negative vote on Motion No. 25 would require further voting on Motions Nos. 26 and 27.

I take my share of responsibility and say that collectively we erred on Thursday and Friday by proceeding to deal with Motion No. 26 before we dealt with Motion No. 25. I hope that discussions can occur. Since Motion No. 25 was our first choice amendment, we filed Motion No. 26 in the event Motion No. 25 failed. I only ask, Sir, that in the discussions which I hope will take place, we will find a way, by unanimous consent or in some other manner, without asking the Chair to be overruled or asking the Chair to overrule itself, I hope we can find an agreeable solution to this sometime tomorrow. When we debate Motion No. 25, it may be tomorrow or any other day. In terms of undoing what we did on Thursday and Friday by not dealing with the motions seriatim as they appeared on the Order Paper by way of votes, we will find ourselves in trouble down the road. I am as guilty as anyone in the House. Over a period of a few minutes or even seconds we were frantically trying to figure out what happened to what because we did such and such. I think we have to undo it, and I hope the discussions will arrive at a way of undoing it.

• (1740)

The Acting Speaker (Mr. Blaker): I do not want any misunderstanding. This occupant of the chair is not offering to the Hon. Member some form of debate or further debate on the matter. I can make that clear by indicating that any other occupant of the chair would, from this point on, feel that the Hon. Member has not only had fair hearing but that I personally have given every moment of time I can. It is not a question of the Chair offering some way to overcome what amounts to a decision of the House. I simply offered some help to the Hon. Member, that research could be done to see if there was some alternative procedure for him.

As far as the status right now is concerned, the matter has been decided upon, and Motion No. 25 has been withdrawn. I am not sure whether there are other Hon. Members who wish to address themselves to Motion No. 32.

Mr. Benjamin: Mr. Speaker, on a point of order—

The Acting Speaker (Mr. Blaker): Has the Hon. Member not already spoken to his own motion?

Mr. Benjamin: On a point of order—

The Acting Speaker (Mr. Blaker): Presumably the Hon. Member is on another point of order.

Mr. Benjamin: No, I rise on the same point of order, a further point.

The Acting Speaker (Mr. Blaker): That is not possible because I have ruled on that point of order and cannot entertain debate on it.

Mr. Benjamin: There is an agreement of the House that Motions Nos. 24, 25 and 29 would be debated and voted upon separately.

The Acting Speaker (Mr. Blaker): Order, please. I know the Hon. Member for Regina West feels that I have done my utmost to be of assistance to him, and that he will see a substantial reduction in my interest in being of assistance to him if he is not prepared to take my rulings on a courteous basis. On debate, Motion No. 32.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I welcome the opportunity to speak for a few moments this afternoon on Motion No. 32 in the name of my learned friend and colleague, the Hon. Member for Regina West (Mr. Benjamin). I readily admit that I am not a farmer and as such I do not have first hand knowledge of the farming industry. I do represent many farmers and I talk to them when I go home to my constituency. I talk to the officials of municipalities, towns and villages in my constituency as well. Over the last few months many of them have passed resolutions which they sent to the federal Government calling upon it to preserve the Crowsnest Pass rates for the transportation of grain. They have done this out of interest for the farmers in their communities and for the economic wellbeing of their communities as service centres to the farming industry.

I have listened today with interest and with some amusement to the speeches in this debate by Members of the Progressive Conservative Party. I especially noted the comments of the Hon. Member for Portage-Marquette (Mr. Mayer), who happens to be my neighbour in Manitoba. He charged the New Democratic Party with a poor performance in the debate on the Crowsnest Pass rates or on Bill C-155. This is somewhat amusing. The Hon. Member for Portage-Marquette, in a ringing piece of oratory which will long be remembered, on a day during the debate of Bill C-155 when we had about half the number of Members of the PC Party rising to enter into the debate as Members of this Party—

Mr. Blenkarn: Come on.

Mr. Sargeant: This was from a Party whose Leader on the weekend in Regina and Saskatoon said that it would oppose and do everything it could to stop the Bill.

Mr. Hnatyshyn: There were 1,500 Conservatives in Saskatoon; you would have been proud.

Mr. Sargeant: Approximately 1,500 Conservatives gave him a subdued applause.

Mr. Hnatyshyn: I was there. There was a standing ovation.

Mr. Sargeant: Returning to the Hon. Member for Portage-Marquette, he spoke about our performance. Today we heard from the hon. psychologist for Calgary who stretched the credibility of the House and insulted the Canadian electorate by intimating that the NDP was responsible for Bill C-155 being introduced in the House of Commons. This is one of the best pieces of creative thinking in the House for some time.

If the Conservative Government had not been chucked out of office in the winter of 1979-80, the Crowsnest Pass freight rates would be long gone, dead and buried. During Question Period today we heard the Hon. Member for Bow River (Mr. Taylor) come on as a strong defender of the Crowsnest Pass freight rates. He is from the Province of Alberta. I would like to ask him what kind of strong support those rates have from the Premier of that Province or from the provincial Minister of Agriculture. Not very much, I am afraid to say. Who is talking about good performances!

The Hon. Member for Portage-Marquette also talked about this Party's inconsistency in its position on the Crowsnest Pass rates. This Party is the only one that has been consistent from day one. In fact, we have been consistent for many, many years. Our bottom line is that we are opposed to the changes. The Tory position, since the introduction of Bill C-155, has marked one of the most notable turnarounds since St. Paul took a trip toward Damascus.

Once again the Progressive Conservatives are joinging with their ideological bedmates, the Liberals, to put into effect a system which will once again leave western farmers with the short end of the stick. We have them voting against the continued wellbeing o the Canadian Wheat Board and in favour of the ability of the Minister of Transport (Mr. Axworthy) and the Grain Transportation Administrator to weaken the authority of the Canadian Wheat Board. I say to the Hon. Member for Crowfoot (Mr. Malone), who is not in the House at the moment, that yes, the Conservatives are voting against good by voting against Motion No. 32.

What are we trying to do with this motion? Basically we are trying to maximize the returns to producers, as was said in the House this afternoon. How do we maximize returns by putting into place two systems which may very well be conflicting, by putting in place two bosses? If you have split responsibility, in the end nobody is responsible. The Canadian Wheat Board has been doing its job well for 40 or 50 years. I do not see why that has to be changed now. If we look at the record of the Grain Transportation Agency since it has been in place, what it has done over the last two or three years is to experiment with systems. In the end, it has gone back to the same Canadian Wheat Board allocation system it was using before. Basically, it has done nothing. It is an extra cog in the wheel, a cog that takes time, could possibly add confusion and in the end would not serve the best interests of western producers.

● (1750)

I listened with interest to the comments of the Hon. Member for Lisgar (Mr. Murta). He said that in his travels in and out of Winnipeg, he often spoke with members of the Canadian Wheat Board who expressed to him that they are not especially concerned with this provision of the Bill. That flies in the face of the testimony which the Canadian Wheat Board gave when it appeared before the Transport Committee over the last couple of months. I quote from their presentation:

> The Canadian Wheat Board, like any other sales organization, must control shipment of its own product in order to ensure performance. For these reasons the Board has always held the view that overall control of the system, as developed in co-ordination with the industry, should be administered by the Board.
>
> The Board still feels that the system operates most efficiently and effectively if grain transportation is fully co-ordinated by the major sales agency. If this is not permitted, it should be clear that we view any further reduction in the Board's ability to co-ordinate transportation, as a very serious step backward for the export sales program for western Canadian grains.

That seems to be completely contradictory to the statement of the Hon. Member for Lisgar. We should take note of that. The Canadian Wheat Board has done the job well for many years. It has concerns about the grain transportation authority.

We must address those concerns and make the grain transportation authority part and parcel of the Canadian Wheat Board.

Basically, we want an efficient system that will not have conflicts, not have two bosses, two systems working against the best interests of Canadian farmers. I therefore ask all Members, especially the Conservative Party which is trying to pretend it is the defender of the Crow and western farmers, to support Motion No. 32.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I listened with interest to the comments of some of my Conservative colleagues. At first I was surprised at the anti-Wheat Board attitude they displayed. I thought as I listened to them, particularly those from the Prairies, that perhaps they were trying to develop some other arguments, sustainable by factual information, which had shown conclusively that this move was going to be of lasting benefit. I then came to the conclusion that I should not have been so surprised, looking back over the history of debate on this legislation; the weak-kneed, lily-livered approach they have taken to supporting the farming community in prairie Canada. Almost on bended knee they hoped the Liberals would push this Bill through as it would save them from having to do so later should they ever become a government.

As I listened to the debate on this clause alone, I began to see what was behind the Tory push. This amendment that we offer is aimed at strengthening the transporting of grain to the export markets. What we are talking about is the responsibility that has been taken on by the Wheat Board to find the markets, to ensure that the demand in world terms can be met, and to ensure that the farmers of Canada have available to them the grain transportation system that they need.

It has the responsibility when selling wheat abroad to make sure that the transportation system in place will be available and ready to carry that wheat to the ports so that it can be shipped on time and the grain farmers of western Canada will be assured that their reputation will not suffer at the hands of some other body. That is really what this is all about. I do not understand the Conservative position. It is mind-boggling.

Mr. Blaikie: Which position are you talking about?

Mr. Deans: My colleague asks, "Which position". I can understand him being puzzled about which position, given the numbers of positions that the Conservative Party has taken since the Bill was introduced. As my old friend and colleague from Sudbury would have said, they have more positions than Masters and Johnston, and let me tell you that their intent is not as good as the intent of Masters and Johnston.

Their leader has been speaking in Saskatchewan, speaking in Manitoba, talking to 1,500 Tory flunkies, getting them off their backsides to cheer for useless rhetoric which does not in any way reflect the true Conservative position. We know the true Conservative position because we have taken a look at it. Others across the country are now beginning to look at it.

What is the Conservative position? The Conservative position today is whatever happens to be the most specious, the one that provides them with the shortest run gain, the argument that they can put forward that will satisfy, notwithstanding whatever argument they may have put forward yesterday. I find it improbable. We have the Tories bemoaning the fact that we are trying to protect the interest of the prairie wheat farmers while they, hand-in-glove with the Liberals as usual, support Liberals at every turn in the committee, speaking together as one and representing the same interests, the corporate interest as usual.

Mr. Blaikie: The railroad.

Mr. Deans: My colleague says, the corporate interests, and adds, sotto voce, the railroad, I see it is six o'clock, Mr. Speaker. I have a number of other comments I want to make. I will wait until tomorrow to complete my remarks.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CONSUMER AND CORPORATE AFAIRS—REMOVAL OF UREA FORMALDEHYDE FROM MANITOBA HOMES. (B) MANITOBA GOVERNMENT'S NON-COMPLIANCE WITH REGULATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on September 27, 1983, I posed a question to the Minister of Consumer and Coprorate Affairs (Mrs. Erola) regarding the removal of urea formaldehyde from Manitoba homes. I asked her to respond and thought that I was to receive a progress report on the problems which have occurred in Manitoba because subcontractors are not being paid and liens are being placed against Manitoba home owners. I was shocked by her response. The answer she gave me was nonsense. It was to the effect that her Department did not have contractors and she could not understand the question.

I went on to ask her why the Manitoba NDP Government is not co-operating with the federal Government by giving progress reports about the operations of the different contractors in Manitoba. She informed me that she had no knowledge of the subject. I found that very strange, and I will go into that further in just a moment.

I would like to deal with the history of the problem of urea formaldehyde. First the Government recommended urea formaldehyde foam insulation for homes. The Government is now recommending its removal by Government registered firms which have been proven in Manitoba to be unreliable and inexperienced. A performance bond should be a prerequisite for the hiring of these firms. In Manitoba these firms are

hiring subscontractors and not paying them. Subcontractors in turn are placing liens against properties they have worked on.

I would like to point out that there is a time limit with regard to liens. If something is not done about a lien within 40 days, the matter ends up in court. I hope the Minister will take some action so that none of these home owners will end up in court regarding payments to contractors and subcontractors.

Home owners are left with uncompleted work. Wires are left hanging, windows are smashed, woodwork is destroyed, exterior walls are torn down and the home owners do not know when to expect the replacement of those walls.

I appreciated receiving a call this morning from someone in the Minister's office. The caller was seeking information about what was going on in Manitoba. I gave her office the addresses of some of the affected home owners and a little bit of background information so that they will know what to look for when a member of the Minister's staff is sent to Manitoba. I understand that will be this week.

Home owners will be facing a cold Manitoba winter with no protection against the elements. They face two prospects: They may become ill due to formaldehyde gas poisoning or they may become ill due to exposure to weather. Home owners feel that they are at the mercy of the contractors. The Manitoba NDP Government is not reporting names of delinquent firms to the federal Government and obviously the Manitoba Government is not concerned with the plight of these home owners.

Let me tell you about the plight of just one home owner in Manitoba. He will have snow blowing right through his house because the gables are wide open. He has plywood covering the lower part of his home. He has broken an agreement with the contractor and could have a libel suit on his hands. He has had to retain the services of a lawyer at his own expense and has had to repair damage done by the contractor at his own expense. Apparently Consumer and Corporate Affairs has only one person in Winnipeg assigned to deal with these problems. This one person must deal with problems regarding urea formaldehyde in three western Provinces. With those kinds of problems, Mr. Speaker, I think the Minister should look at expanding her staff.

In Toronto, Canada's biggest class action suit has been launched against the federal Government because of the urea formaldehyde situation. If the Government continues in the same manner, more suits can be expected.

On September 27, the Minister of Consumer and Corporate Affairs denied knowing about the problems in Manitoba. However, on September 9, a telex was sent to the Minister by Mr. G. J. Markowski, President of HUFFI in Winnipeg, describing the situation. On September 16, that telex was acknowledged by the Minister who said that the matter was under careful consideration. I find it very strange that she could not give me a progress report instead of telling me that she had no knowledge of the subject when I raised the matter in the House. This would clearly indicate that mail is leaving her office signed by someone else and that she is not aware of it.

Why did the Minister mislead the House? What will she do for these home owners? What action is she going to take against the Manitoba NDP Government for not reporting the names of delinquent firms as requested in order to protect the home owners? I would like to remind the Minister again that there are just a few days left to remove some of these liens before the home owners find themselves facing a court action. I hope I can receive a more satisfactory answer this evening than the one I received last week.

• (1805)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I regret that my reply to the question of the Hon. Member last week could have inadvertantly misled the House. I must in all sincerity say that the question he posed offered me no alternative but to answer as I did. The question he asked, as reported at page 27500 of Hansard for September 27, was:

> Has the Minister had any consultations with the Manitoba NDP Government as to why it is not conforming to federal Government regulations? Will she work in conjuntion with the Manitoba Government to have the liens removed immediately, have the foam inslation removed, and have the outside sidings replaced?

I replied, and I quote:

> The Province of Manitoba has not informed me of the difficulties and I am glad that the Hon. Member is fulfilling his obligations as a Member of Parliament by bringing the matter to my attention.

No, indeed, I have not received a request from the Manitoba Government. I have had no formal request. Yes, I have had a number of requests from people across the country, including people from Manitoba, which we are investigating. I suggest to the Hon. Member that had he posed his question differently I would have given a very different answer. Now I have an opportunity to answer the Hon. Member more fully, I am very pleased to say to him that I was aware of the specific problem in Manitoba and we had, indeed, responded and we are working on it.

The original question put to me by the Hon. Member had really four separate points: my Department's relationship with UFFI contractors; the specific problem of liens in Winnipeg; the question of houses remaining unfinished, and the Government of Manitoba and performance bonds. I would like to deal with all of these points because when we looked back at the question it occurred to us that there were many questions all within the one.

First of all, I will speak about the licensed contractors. The UFFI Centre does not licence contractors but maintains a register of those who have demonstrated their ability to carry out corrective measures for UFFI.

The Hon. Member mentioned provincial involvement and performance bonds. As I understand it, it is not a provincial requirement in Manitoba that contractors post performance bonds. I am not clear on what the Hon. Member was talking about when he mentioned these bonds and I will be pleased to receive details of any problems he thinks may exist.

There is certainly a problem with one contractor in Winnipeg. The UFFI Centre has a system for identifying contrac-

tors who seem to be taking on too many contracts for UFFI work for the number of trained employees they have. I should point out, however, there are very few across the country who have tried to do this, although we have had problems, as I said earlier, right across the country. The particular contractor who caused the problem in Winnipeg was identified by this system. As of August 3 he has not been permitted to take on any new work, although he is required to complete the jobs for which he had already contracted. I would like to assure the Hon. Member of this.

Nevertheless, the situation is not as bleak as my hon. colleague seems to fear. The contractor in question has made arrangements with two of the suppliers who had imposed the liens. I am aware of about 60 liens. I would be interested to have details of the 150 which were mentioned by the Hon. Member. Those suppliers have agreed to continue to supply the contractor as long as the home owners agree to make their payments to the contractor and the supplier jointly. The contractor is confident he will have all his outstanding contracts completed by December 15. UFFI Centre officials will be monitoring his progress.

The Acting Speaker (Mr. Blaker): Order, please. I do not have the option to offer the Minister the opportunity of extending her remarks by unanimous consent. Her time has gone considerably over the three minutes she is allowed. Accordingly, there is no way for me to get around it. I am sorry to inform the Minister that three minutes is the time allowed for the reply on the late show and the Chair, by tradition, has been requested by the House to be quite rigorous in the application of the rules.

EMPLOYMENT—DENIAL OF ACCESS TO TRAINING FOR GRADE SIX EDUCATED WORKERS. (B) POLICY INQUIRY

Mr. Jack Shields (Athabasca): Mr. Speaker, on two separate occasions I have raised a question with the Minister of Employment and Immigration (Mr. Roberts) regarding a policy which presently exists in the Canada Manpower offices across the country, in that it is denying training assistance to adult Canadians who apply for training and who have functional grade seven or less as their level of education. Manpower offices, by policy, denied them admittance or the necessary support for training programs. Twice I have raised this in the House. The last time the Minister followed it up with a letter from which I will quote from as follows:

● (1810)

A careful evaluation of the Canada Manpower Training Program confirmed that academic upgrading at lower levels rarely led to further skill training or to employment. In view of these findings and the Senate Committee recommendations, it was determined that the Commission should withdraw from low-level BTSD funding at the Grades 1 to 7 level.

I find it most objectionable, Mr. Speaker, that in this time of unemployment and misery across the country a Government would set a policy denying admittance to Manpower Training Programs because people do not have an education, the very people we should be helping. That is a fact; I have it in writing from the Minister.

I also have a letter from Frontier College which came across my desk today, one portion of which I would like to read, as follows:

It is a shock to most Canadians to realize that several million adults have fewer than nine years of school. Of course, for these people, as you suggested, it is extremely difficult to obtain access to provincial or federal training programs.

Mr. Speaker, the Government is denying these people the opportunity to go into training programs, by way of a policy, not by an Act, because an Act like that would not pass this House of Commons. It would discriminate against people because they lack education or because their educational level is not above grade 7. I appeal to the Minister to reconsider this most reprehensible step that the Manpower Offices across the country are taking.

I have a paper from UNESCO which says that 28.4 per cent of Canadian adults have less than grade 9, an educational attainment well below the requirements of our society. The very people we should be helping are being denied that help through a policy implemented by the Minister of Employment and Immigration.

The Government conducted an evaluation which indicated there was no use in giving people who are functionally illiterate an education because they do not go on to take skill training, and do not contribute to society anyway. The Minister also claimed in his letter to me that part of the reason for withdrawing support for those unfortunate people who are functionally illiterate is that the Senate Committee on Finance has determined it is a waste of money. I tell you that it is not a waste of money, Mr. Speaker. If we do not address the problem, if we do not make the people in Canada aware that there are millions of adult Canadians walking the streets of our country who have every right to this education and who, perhaps through an accident of birth, did not get that education when they were young, then they are being denied Manpower Training Programs paid for with tax dollars, programs to which they on many occasions have contributed.

The Frontier College has been teaching people to read and write for years. People coming out of university have gone and worked on train gangs on the railroads to teach people to read and write. This policy is wrong, Mr. Speaker, absolutely wrong and absolutely deplorable. I urge the Minister of Employment and Immigration to reconsider this most reprehensible policy.

● (1815)

Hon. Serge Joyal (Secretary of State): Mr. Speaker, I would like to thank the Hon. Member for the point he raised, because it is a very essential and important point in dealing with the matter of education in Canada. There is no doubt but that there is too great a number of Canadians, especialy adult Canadians, who do not have the functional education to be part of the labour force in a way that could meet the challenges of industrial conversion with which we are involved at this point in time. However, one thing we must also bear in mind at this same moment is that there are some limitations to

the responsibility of the Government of Canada so far as adult education is concerned, and so far as the primary and secondary levels of education are concerned.

When an adult finds himself or herself in the situation where he or she must go back to school to receive instruction to prepare for training in the new skills that will ensure him or her of the kind of permanent job we are attempting to create in this country, the responsibility, and we must be well aware of this, is essentially, according to our Constitution, the responsibility of the Governments of the Provinces. There is no doubt but that adult education is an essential objective that we must pursue simultaneously with the training of Canadians in those new skills and jobs where the future of the economy of Canada lies.

I am not ready to subscribe to the interpretation that the Hon. Member gave to the Minister's letter to the effect that those people are automatically barred from training. I would rather think that the Minister is certainly not prepared to write off the workers with grade six education. However, the basic responsibility to provide academic upgrading at these low levels rests, in fact, with the Provinces. There is certainly a need on the part of the Provinces to question themselves on their adult education priorities.

There is no doubt that if there are any programs in the country that should address adults personally, they should be for those adults who have reached only the lowest grades of education, because the proof is there on the table that those with very low levels of education have much more difficulty in being successfully trained in order to find permanent jobs. Essentially what we have in mind, therefore, is to establish the minimum skills an adult should have at the beginning, and then integrate the adult in the training programs that the Minister has launched and that the House has approved. Those are the kind of steps that should be taken if we want to achieve the creation of permanent jobs we are all looking for in this country.

The Acting Speaker (Mr. Blaker): Ordinarily, it is the Parliamentary Secretaries who provide answers during the adjournment proceedings. It may help a little bit, and this is not intended as inadvertent criticism, particularly since there are two Ministers present, to remind them that these are the difficulties suffered by Parliamentary Secretaries. Their Ministers and Departments provide them with answers which cannot be compressed into a three-minute period. With that as note, perhaps I could recognize the Hon. Member for Fundy-Royal (Mr. Corbett).

NATIONAL DEFENCE—CANADIAN FORCES BASE CHATHAM, N.B. (B) PRIME MINISTER'S STATEMENT

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I appreciate having the opportunity of again raising the issue which I raised last week with the Minister of National Defence (Mr. Blais), who now must take the responsibility for the closure of CFB Chatham. Your Honour might recall that last week I asked the Minister how he could reckon his Department's decision and his endorsement, the decision of his colleague, the former Minister of National Defence, to close the airbase in view of the pledge that was made by the Prime Minister (Mr. Trudeau) in 1976, when he gave his "personal word on CFB Chatham's permanent status". He also went on to say that the base was fulfilling a need and that there were no plans to close it down.

It is interesting that at that particular time, in response to the question, the Minister of National Defence did indeed raise himself to his feet and say that it was the Department's intention to close the base down. I suppose he made the quickest flip-flop the Government has made since it has been in power. Within a matter of seconds he reversed his decision after an interjection by the Hon. Member for Northumberland-Miramichi (Mr. Dionne). He said it really was not the Government's intention to close the base but just to close down the fighter squadron aspect of it. There is no question that, for all intents and purposes, the base is being closed with the elimination of that fighter squadron. The fact that the F-18s are being transferred to Quebec from Cold Lake, Alberta, means that there will be 3,500 jobs directly or indirectly affected. There will be $33 million in annual revenue lost to that community. It is a community that is already suffering approximately 50 per cent unemployment.

• (1820)

It is also interesting for the House to know that at the last Liberal convention, which was held here in Ottawa, there was a resolution that passed by the full plenary of the Liberal group there gathered which said:

> WHEREAS the closure of CFB Chatham would cause irreparable harm to the already struggling economy of the Miramichi, and whereas the recent provincial election has shown the announced closure has greatly diminished the traditional faith of Miramichiers in the Liberal Party—

All of which is extremely true, continues to be true and even more substantial than perhaps it was then. It continued as follows:

> Be it resolved that steps be taken that will ensure the current level of employment at CFB Chatham not be reduced.

This motion was passed without dissension by the Liberal Party, which I assume included a clutch of Ministers opposite, and probably the Minister of National Defence, who put their stamp of approval on it.

What has been the response of this Government? It says that in order to compensate for those 3,500 lost jobs it will move the pay directorate of the Armed Forces to the Chatham area. It has promised a trickling of megafunds for some port development and it has maintained that it will establish a fluid bed minerals research centre.

Those projects collectively, with everything else it has announced, will not amount to a 10 per cent replacement of the jobs that will be lost due to the phasing out of the 401 Squadron, which the Minister, and his Department and his Government, are intent on inflicting on those people who are already experiencing 50 per cent unemployment in the area.

Today the Deputy Prime Minister rose in his seat in response to a question from my colleague for Kingston and the Islands (Miss MacDonald) and told her, the House and the nation that the Prime Minister's (Mr. Trudeau) initiative is a policy of reducing the unemployment rate.

The Minister of Consumer and Corporate Affairs (Mrs. Erola) will apparently respond to my question which more properly should be answered by the Minister of National Defence (Mr. Blais). It is probably an indication of their concern for the area. I want to ask the Government where is that policy for reducing unemployment in the Miramichi region of New Brunswick? Where is it when they stand and say one thing and then create a situation that will eliminate 3,500 jobs instead of creating more. There are no concrete steps whatsoever being undertaken by this Government to begin to address the problems that will result from the loss of those 3,500 jobs, or to reduce substantially the unemployment rate which now exists in the Miramichi area. I ask this Government through this Minister to address that in a positive way; do not give these people words but, rather, bread and butter. Give them jobs.

• (1825)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to update the Hon. Member. I am no longer the Minister of State for Mines, I am the Minister of Consumer and Corporate Affairs.

I have some difficulty in understanding why the Hon. Member referred back to the situation in 1976 when the Government was just beginning the process of acquiring a new fighter aircraft to replace the CF-101 Voodoo, the CF-104 the Starfighter, and the CF-5.

In his adjournment debate statement on February 9, 1982, and again on April 19, 1983, in the Standing Committee on External Affairs and National Defence, he seemed to understand the military and strategic reasons the CF-101 operations with the advent of the CF-118 should cease at CFB Chatham, and what the Government was doing to enhance the economic base of the Chatham region.

The then Parliamentary Secretary for National Defence made it very clear, during her response in the adjournment debate, that because of strictly military, strategic considerations and economic needs, it was decided that the CF-18 be based at Cold Lake and Bagotville and that two deployment bases at Comox and Goose Bay would also be used. This decision on the basing posture of the CF-18 had to follow a decision on the best kind of aircraft the Government could afford and what capabilities it possessed. The Hon. Member seemed to understand that very clearly.

In a speech to the Chatham-Newcastle Chamber of Commerce on November 7, 1981, the Minister talked about the standing down of Squadron 416 at CFB Chatham after termination of the CF-101 flying operations on December 31, 1984. The intent of the Government in seeking to establish a broad base for the economic well being of the region was clearly outlined by the then Minister in his statement given in Chatham.

In addition to the current units presently stationed in Chatham, less 416 Squadron, the DND directorate of pay services comprising approximately 350 personnel will be transferred to Chatham starting in 1985 and a building to house this directorate is being built in the downtown core.

An interdepartmental committee on the future of CFB Chatham is continuing its work and proposals encompassing initiatives by the federal, provincial, municipal Governments and private industrial firms, are being considered.

The Minister had constructive and positive discussions with the Mayor of Chatham, the local MLA and the Member from Northumberland-Miramichi (Mr. Dionne) this week. There is an ongoing process of discussion at all levels of Government, and I am optimistic that appropriate activities and initiatives will offset the termination of 101 flying operations.

The Acting Speaker (Mr. Blaker): The Motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 4, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Monday, October 3, 1983, consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 32 (Mr. Benjamin).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, yesterday I was explaining the problem that we saw in the position being taken by both the Government and the Official Opposition with regard to the amendment we have placed before the House. If Your Honour will recall, I was expressing my concern over the fact that once again the Conservative Party has joined with the Government to defeat what was no doubt in the best interests of western grain farmers. I was trying to make the plea, if it were possible, to the Conservatives to rethink this allegiance that they have developed with the Liberal Party of Canada, and to stand up foursquare on behalf of the farmers of Canada. I say it not only with a straight face but also with a very heavy heart, because as I look at the Conservative Party I cannot believe the duplicity that I see and hear coming from their spokesman.

Our intent, quite clearly, is to assert the authority of the Canadian Wheat Board over the movement of grain.

An Hon. Member: You intend to kill the Bill.

Mr. Deans: One of the Tories has mentioned that our intent is to kill the Bill. I want to make it quite clear that that is indeed our intent. I do not want to leave any doubt about that in the minds of anyone. I know the Conservatives want the Bill to pass, but we, recognizing the tremendous hardship that this measure will bring upon the grain farmers of the Prairies, believe that the Bill should not pass. In coming to that conclusion we have put before the House, on numerous occasions, the proposal that the Bill be divided in such a way as to allow the upgrading of the railroads and ports and to allow for proceeding with the disposition of the coal lands, while we could go on to deal with the question of how those things should be financed other than through an increased cost to the farmers of prairie Canada.

I am sorry the Conservatives do not see fit to support us. I am sorry that they say one thing in Alberta, a different thing in Saskatchewan, something quite different again in Manitoba and a fourth different thing in the House of Commons. I want to suggest to them that if they could get their act together, it might be beneficial to the farmers of western Canada, rather than going around pretending to be all things to all people.

• (1110)

What we are saying is that the Bill as it now stands with the clause that we are attempting to amend would erode the authority of the Canadian Wheat Board. That ability of the Wheat Board to control the movement of grain through the grain car fleet is an essential requirement of the Wheat Board's operations.

We recognize that in 1979 the Conservatives attempted to erode that ability and they did in fact do so. But the Conservatives have been trying to shift that responsibility from the Wheat Board for a long time. That is to the detriment of the Wheat Board, the Canadian prairie farmer and our ability to export that very vital commodity as well as being to the detriment of the Conservative Party.

Let me suggest that without the control we are concerned about being in the hands of the Wheat Board, the block system would certainly be in jeopardy. The block shipping system is essential if we are to continue to be effective in terms of international wheat sales for years to come.

Frankly, we are worried that if the Bill in its present form is allowed to pass—given that we are now aware that the Tories will not support us in our opposition to the Bill—it will have a lasting detrimental effect. That opinion is not only our own but the analysis of many who are even more learned in the matter than we. Their opinion is that the future of the Canadian prairie farmer and his ability to grow and sell wheat for export markets will be placed in serious jeopardy. Because of those concerns we would frankly urge the Government not to heed the Tory support in this case, to pay attention to what we are suggesting and adopt it as part of the policy.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am very pleased to take part in this debate on the Crow Bill today. I have followed the debate with a great deal of interest and I have heard a lot of nonsense spoken on the subject.

Mr. Lewis: The previous speaker?

Ms. McDonald: Not from the previous speaker but from some of the fellows to my right. I have heard a great deal of nonsense spoken and some of the worst was actually said outside the House by the new Leader of the Conservative Party (Mr. Mulroney), who implied in Saskatchewan that the NDP has come rather late into the Crow fight when we know very well that it is the Conservative Party that made the about-face in the summer and began to support us.

We in this caucus have been fighting this Bill very vigorously. That includes all of us in the Party whether there are large numbers of farmers in our ridings or whether we are concerned about the transportation aspect; it does not matter if we come from city or country ridings. I gave two speeches on transportation issues in June because transportation is a national issue, as agriculture is a national issue.

The effects of the Crow Bill in my riding are indirect. We know that if the Bill is passed and the rate goes up, farmers will have $1 billion less to spend. In turn, that will affect the people in my riding because they work in industries with very high lay-offs already. Consumer spending cuts mean that there will be more lay-offs. People who work in the textile industries will see fewer people buying their goods. People manufacturing farm equipment will find that farmers will not be able to buy as much. That industry in particular has been very badly affected. This is an issue for people all across the country.

The amendment before us today is very practical and is one that I believe we should all support. It is simply to ensure that the person in charge of grain transportation will be an employee of the Canadian Wheat Board. This amendment supports efficiency and good sense. The Canadian Wheat Board must control the shipment of wheat because it is Canada's wheat farmers who will suffer when the system does not work efficiently.

• (1115)

Let me quote from some of the testimony that was given to the committee dealing with this very subject. We heard from witnesses and members of the committee regarding the element of confusion with the variety of agencies involved in the whole issue, and we have a number of agencies overlapping authority and jurisdictions. The amendment is designed to reduce that confusion and to reduce, if not eliminate, overlapping in two Crown agencies. It will modestly increase and strengthen the Canadian Wheat Board. It has been the view of three Wheat Pools, the National Farmers' Union and a number of individuals who appeared before the committee that the jurisdiction for this kind of an agency should remain with and be under the Canadian Wheat Board. The Canadian Wheat Board, like any sales organization, must control shipment of its own product in order to ensure performance. For these reasons the Board has always held the view that over-all control of the system as it is developed, in co-ordination with the total grain industry, should be administered by the Board.

One wonders why, with this eminent good sense and the advice of the people most concerned and most knowledgeable about the problem, the Tories are not supporting this amendment. We get preaching about efficiency, we get preaching about good co-ordination from them, but when we come to a practical problem and to something that really needs to be done, where are they? Perhaps the Tories want to have a lot more confusion here. Why are they not after the most efficient solution to the problem before us?

Let me continue with testimony that came to the Standing Committee on Transport:

> Today we are facing the very real possibility that the agency or a new agency with expanded powers and a powerful administrator will take powers away from the board and inevitably damage its sales efforts.

"It is imperative that grain sales and grain transportation not be separated", said one of the main experts who came before the committee this summer. The Canadian Wheat Board must be able to arrange transportation of its own product or it cannot fulfil its obligations to western grain producers or their customers overseas. The board's marketing success depends upon its ability to make day by day or even hour by hour decisions on grain movement. Its flexibility must not be compromised.

What needs to be done, Mr. Speaker, is very simple. We have had the advice of the people who work in the system. The testimony I cited just a moment ago is from a person who served as a Wheat Board Commissioner for many years. Why are the Conservatives not prepared to take this advice? Will the Liberals finally accept some sensible advice from the community they claim to be serving?

Let me continue:

> We have a group of individuals in the Grain Transportation Authority and in Transport Canada whose abstract economic principles tell them that the grain industry has gone the wrong way over the past 100 years. They want to see the transportation system in a certain configuration and they except farmers, the grain companies, the Wheat Board and the Wheat Board's customers to adjust to accommodate it.
>
> I suggest the reverse approach be taken. Let the transportation system develop to meet the needs of the people who are using it. That is the approach that makes real economic sense, and the Government should allow it to proceed by keeping bureaucracy out of the grain business. The Government has repeatedly stated that it will not remove existing responsibilities of the Canadian Wheat Board—

Yet it proposes to open the door to this by expanding the authority of this transportation agency. That is talking out of both sides of one's mouth, and it is not acceptable.

My Party will continue to work for amendments to this Bill. We want to see the Bill split. We want to see the constructive, productive parts of the Crow Bill go ahead, but we will certainly fight as hard and as long as we can on the parts that we do not want, the ill thought out parts, the parts where we have obfuscation and where there are inefficiencies right now. There is a great deal to be done to amend this Bill, and we intend to continue bringing in amendments to get a better Bill.

Of course we will support the aspects of the Bill that will provide jobs and improve the transportation system. Of course we will support those parts of the Bill that will enable development of the coal fields in British Columbia. There is good and there is bad in the Bill; distinctions have to be made. We will most vigorously continue to oppose those parts of the Bill

which will be damaging to the farm community across the country and will have a very harmful long-term effect on the rest of the economy, as a slack in consumer demand means a slack in demand for products made in the cities of our country.

● (1120)

Mr. Neil Young (Beaches): Mr. Speaker, this is the fourth occasion I have spoken on what the Government is trying to do to the Crowsnest Pass rates. I rise again, but not with any great pleasure, because of the damaging effect the Government's proposal will have on the farming community and on the economic structure and fabric of Canada.

When I first became involved in the Crow rate, as most other Members from urban communities, I did so without any great, deep knowledge about the impact of the Government's measures on the economic fabric of the country. It was with the great assistance, deep knowledge and concern of Members of my own caucus, such as the Hon. Member for Regina West (Mr. Benjamin), the Hon. Member for Yorkton-Melville (Mr. Nystrom) and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), that my knowledge and awareness of the impact of this particular Bill have been increased. They have done a tremendous job in the House in terms of representing the concerns of the farming community. Although the Official Opposition and the Government do not seem to realize it, the farming community plays a tremendous role in the economic life of the country. In fact, it is one of the largest generators of wealth of any group in Canada.

As the Hon. Member for Broadview-Greenwood (Ms. McDonald) just mentioned, undoubtedly the measures proposed in the Bill will take away some $1 billion in earnings from the farming community. This will have a tremendous effect on spin-off industries which rely heavily on Canadian farmers for their livelihood. I know many people in my riding who work in such industrial enterprises as Massey-Ferguson. Undoubtedly they will feel the effects of this Bill. If farmers do not have the money, if they have less earnings to spend on the items manufactured by Massey-Ferguson, for example, then obviously there will be further cutbacks in the farm implements industry and there will be inevitable reductions in industries such as herbicide manufacturing and that kind of thing. It not only affects farmers in the country; it will affect consumers and people involved in industrial enterprises. The impact of those measures will be felt right across the country.

The intent of this particular amendment is to assert the authority of the Canadian Wheat Board over the movement of grain. The reason my Party put forward this amendment was because the Bill, as it stands, would erode the authority of the Canadian Wheat Board. The ability of the Wheat Board to control the grain car fleet is essential.

We all know that without control the block shipping system will be severely hampered. The block system permits the Board to ship grains of a specified grade or quality or a blend of grades and qualities to meet the needs of its customers. Without this ability, sales of Canadian grains for export by the Wheat Board could suffer. Certainly our competitive position would be weakened. Giving authority over the grain fleet to another agency adds an extra and unnecessary level of bureaucracy to the shipping procedure. This has been the experience with the Grain Transportation Authority since 1980. The movement of grain could be delayed by having an outside agency, without the day to day knowledge of sales and the grades, quantities and location of grains in storage, assume control of the grain car fleet.

● (1125)

The Wheat Board must be able to call the grain it needs, when it needs it, and be able to assign cars to the points where it knows it is stored. To fill this need, an outside agency such as the one proposed in this Bill could do nothing more than pass on the orders of the Wheat Board, unchanged, to the railroad. Certainly that has been the experience of the Grain Transportation Authority. This is obviously a useless procedure and it should be made clear that the board has control of the grain car fleet.

The House is well aware of the high esteem in which Mr. Justice Emmett Hall is held across the country, and of his inquiries into the medicare system and his authoritative knowledge of the Crowsnest Pass rate. Mr. Justice Hall appeared before the Transport Committee when it held public hearings in Regina on August 9, 1983. In his testimony before that Committee, he said and I quote:

> The producers of western Canada are concerned about the ultimate fate of the Wheat Board. It is true that not too much is said about the Wheat Board in Bill C-155, but the beginnings are there and the capacity of the Wheat Board to control the grain fleet is being interfered with by the provisions of the bill. The capacity of the Wheat Board to control the wheat fleet is absolutely necessary. I hope the Wheat Board appears before you, and they will corroborate that statement, I am sure, because to meet a given sale the Wheat Board has to have grain, whether it is barley or oats, of a certain quality, of a certain grade.
>
> I do not know, but if you went in, you would see that they have a wall there the length of this one which shows where all the grain in western Canada is and its grade. They have it so that they can call if they have a sale of so many thousand tonnes of whest of a certain quality; they know that it is either in the Regina district or maybe Edmonton or somewhere else. And to meet that, they are able to say to the railways that is where you want to get the grain this week and bring it to Vancouver or Thunder Bay. They have to be able to call the grain they need. If that were to go, it would interfere with the sales capacity and ability of the Canadian Wheat Board.

Earlier I spoke about the dramatic effects that the amendments which the Government is proposing to the Crowsnest Pass rate will have not only on the farming community but on consumers across the country. As my colleagues in the House have pointed out both during Question Period and in speeches on this Bill, there is hardly anything that the Government could even come close to calling a consensus across the country to support what the Government is attempting to do here. An editorial on February 4 of this year in the Toronto *Star* listed a number of things the Government is trying to do. I quote one part of that editorial:

● (1130)

> Despite the opposition of provincial governments and of virtually every responsible farm group on the prairies, the federal government intends to unilaterally and drastically restructure the Crowsnest Pass Agreement. And if the Crow dies, the funerals of many western communities may follow . . .

As Western Canada sees it, the Crow is part of a Confederation bargain. Western Canada got low, fixed freight rates in return for agreeing to pay high import tariffs protecting eastern industries. Since then, the Crow's fixed rate—a half cent per ton-mile—has allowed our western farmers to compete for exports, from their land-locked position, with the transportation-subsidized farmers of Argentina, Australia,—

I see that my time is up, Mr. Speaker.

An Hon. Member: Keep going.

Mr. Young: My colleague suggests that I keep on going but I think it is sufficient to say that the Toronto *Star* editorial expresses the concerns of members of this Party, the concerns of farmers of the country and certainly the concerns that consumers right across the country will have once they fully understand the impact of the Government's measures.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am happy to be afforded the opportunity to join in the debate. As my colleagues have pointed out, it is interesting to note that the Tories do not have much to say here although they are frequently travelling across the country telling everyone how much they dislike growing bureaucracies. Yet they are, through silence and, I suppose, through their ultimate vote on Motion No. 32, indicating that they really want an increased bureaucracy. In a few moments I will deal with the reasons for that.

As our transportation critic pointed out yesterday, the Tories had 51 opportunities to speak on this motion on Friday and they chose to put up only seven speakers. I think that that really indicates what faint-hearted efforts they are making to support the western farmers who desire to see the Crow Bill scrapped and who desire to see that any changes that are made are in the interests of farmers.

The intent, Mr. Speaker, of Motion No. 32 is to assert the authority of the Canadian Wheat Board over the movement of grain. As it stands now, the Bill would erode the authority of the Canadian Wheat Board and that is certainly the view that is taken by one of Canada's foremost authorities on this subject, Mr. Justice Emmett Hall. Having read the Crow legislation, Mr. Justice Hall has concluded that if it is to proceed as it stands, not only will the farming community be dealt with rather destructively but the Canadian Wheat Board would be very quickly eroded.

I think that most farmers and most Canadians know that the Canadian Wheat Board was established in 1935 and had three key responsibilities. One was to market principally wheat, barley and oats, the second was to provide price stabilization for farmers for those grains which were held by annual pooling, and the third was to attempt to assure every farmer a portion of the available market every year. I believe that all of us in the House are now aware that the changes that would occur as a result of the Crow legislation would dramatically affect the movement of grain and the viability of many rural farms. I will speak about that in terms of the Kai Report in a few moments.

I would like to deal with the concept of the Grain Transportation Administrator for a few moments, Mr. Speaker. I think most of us in the House remember that it was not too long ago that Mr. Horner, who was a Tory, crossed to the Government side in an attempt to achieve some kind of status that he was looking for. That move indicated at that time the Liberal-Tory alliance that existed on certain transportation matters.

I do not think we have to look too far into the Tory caucus to see who the Minister of Transport (Mr. Axworthy) would like to appoint to the new Grain Transportation Administrator position. He would probably like to appoint the Hon. Member for Vegreville (Mr. Mazankowski) and that is perhaps why the Tories are not speaking about this. The Tories say that they are opposed to expanding bureaucracy, but this proposal by the Government does precisely that. It erodes the decision-making authority of the Canadian Wheat Board by adding to it this unusual appendage. It is pretty clear that a Tory has made a deal with the Government side in order to take a shot at that job. If it is not the Hon. Member for Vegreville, perhaps Jack Horner, with the difficulties he is having with CN, is looking for another job to carry him on into the next decade.

It is imperative that grain sales and grain transportation not be separated, as is being proposed by the Government. I know that in Prince Rupert, one of the communities I represent, the present system is working very well. As a matter of fact, last year we again set records for shipments. Many Hon. Members know that there is a $3 million grain elevator being built in Prince Rupert right now that would perhaps be devastated by the proposed Crow changes.

The railways and certain individuals in the private grain trade, persons like Jack Horner and Otto Lang, I suppose, would dearly love to see more bureaucracy to allow for more high-paying employment for unemployable Liberal and Tory hacks such as themselves. The railroads should be set up to meet the needs of the people and the producers rather than adjusting its schedules and shipments for the convenience of the bureaucracy of the railroads and certain private individuals.

I mentioned a few moments ago that I would refer to the Kai Report. That is a report which deals specifically with grain production subsidies. I would like to talk about a few of the comments made in that consulting report in regard to this specific amendment. The report states on page 17: "Western Canadian wheat's international competitiveness is diminished by the relative generosity afforded the American product". The report points out that on average, U.S. wheat subsidies are $11.41 per tonne whereas Canadian wheat subsidies are $6.35 per tonne.

The Acting Speaker (Mr. Corbin): Order, please. In the Chair's opinion, the Hon. Member's remarks are not relevant to the amendment at hand. Perhaps the Hon. Member could indicate to the Chair in what way his remarks are relevant, if in fact they are.

Mr. Fulton: Mr. Speaker, I think it is pretty clear that if I am discussing what will happen in terms of the erosion of the Canadian Wheat Board because of the Liberal-Tory proposal

for a kind of subsidiary organization, I need to demonstrate why the Canadian Wheat Board is required to remain in its present and untarnished position without an auxiliary transportation administration. If this auxiliary transportation administration were to be set up, rural Canadian farmers would be negatively impacted by the changes in the Crow and would perhaps be less likely to be in a position to move grain. This is not only because another administration would be set up but because the cost of the subsidies presently in place in the Bill will make the situation that much more difficult in the future.

If you give me a moment, Mr. Speaker, I will demonstrate through the subsidies why it is important that the Canadian Wheat Board maintain the function of organizing what grains are to be moved and when, rather than have a subsidiary associated with the grain transportation administration proposal perform that function.

Western Canadian wheat earned 41 cents out of every grain export dollar, wheareas in the United States grain only earned 16 cents out of every grain export dollar. I think most Hon. Members recognize that the Government has made various proposals in recent years. For example, in 1977 a proposal was made in terms of the branch line subsidies. As of last year, those subsidies amounted to $278 million. As Mr. Justice Emmett Hall has pointed out, the federal Government was forced to introduce, even after bringing in a direct subsidy program, a branch line rehabilitation program which now costs us hundreds of millions of dollars a year.

I am saying that the Crow change will increase the cost of moving grain to farmers by over 400 per cent. If the government is to put this Bill forward as it now stands, including the concept that a grain transportation co-ordinator would take over part of the job of the Canadian Wheat Board, a great many rural Canadian producers will be negatively impacted because the Administrator will be making his decisions about what cars will go where and when, on what line and to what port, using different criteria from that used by the Canadian Wheat Board.

As I have said, the Canadian Wheat Board has demonstrated real expertise, at least in terms of the Port of Prince Rupert and hopefully in terms of the future of the Port of Prince Rupert. I feel that the creation of this subsidiary position will simply add another political, bureaucratic, decision-making body that is completely unnecessary.

An Hon. Member: A pork barrel.

Mr. Fulton: That is right; it is simply a pork barrel.

The 1971 to 1982 average subsidy proportionally in Canada was 4 per cent, as compared to that in the United States which was 8.6 per cent and that of the European Economic Community which was 10.5 per cent. The United States and the EEC are clearly operating with a much greater level of subsidy to farmers.

As concluded in the Kai Report, the consequences of the unilateral changes will be to reduce grain production and grain exports. I think we in the House must ask ourselves what kind of legislation would be introduced that would do that in a world that is already hungry for an export that is so beneficial to the Canadian balance of trade. In this trade, Canada exported over $6 billion worth last year alone.

The Crow change, Mr. Speaker, would take $1 billion a year away from farmers, an increase of more than 400 per cent by 1990. For example, this would have the devastating effect on farmers in British Columbia of a net drop in income of about 30 per cent. The addition of this supposedly beneficial position of Grain Transportation Co-ordinator would not bring anything like the long standing benefit that we have experienced with the Canadian Wheat Board. The Kai Report concludes that because Canadian farm income is lower and more variable, Canadian farms are less viable than their foreign counterparts.

• (1140)

On that point I should like to hear members of the Tory Party or of the Government explain how the addition of this bureaucratic position, separate from the Canadian Wheat Board, would in any way be of benefit to rural producers in the efficient and equitable movement of grain, whether to Thunder Bay, Churchill, Prince Rupert or Vancouver. From any of the evidence given at committee or any of the speeches made in the House, I have been unable to identify any way in which this would benefit anyone other than the appointment of some Tory or Liberal to this pork barrel position. It is of no benefit to the Canadian economy or the Canadian producer.

Hon. Jake Epp (Provencher): Mr. Speaker, I should like to speak on the amendment that a number of members of the New Democratic Party have addressed.

Before I begin my comments, may I say that I think the Hon. Member for Skeena (Mr. Fulton) is not only very loose with his words but his tactics are very questionable when dealing with the truth. He likes to raise certain issues and talks about deals when he obviously has not done any research on them. Because he does not know what to do with the last paragraph of his written speech, he decides to put something in that he knows nothing about. He should get back to dealing with the amendment that is before the House.

The argument is always made by the NDP that they are the only ones to support the Canadian Wheat Board.

Mr. Althouse: It is true.

Mr. Epp: They have certain hallmarks for those of us who come from the Prairies. Every time they hear the name, they have a Pavlovian dog-type reaction. Every time they hear the name the Canadian Wheat Board, they are for it and everybody else is against it. That is their first reaction, but nothing could be further from the truth, Mr. Speaker. They are so divided in their policies, so divided in their leadership and so worried about the next election that they have these knee-jerk reactions. We have seen that again today. The NDP has never

been in government in Canada and, with the actions they are taking, they never will be.

It must be remembered that this Party brought in the Canadian Wheat Board and this Party supported and defended the Canadian Wheat Board. The NDP has never had the opportunity to strengthen the Canadian Wheat Board. They have a good line of talk, of course. Those of us who come from the Prairies know that the ultimate reactionaries out there are the ladies and gentlemen to my left, the NDP. They seem to think that the only way they are going to get to power is to recall the 1930s. That seems to be their argument. They will rail against everyone.

Time and time again we see members of the NDP defend the status quo even though, through individual decisions, many farmers have gone well beyond that point. If we were to follow their line of thinking as the ultimate reactionaries, we would give ultimate authority for the right to move all grain to the railway companies. But the NDP members are always speaking out against the railway companies. You want the railways to have the ultimate and exclusive right of movement of all grain. When have you defended any movement by trucking? When has any member of the NDP done that?

Mr. Althouse: We didn't tell anybody to carry the bags, either.

The Acting Speaker (Mr. Corbin): Order, please. First of all, I would invite the Hon. Member to address his remarks to the Chair, and then I would invite him to speak to the amendment.

Mr. Epp: As always, Mr. Speaker, I take your advice and thank you for asking the NDP to be quiet.

The amendment before us is based on very solid experience. All of us know that in 1975, 1976 and 1977 we were losing sales because we were not moving enough grain. There were bottlenecks. When the Hon. Member for Vegreville (Mr. Mazankowski) had responsibility as Minister of Transport, after extensive hearings in the country led by the Hon. Member for Lisgar (Mr. Murta), he came to the conclusion that there was a need to establish a Grain Transportation Authority, a Co-ordinator, in order that the cars be put to the best use in the movement of grain.

When members of the NDP spoke about this amendment, I never heard them speak of eastern Manitoba where there is a limited number of elevators, or where they are opening up new lines in areas where traditionally grain had not been grown. Some farmers have to travel 50 or 100 miles to elevator points at the moment.

What is the solution? What did we do? What have they done? They turned to producer cars. There is no question that in eastern Manitoba the Grain Transportation Authority, the Grain Co-ordinator, helped get producer cars. But did we hear anything from the NDP about that? They did not want producer cars and we must ask the reason for this. Then we get back to the ultimate reactionaries. In other words, that which has not been done before has to be wrong because it has not been done before! That is the position they always take.

All across the Prairies we see farmers making decisions based on economics and common sense; that is a rational approach. They decide how they can become viable and remain viable. That is why I call the NDP the ultimate reactionaries: no matter how they twist and turn, they always come back to that which has been established as ultimately good.

In discussions on the Bill and the amendment I have yet to hear the NDP say how much money eastern Manitoba will receive from the $651 million Crow rate benefit for the maintenance of branch lines. I have asked them about that but they do not know.

Mr. Benjamin: All you need.

Mr. Epp: All we need! Have you looked at the branch line system? You will find that they are main lines.

Mr. Young: You shut them down.

Mr. Epp: The $651 million is not going to be used for the main lines. Farmers in Manitoba happen to be some 400 miles away from the Lakehead. Should they not have the right to move some of their grain by truck? We do not hear about that from the NDP. Again, I say they are the ultimate reactionaries; every time they look at the reality they have what I call the Pavlovian dog reaction: every time they hear certain words they react in the same way. They do not look at the reality of the situation.

The point that has to be made about the NDP amendment is that, once again, that Party is willing to take the chance of having bottlenecks, of losing grain sales, of not moving grain and of reducing the alternatives. That, Mr. Speaker, is what they want. We will again have those long lines in front of elevator doors. We will again have a farmer standing there from the middle of the night to the next day, only to find out that the elevator is full and he has to pay demurrage charges. That is what they want, Mr. Speaker. They might not say that is what they want, but let me tell you that their position, their policies and their amendments will do just that.

● (1150)

Some Hon. Members: Hear, hear!

Mr. Epp: Mr. Speaker, I do not mind if they continue to live in the 1930s. I do not mind if they want to be the ultimate reactionaries. But I will not let them give this House and the country the message that that is the reality on the Prairies. It is not. What farmers on the Prairies want today is an efficient transportation system. One component was the GTA, and I say to the NDP that they had better start living in the 1980s or they are again going to be defeated as they have always been in the past.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I lived through the 1930s as a young boy and I am very glad to know

that the NDP, which grew up in the 1930s, or at least they had short pants in the 1930s, have suddenly come to defend the Wheat Board. Who in the world originated the Wheat Board, Mr. Speaker? Why did they originate the Wheat Board? It was the Conservative Government that saved the pools, my friend from the NDP, so I have no apologies to make for standing up here.

I notice the Hon. Member for Prince Albert (Mr. Hovdebo) taking off and the Hon. Member for Regina East (Mr. de Jong). All of a sudden it begins to register on them. They of all people should know something about the situation in western Canada.

You can make a lot of speeches in this House, Mr. Speaker, and as long as you are talking to a bunch of Liberals who do not have a clue what it is all about, as long as you have the representation in the NDP with only two Members with any remote relationship to the Wheat Board, then I suppose it is safe enough for you to say anything.

Our Party does not have that kind of representation. Fortunately, our Party has representation from rural parts of Canada and we are familiar with what has happened. We know what the Wheat Board stands for. The brother of the man who heads the Wheat Board is in my constituency, for your information, and I will be darned if I am going to go out there and talk against a voter of mine.

Some Hon. Members: Oh, oh!

Mr. Korchinski: I know he has an impact with his brother. I do not care how you look at it, for us even to consider that he needs one more helper is an affront to him. I do not think he needs it. He is a very capable man, in my estimation. I think the NDP, in their valiant efforts to latch on to something, have come to the support of the Wheat Board. They have had to because all they have to latch on to is a few representations, a few farm organizations coming forward and telling them, oh yes, we need this and we need that. They do not have a clue what is behind the whole thing. But they say on the surface that yes, that is it. They have no research or no idea of what is behind the whole thing.

I know what the Wheat Board did for us, and I have no apologies to make nor do I stand here to condemn the Wheat Board. But I do condemn the NDP for thinking that all of a sudden, by their phony amendments, they can come forward and think they are going to strengthen the Wheat Board or make it appear as if the Conservative Party is opposed to the Wheat Board.

Mr. Mazankowski: Phony amendments, that is right.

Mr. Korchinski: How can we possibly be opposed to the Wheat Board when we were the originators of the Wheat Board? If they want to take us back to the 1930s, let us go back to the 1930s and let the world know who it was that was responsible for the Wheat Board. You know, Mr. Speaker, that most of the social legislation was originated by the Conservative Government, contrary to what the Liberals have been telling us up until now.

Some Hon. Members: Oh, oh!

Mr. Korchinski: They have been in power, yes, and as a result they have had the opportunity. We have heard all that. Of course, over a period of years, what can you do? But the fact is that the original thought came from the Conservative Party.

Mr. Lapierre: But no action.

Mr. Korchinski: You had better live with that.

Getting back to the notion of another employee of the Canadian Wheat Board—

Mr. McKnight: The Board never even asked for that help.

Mr. Korchinski: My friend from Kindersley-Lloydminster (Mr. McKnight) says they did not ask for it. Of course, that is because they are powerful enough as it is. So why are they trying to introduce an amendment which is supposed to do something but really does nothing? What do they expect one extra employee to do, overrule their friends? You really have to go a mile here to imagine what this amendment is going to do.

Mr. Althouse: It does away with two bosses, Stan.

Mr. Korchinski: I just cannot imagine who dreamed up this amendment for my friend. Unfortunately he comes from Saskatchewan, but why would he even want to introduce that except that he was desperate for an amendment? I do not know where that idea came from, where it is going or for whom it is intended.

Mr. Althouse: You should have been here yesterday and heard the speeches.

Mr. Young: We are waiting to hear you speak. We have not heard you.

Mr. Korchinski: Mr. Speaker, I have one more minute but I wish the mikes were turned on for everyone of those 15 jabbering commentators over there.

Mr. McKnight: There are only six.

Mr. Korchinski: I am sorry, I said 15. Well, they are so far away, and I am getting to that age; there are only six.

Mr. Young: Tories never could count.

• (1200)

Mr. Korchinski: What is the point of this debate? It is just an exercise in futility. I think Madam Speaker should have ruled the whole matter out of order, frankly, because it does not really add anything of substance to the Bill. It is a waste of time even to discuss this kind of thing. Maybe that is what

their intention was and, if so, let us tell them what it really is. They are playing around with the Wheat Board.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Corbin): Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

Hon. Don Mazankowski (Vegreville) moved:

Motion No. 33

That Bill C-155 be amended in Clause 17 by striking out line 6 at page 8 and substituting the following therefor:

"(d) promote, and shall require, if necessary, reciprocal and other arrange-".

He said: Mr. Speaker, the purpose of the amendment is to strengthen the role of the Administrator to negotiate reciprocal arrangements between railroad companies. The important words are "to promote, and shall require, if necessary, reciprocal and other arrangements". The clause now simply states that the Administrator may "promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers". The amendment would insert the words "promote, and shall require, if necessary, reciprocal and other arrangements". Again, the key words are "to promote a reliable, efficient and effective transportation system", but also in the interest of "maximizing returns to the producers".

I might point out that it was our Party that incorporated the word "reliable" and the phrase "for the purpose of maximizing returns to the producers". As I and other Hon. Members have pointed out previously, the mention of producers and the interests and concerns of producers was an absent entity in terms of the Bill. Therefore, this provision would put some teeth into the clause and give the Administrator the power to demand, if it were necessary and in the best interests of maximizing returns to the producers, that he engage in reciprocal and other arrangements between the two railroad companies, or more railway companies if others are included in it. Therefore, it would be more than simply the persuasive powers that the Administrator now has under this clause if it were to remain as it is at present.

What are "reciprocal and other arrangements"? For the benefit of Hon. Members who did not sit during the course of the committee's legal counsel as "arrangements between railway companies", the most prominent type being that the railway of one company would operate over the lines of another company either for a temporary period or for the carriage of only one kind of traffic. He went on to point out that there are now occasions when there are voluntary reciprocal arrangements made, when there is a landslide or a rockslide, but there is really nothing to encourage the use of reciprocal arrangements, particularly when one can move grain more efficiently in a more cost-effective manner. What we tried to do in the course of the committee hearing was to try to determine what sort of powers this gave the Administrator, and we found that it was really nothing more than simple persuasion.

Therefore, concerning the clause, I asked a question of Mr., Thompson, the committee's legal counsel, in this way:

I am trying to relate this to the movement of grain, Mr. Thompson. If this objective were to be fulfilled, would it be fair to assume that possibly you could see CP trains running on CN track up to Churchill and CP trains running on CN track up to Prince Rupert? Is that really what would be envisioned in this?

Mr. Thompson replied as follows:

No, in this proposal here the verb is the word promote.

He pointed out, "That is not binding, of course." I went on to ask:

But assuming that the word promote were removed and something more in the form of a directive were put in . . . that you could see the kind of situation that I just described?

He responded by saying, "That is right". Therefore, I went on to say:

—the word promote really renders that clause meaningless, other than that one could go through the gestures of promoting without having any residual power to enforce it.

Mr. Thompson replied as follows:

I guess it would be understood that the administrator would promote measures to facilitate the efficient movement of grain and among those some might, under certain circumstances, be reciprocal on other arrangements between companies.

I do not think this clause is necessary. I do not think it does any harm but I do not think it is necessary, because surely this is part of the kind of work that the administrator would do anyway.

What our legal counsel said is that it is really a meaningless clause in its present form. It has no teeth and no clout. What we are trying to do again, in our commitment and our desire to ensure that we have an effective, efficient and reliable grain transportation system functioning in the best interests of the producers, is to give the Administrator the power to more than simply promote, even though the NDP believe that the Administrator is really a nonentity. If necessary, the railways should be required to engage in reciprocal arrangements.

Throughout the course of the committee hearings we demonstrated the need to incorporate the necessity of maintaining producers' interests at all times. We moved amendments to Clauses 29(2), 18, 33 and 38. Throughout the course of our committee hearings we found it to be quite obvious that the Bill was written as a very favourable mechanism to the railroads. The major beneficiary in the whole Bill is the railroads. The benefactors will be the people of Canada, the taxpayers and, indeed, the producers.

We think that in every case possible it is important to inject the requirement that any efficiencies or economies of scale that can accrue must be incorporated. There must be someone to ensure that those economies of scale are brought about, because in this regime there is really a cost-plus system. Quite frankly, the railways will be paid for all their costs involving the movement of grain, and the higher the costs, the more they will receive. When there is this kind of cost-plus regime in place, we must ensure that there are some disciplines in the marketplace. Since there is a monopoly here, that cannot take place, so there must be some other monitoring device. Hopefully, the Administrator and the Senior Grain Transportation Committee would fill that role, but they must have the tools with which to do the job.

Of course, the whole business of an effective and reliable grain transportation system is brought about as a result of the production of the producers. As we have pointed out time and time again, they were the forgotton persons in this whole exercise. In amendments such as this we are trying to incorporate ways and means in which the producers' interests will be preserved. If we really mean what we say when we talk about an efficient and cost-effective system, we must use every mechanism to ensure that we get the best bang for the buck. As the Bill now stands, with the railways recovering all of their costs plus a 20 per cent mark-up for profit, it is certainly not in their interest to cut costs. It is in their interest to add costs. I believe these kinds of disciplines must be put into place.

• (1210)

I am disappointed that members on the Government side did not see fit to support this amendment during the course of the committee hearings. I believe it is a good amendment and consistent with what we should be trying to achieve in terms of establishing a very lean and cost-effective system. Unless there is the power to force the railroads to engage in these kinds of reciprocal arrangements which would serve the best interests of the grain industry and the producers, it will simply not occur.

I think the Administrator needs more than simply the power to promote. He must have the power to demand if it is deemed necessary and in the best interests of the grain industry and the producers.

I commend this motion to the House for support and I am sure that when Members understand and witness the kind of regime that we have in place they will see that it is certainly one small step toward incorporating some discipline which would hopefully accrue finally to the benefit of the producers.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, this amendment put forward by the Hon. Member for Vegreville (Mr. Mazankowski) was designed because of the fear that most of us—including members on the Government side who attended and heard witnesses at approximately 66 committee hearings during the summer months—have that the rationale behind this Bill has been distorted at some point.

This Bill began some 18 months ago as one which would benefit the grain producers in western Canada and adequately compensate the railroads for the movement of that grain. As debate and study in this Bill progressed, it became increasingly evident to us and to members of the Government who were on the committee that the railroads had, if not undue influence in drafting this Bill, at least the ability and financial and human resources to voice their desires and needs. Their influence was used to give them the ability to collect hundreds of thousands of dollars from the Canadian treasury without any provision in the Bill to make the railroads perform in the best interests of the grain producers and provide for a maximum return on the shipment of their product.

The amendment by the Hon. Member for Vegreville simply states that when the Administrator put forward a proposal that would allow the railroads to enter into reciprocal agreements that were in the best interests of the producers to mazimize their returns, he could require the railroads to enter into that agreement.

When one looks at the Bill and sees the railroads' past performance, it is quite evident that the railroads jealously guard their own lines and the ability to move grain along their own roadbeds. They would rather not enter into agreements that would benefit the farmers if those trains were taken off their own lines. Therefore, it made common sense to us that if additional taxpayer dollars are to be put at the disposal of the railroads, they would have to accept the responsibility under legislation to maximize the returns to the producers. All of the discussions, commitments, press releases, grandiose schemes and promises that have been made by the railroads during debate on Bill C-155 are old news to grain producers in western Canada. It is an old story which goes back ten years.

When decisions were made on the railways that would either benefit the farmers or the shareholders of Canadian Pacific or Canadian National, who happen to be the people of Canada, those decisions always were to the benefit of the railroads and not the producers of grain. A review of this Bill leads us to believe that the railroads should be required to enter into agreements that would benefit producers in order to protect their rights and at least ensure some measure of effective cost return for the taxpayers of Canada on their commitments to the railroads.

It is strange that Canadians have historically—particularly during the last 18 months of public discussion and debate on this Bill—assumed that the railways are one great charitable organization which only moves grain because of the nature of Canadian Pacific and Canadian National. People seem to believe that they are charitable in providing this service for the

benefit of the producers and, while they do not like it, only do so because they are national companies, and should do so.

But that is not the reason. The reason they have been moving grain and will continue to move grain, and the reason they are pleased with Bill C-155 as it exists, is that they will make money. It is not with a sense of national interest but because of the prospect of reward that they will do so. That is fine, let the railroads be rewarded, but in return let there be some guarantees in this Bill for the taxpayers of Canada.

I believe it was the Minister of Energy, Mines and Resources (Mr. Chrétien) who talked about iron-clad agreements. But we only talked about iron-clad agreements. We find that this Bill does not provide the statutory powers to require the railroads to function in the best interests of producers, maximize their returns and use the taxpayers' money economically. For that reason we have introduced several amendments that would require the railroads to perform in those interests. That is why we will be supporting the amendment when it comes to a vote.

Mr. Les Benjamin (Regina West): Mr. Speaker, we dealt with this subject at some length in the committee. Many witnesses spoke to this matter and members of the committee discussed this Bill clause by clause. I believe there was certainly an implied agreement among all members from all sides in the committee that further steps had to be taken than in the past on how the railroads deal with one another and how it should be for the benefit of the railway users as well.

• (1220)

We support Motion No. 33. For many years shippers generally thought that the National Transportation Act and the Railway Act provided sufficient safeguards that the CTC, the Minister and the courts could require certain things of the railroads. Too often we found they could not, would not or did not. We have seen for too many years, at the expense of shippers, in this instance, grain shippers, the spectacle of the railways not wanting and even refusing to handle one another's traffic, to the detriment of ports like Churchill and Prince Rupert and even on the odd occasion to the detriment of Thunder Bay or Vancouver. When the Canadian Wheat Board needed a large volume of a certain grade and quality of one kind of grain and it had to be drawn from many places on the Prairies, marshalled and got to the coast or Thunder Bay, the railroad's refusal to have reciprocal arrangements to take traffic on one another's tracks meant it took that much longer for the grain to get to its destination. And all in the name of what? In the name of so-called competition.

Competition in the railway system in Canada has always meant higher costs for taxpayers and for the users of the railways. Since the railways are a public utility, they should be treated as such and they should be accountable as such. It is something that everyone has to use directly or indirectly. Railways are natural monopolies. In that kind of circumstance, competition has no place. If it were logical to have competing railroads, it would be equally logical to have competing highways, competing sewer and water systems, telephone and power lines. If you were to suggest that, they would run you out of town or laugh you out of town. The economic and social logic of having competing railroads, competing public utilities, has always escaped me and many thousands of other Canadians. Certainly in many other countries they got rid of that mythology of the 1890s railway barons many years ago. All countries in western Europe of all political stripes gave up on the idea of competing railway systems decades and decades ago.

I said it meant higher costs, Mr. Speaker. It means higher costs for users. It means interchange charges, switching charges. It means duplicated facilities, the cost of which plus the railroads' profit is built into their freight rates, which users have to pay.

We have had spectacles and I would like to illustrate. Take grain loaded on a CN line in my friend's constituency of Assiniboia destined for Vancouver. What happens to it? That CN line is southwest of Moose Jaw. The grain is hauled back northeast to Moose Jaw. It is destined for the west but it is hauled northeast back to Moose Jaw. Then it is hauled east from Moose Jaw to Regina. Then it is taken northwest from Regina to Saskatoon. Then it starts going west to Vancouver. In the meantime it has crossed two CPR railway lines. That is called a back haul. Those back hauls have meant millions of dollars in costs to the Canadian Wheat Board, money which has come out of the grain producers' pockets.

That is the worst form of competition. It is competition backwards. Whatever validity there is to competition, it sure is not valid in that kind of circumstance. Other members in this House from western Canada will be able to illustrate countless other situations similar to that.

This legislation, if it passes, means that no matter how the money is paid out, whether Government money is paid to the railroads or paid to the producers, or paid partially to the railroads and partially to the producers, the railroads still get the money. In fact, we submit that if all the money were paid to the producers, it would cost the producers even more. In any case, no matter how it is paid out, the railroads still get the money. This extra money guarantees not only their long run variable costs, their out of pocket costs including maintenance and depreciation, but it also guarantees them a 22 per cent to 25 per cent return on investment. That is pretty nice. Most of us would be happy if we could get a 9 per cent, 10 per cent or 11 per cent return which means, compounded over five years, double your money. But the railroads get a guaranteed 22 per cent.

I ask the Parliamentary Secretary, I ask any reasonable person in this House how much more willing and ready will the railroads be to enter into a reciprocal agreement using one another's lines or one another's equipment, or taking over traffic from one railroad on to another, and yet not get the benefit of all that money? Just as sure as the sun will rise tomorrow morning, the railways will be even more reluctant to enter into reciprocal agreements. It is all very well to promote it, as is called for in this legislation; you can promote it until you are blue in the face but it is not about to happen. Even

though it is in the national interest, even though it is in the interest of Canadian exports, even though it is in the interest of the grain producers, the railroads will not be ready, willing and able to enter into reciprocal arrangements and lose out on those guaranteed profits. You can bet on it, Mr. Speaker. Unless the railroads are required to enter into reciprocal arrangements, they will not do it. Even the voluntary arrangements that are in effect now will be in severe jeopardy.

If a railway comes to a rock slide in the mountains and it is figured that it will take only six or seven days to get the track cleared and back in shape, you will hear it said "To heck with it". Say it happened on a CN track. CN will say: "To heck with it; we will hold the grain for six or seven days until the rock slide is cleared up so we can move the grain over our lines and collect all the charges". That will be done instead of diverting the grain on to a CP line and getting the goods to Vancouver six days sooner.

My friend, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), said: "Well, the railroads are in this to make a buck and we do not object to that as long as you get the service". You can bet on it that they are in it to make a buck. If it means fouling up service for a few days in order for the railroad to clutch on to all the possible revenues itself, that is exactly what will happen. That is the responsibility and the mandate of the railway management.

The former Minister of Transport in 1974 wrote a letter to the board of directors and management of Canadian National instructing them to start making money. Ever since then we have been losing branch lines and service. That is the result of that so-called operating in a business like way—in business for Canada—which has been at the expense of too many Canadians.

We think this is a good amendment, Mr. Speaker. We hope the Government will agree that whoever is in authority, whether the Grain Transportation Administrator is an employee of the Wheat Board or not, he should have the authority, when the railroads will not agree voluntarily, to darn well make them. There should be no horsing around or appealing to the CTC or the Minister. They should be given two choices. If they will not do it voluntarily, give them two other choices—it is either compulsory or they have to do it. Then we will get even better results in the movement of grain in western Canada.

• (1230)

Mr. Len Gustafson (Assiniboia): Mr. Speaker, Motion No. 33 in the name of the Hon. Member for Vegreville (Mr. Mazankowski) deals with the duties and functions of the Administrator under Clause 17(d) which reads:

—promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers.

The amendment would strike out line 6 at page 8 and substitute the following therefor:

"(d) promote, and shall require, if necessary, reciprocal and other arrange-".

This motion reinforces and strengthens the position of the Administrator to require from the railroads reciprocal agreements that would be in the best interests of the primary producers.

We have heard much in the last few days from Members of the New Democratic Party regarding their position, that they represent primary producers. They have gone to great lengths to try to discredit Conservatives in regard to the Canadian Wheat Board, the Wheat Pools in Saskatchewan, Manitoba, Alberta and so on. Quite frankly, they have fallen very flat on that score.

As the Hon. Member for Mackenzie (Mr. Korchinski) said earlier, most Conservative Members, if not all, ran their campaigns on the basis of supporting a strong Canadian Wheat Board. I remember the ads in my 1979 campaign—"Len Gustafson works for western Canada and a strong Canadian Wheat Board". We have heard all the rhetoric of the last few days. We have finally got down to an amendment which carries with it some direction to the Bill and provides a strengthened position for primary producers. It would require some accountability on the part of the railroads as far as producers are concerned.

Last weekend the Leader of the Progressive Conservative Party spoke very ably in Regina and Saskatoon. He brought out the importance of the ability of producers to pay. That deals with the whole area of protecting producers. If producers find themselves in a position where freight rate increases are unbearable and where railroads are not accountable to the Transportation Committee regarding costing and so on, we will find ourselves, as producers, in a very difficult position. This is what the whole Bill is about.

In dealing with this type of amendment, we must keep in mind that it certainly protects primary producers. There are more commodities moving on the railroads than grain. For example, we have coal, steel, automobiles, potash and a number of other commodities being transported on railroads. It is most important at this point, as the Hon. Member for Vegreville mentioned, that there be accountability and a requirement—"and shall require, if necessary, reciprocal and other arrangements"—for the purpose of maximizing returns to primary producers.

In closing, I want to say that we in the Progressive Conservative Party stand fast on defending primary producers, on accountability of railroads to them, and on a position which will strengthen their ability to produce grain and ship it.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I find it difficult to comprehend why the Hon. Member for Vegreville (Mr. Mazankowski) is trying to bring in another amendment to subclause (d) when we already accepted two of his amendments in committee. We accepted the word "reliable"—"to facilitate the efficient and reliable movement of grain". We also accepted the words "for the purpose of maximizing returns to producers". I think we have a clause which meets the intent of the Bill. The Hon.

Member's present amendment really moves against the intent of the Bill.

I find it somewhat strange that this amendment comes from a Party whose Leader is going across the country wanting to restore free enterprise. The same Party brings in amendments to manage the affairs of CP and CN; it almost wants to manage the affairs of private companies. It is difficult to understand why this amendment would come from the Conservative Party. I could understand if it came from the New Democratic Party but not from the Progressive Conservative Party.

The clause, as it now stands, allows the railways to enter into reciprocal arrangements facilitated by the Administrator, but the amendment of the mover would authorize the GTA to demand that the companies enter into reciprocal arrangements. I thought these were the powers vested in the CTC. Is the Hon. Member telling us that he wants the GTA to have greater power than the CTC? I do not think so.

I thought the Hon. Member would withdraw this amendment if he thought it through carefully. He said that legal counsel advised that the clause was not necessary. If the clause is not necessary, legal counsel should have advised the Hon. Member to delete the clause, not bring in amendments. If the clause is not necessary, the advice should have been to delete it, not amend it.

Our legal counsel told us that this amendment would contravene a basic tenet of the Railway Act under which the railways are free to enter into traffic, commercial and operating arrangements, with the Government agency acting as arbitrator. Under this amendment the Government agency would impose an arrangement and establish conditions. If we force two or more parties into an arrangement and they do not really want to honour it, they will not honour it. If the Administrator can promote the parties coming into an arrangement, then I think they will honour it.

I think the wording as it is is far superior to what the Hon. Member is trying to bring in. The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) was a little worried because the railways might "make a buck". Again I find that strange coming from a Party which is promoting free enterprise and competition. What is wrong with companies wanting to make a buck if these additional dollars are reinvested in the transportation system to give us a first-class transportation system for the movement of grain and other commodities?

A witness appeared before the committee who said that when countries like Japan buy goods from Canada, one of the things they check into is whether Canada will be able to deliver that product to port and to their country on time and in good condition. If we have a first-class transportation system, which is what the Bill wants to provide over the next decade, then Pacific Rim countries will buy more from Canada and will want to trade more with Canada.

The Hon. Member for Regina West (Mr. Benjamin) asked why the railways did not go into reciprocal arrangements now. I think that up until now it has not been profitable for the railways to move grain. Therefore, they wanted no part of transporting grain. They preferred that another railway system would take over. Under this Bill it will be profitable to move grain just as it is profitable to move coal, sulphur and other products. These profits will be reinvested in the system.

• (1240)

We know that over the next decade CN and CP will be investing $16.5 billion. Translated into jobs, this means 375,000 person-years of work. Every day in Question Period Opposition Parties demand that the Government do something about creating long-term jobs. What better program or what better investment for creating jobs than Bill C-155?

Many witnesses told us the Bill was not perfect. It is a complicated Bill. Some groups wanted these amendments, some groups wanted others. However, the majority of the witnesses told the committee to get on with it because it is good for the economy of the country, because it will create that many jobs.

I appeal to both Parties to call the question and get on with this Bill. I have stated our reasons why we cannot support this amendment. Let us not waste time in this House as there are too many unemployed people in Canada who are waiting for this Bill.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is interesting to speak following the Parliamentary Secretary. In fact, it is interesting to speak following any Government Member because none of them has seen fit to get up and speak very often to defend this Bill and make the case for the position they have taken. Therefore, I am pleased to have this opportunity.

I am disappointed that we have not heard from the Chief Government Whip on this Bill. He is a very straightforward gentleman. I have had the opportunity to sit with him on the Transport Committee many times. His position, knowledge and experience is long standing and will be very useful as far as the railways are concerned. Therefore, I would know his position on this amendment.

I want to deal with some of the concerns addressed by the Parliamentary Secretary. He talked about this Party being inconsistent in the sense that it should not be moving an amendment like this when our Leader talks about free enterprise. I should not have to remind him that it was the same Parliamentary Secretary at committee who turned down our freedom of choice amendment which would have given rise to some options within free enterprise. It would have put some of the decision-making power in the hands of the individual producers in this country. If he had wanted to do something beside speaking out of both sides of his mouth, he would have taken a consistent position at committee.

Mr. Flis: Mr. Speaker, I rise on a point of order. While the Member is continuing his remarks, will he explain to this Chamber whether this freedom of choice means retaining the Crow rate?

Mr. Mayer: Mr. Speaker, we had 66 Transport Committee meetings. I think he attended a good number, if not all. That was explained at length at committee. If the Hon. Member did not understand it in 66 meetings because his head is that thick, I do not think I will have much success doing that in ten minutes.

Very simply, all that the rate freeze meant was that we were not going to increase costs to producers for at least the next three years. We said that a billion dollars a year for the railways from the Government coffers for the next three years was enough. The investment part that was going to go ahead and the jobs that would be created, supposedly by investment by the railways, would come about as a result of the Government pumping in $1 billion a year. We thought that the producer should not have to contribute in the meantime.

It is interesting to note that at committee on Tuesday, September 13, if memory serves me, this Parliamentary Secretary berated us and bemoaned the fact that we were all over the place because we were talking about cost of capital for the railways and their constant costs. He was saying that was terrible, that we should not deprive the railways of that money. The next evening he came forward with a Government amendment which said it would look into the cost of capital. We were saying essentially the same thing, except we came down on the side of the producers. We said that when the review process was under way, the producers should not be asked to pay any more. When the Government is conducting the review process, it does not care about the producers; it just looks after the railways and in the meantime asks the producers to pay more.

The Parliamentary Secretary talked in glowing terms about all the jobs that this will create. That may be true. However, what is the point of creating a lot of jobs in the mountains by building passes when you are going to chase 30,000 or 40,000 producers on the Prairies out of business? What kind of sense does that make? Those are the kinds of figures that we heard when we travelled the Prairies this summer. When talking about jobs, let us be consistent.

If you chase farmers off their farms because you have put them out of business, they will move to the cities. The farmers will not be out of work, it will be the people in the cities. When farmers move to towns or cities, they get jobs. It is a well known fact that they displace other people. That can be backed up in any city in the country. If someone hiring has the opportunity to hire someone with a farm background, that is who they hire. The farmer will not be out of work. When the Parliamentary Secretary talks about creating jobs, he should understand what this Bill may do to prairie agriculture and the jobs it will cost.

We talk about all the money that the railways need to go ahead and invest in building the mountains, to create the extra capacity and finance the double-tracking. I refer to what was said on July 12 by Wood Gundy concerning Canadian Pacific Limited. I will read one paragraph entitled "CP Earnings":

> Given its leverage to enterprises and the significant effect of the Crow revision, we expect CP to enjoy record earnings in 1985. However, like enterprise, the turn will be gradual in 1983 with anticipated earnings per share of $2.90 versus $2.60 in 1982. However, for 1984 and 1985 respective earnings of $6.50 and $10 should slay any notions that Canada's largest corporation is less than dynamic.

The point made throughout the four-page review is that the revision of the Crow rate will have a substantial effect on CP shares. It will drive them up. It is suggested that they will have record earnings in 1984 and 1985.

Mr. Flis: What's wrong with that?

Mr. Mayer: There is nothing wrong with that. There is nothing wrong with making a buck; I would be the last to bemoan that fact. I am saying that if you want to be consistent and not talk out of both sides of your mouth, be concerned about the producers whom we heard from when we travelled. When they tell us on one hand that they are going to go out of business, and on the other hand we hear that CP is going to have record earnings, where is the equity? If Members representing western agriculture do not point that out, they are being less than honest and derelict in their duties. If the Parliamentary Secretary wants to talk about jobs, he should do that in the complete context.

The Acting Speaker (Mr. Corbin): Order. The Chair does not question the validity of the Hon. Member's remarks, but I do raise some question as their relevancy to the amendment now being debated. Perhaps the Hon. Member can indicate in what way this is strictly relevant to the amendment.

Mr. Mayer: Mr. Speaker, in my view it is extremely relevant because basically this Bill is written for the railways. It is a regulatory Bill. If you are going to pay railways based on regulations and on their costs, there should be something in the Bill to require the railways to keep their costs as low as possible. I am pointing out how inconsistent the Parliamentary Secretary is. As a result of this Bill and because it is so favourable to the railways, Wood Gundy points out that CP will have record earnings. Producers have told us they will have difficulty staying in business as a result of this Bill. This amendment speaks to putting some efficiency into the Bill as far as the railways are concerned, therefore holding down costs to the producers, hopefully not letting CP shares go as high as they might according to this report, and in the meantime saving tax dollars. I think I am making a very relevant point in terms of this amendment.

● (1250)

If you would like some more convincing, Mr. Speaker, allow me some more time and I would be more than pleased to go on.

The Acting Speaker (Mr. Corbin): Order. I appreciate the Hon. Member's attempt to convince the Chair that his comments are strictly relevant to the amendment. However, the Chair must remind him that we are now debating an amendment respecting the duties and functions of the Administrator. At the report stage in the House, debate must be much more formal and relevant than it generally is in standing commit-

tees. It is in that sense that I invite the Hon. Member to come to the point.

Mr. Mayer: Thank you very much, Mr. Speaker. I certainly take your admonition although I somewhat regret that you used the word "attempt". By that, I take it that I have not totally convinced you. At any rate, I thank you very much for your guidance.

Let me simply refer specifically to the amendment. It would remove paragraph (d) of Clause 17 on page 8 of the Bill and would simply substitute the following words: "promote, and shall require," which is compulsory, but, "if necessary, reciprocal and other arrangements" as far as the railways are concerned. I think that is entirely in order.

There is nothing totally compelling about it. It does not say that the Administrator shall, under all circumstances and under any conceivable condition, require the railroads to reciprocate as far as running rights are concerned. It simply reads to "promote", and that entails a whole range of things.

It goes on to read, "and shall require", and I think the key words are "if necessary, reciprocal and other arrangements". I see that as being entirely consistent with what the Bill should do. As I said, the Bill should promote efficiencies within the system, keep costs down to the producer and also hopefully save the taxpayers money, because this is an entirely regulated system.

I am not accusing the railways of being devious or anything else, but if the regulations are set up so that the railways can run circuitous routes, that may in fact be exactly what the railways will do. If there are ways for the railways to take less than direct routes and keep their costs higher than would normally be the case if there were reciprocal arrangements, I think there is nothing wrong with the Administrator being in the position to enforce that kind of reciprocal arrangement. That is exactly what this amendment attempts to do.

I really do not understand why the Government should be so concerned about this amendment. As I said, the motion reads: "promote, and shall require," and the key words are "if necessary, reciprocal and other arrangements". Then it goes on. I do not see anything that is inconsistent with the free enterprise system and I do not see anything that would indicate that this Party is being inconsistent. In fact, the whole Bill is totally regulatory.

One of the things that we on this side attempted at committee was to get rid of some of these arrangements that were totally regulatory in order to free up the system and allow truckers and the individual producer to have a part to play. The Government turned that down so we are now saying that we should at least give the Administrator some powers to force the railways to be efficient.

The Parliamentary Secretary says that he does not understand this. I can understand that. He finds it difficult to understand because he lives in High Park. He has made a big deal about being born in either Wakaw or Cudworth in Saskatchewan. I cannot remember which town, but I am familiar with that area.

Mr. Flis: Try Wadena.

Mr. Mayer: Excuse me, Wadena. That is the same general area of Saskatchewan. I can understand that he does not understand it because he did not grow up in that part of the country. He does not understand the railways. He did not have a chance to deliver grain and load cars through elevators. When he says he does not understand, I would suspect it is because he does not have an understanding of the way the railways work.

When talking about this amendment, Mr. Speaker, we are talking about why the railways should not have to be subject to some of the powers of the Administrator. The reasoning is that the railways need to make money because the railways will turn around and invest that money. We know very well that that is not the case because officials of the railways told us in committee that there was no guarantee that this money would go to specific investments. They told us that the money would go into general revenues. In fact, I think officials of one or both of the railways issued press releases last spring indicating that their intention to invest money would not now come about because of the downturn in traffic. They were not planning on investing as much money this current year as had originally been intended.

The railways are going to make a lot of money as a result of this Bill which is so generous to them, but there is no guarantee that their officials will take that money and invest it in the way that we need it to be invested. The railways have good intentions and we know that, but there is no iron-clad guarantee. We are attempting to give the Administrator some teeth so that he may do what he thinks is right in terms of holding down the costs to the producers and in the process hold down some of the costs to the public treasury.

Mr. Jim Fulton (Skeena): Mr. Speaker, what is really at issue in this amendment, which we certainly intend to support, is why the railroads should give up a long trip for a short trip. Certainly the experience in Prince Rupert over the years has been that where and when possible the railways have been somewhat reticent to provide the required number of cars to the existing grain elevators in Prince Rupert. One of the largest and most efficient grain elevators, not only in Canada but in the world, is now being constructed and it is certainly our expectation that, because of the Crow Bill as it now reads, there is a possibility, if not a probability, that there will be shortages in the supply of grain to the Port of Prince Rupert.

The Parliamentary Secretary has said that the amendment contravenes the powers of the CTC and the Railway Act. I do not believe the Government has taken care to analyse and evaluate what the probability of grain shipments and deliveries will be under the Crow Bill. It is pretty clear that it is in the interest of CN and CP to take their time and to use the longest route possible rather than the shortest. That is clearly how the railways will be making money.

The substantive addition that the Hon. Member for Vegreville (Mr. Mazankowski) has suggested is the addition of the word "require", so that the clause would read:

"promote, and shall require, if necessary, reciprocal and other arrangements" between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to the producers.

As I have said, Mr. Speaker, I think it is clear that officials of the railways will take the initiative to make as much money as they can by holding cars on sidings or by not shifting them on to shorter routes. From our point of view, it is clear that the powers should be under the Canadian Wheat Board rather than under a completely separate jurisdiction; but I dealt with that when I spoke earlier.

The significance of adding to the clause the requirement for reciprocal arrangements is that in order to improve the efficiency of the grain handling system, we want very much to allow for more interchange between the CP and CN systems to get the railways working together for shorter hauls and quicker delivery of grain. Each railway has track that is better served by interconnection with the oher system, yet only in the most exceptional circumstances do the systems acknowledge let alone co-operate with each other. That is the point that I think members on this side have been trying to make to the Parliamentary Secretary and to others.

The Parliamentary Secretary has said that the CTC and the Railway Act already have those powers. We have seen over the last 20, 30 or 40 years that those powers have simply not been used in an effective and efficient manner. We say that there should be some kind of sensible consolidation of authority, if not under the Wheat Board, then perhaps under some other agency. When the Wheat Board effectively tries to administer what grains will go where, when and with which contracts, which cars, which lines, when and to where, it makes a great deal of sense to consolidate all of that authority under one régime.

It also makes sense to ensure that either the Wheat Board or some other agency has the legal capacity to require reciprocal arrangements and not simply to promote them. Officials of the Wheat Board or the GTA could simply phone officials of CN or CP and say that they would like another 500 cars for Prince Rupert or another 1,000 cars for Vancouver. The rail lines could start moving those cars and simply put them off on a sideline for a while. It is not good enough to have the power to promote. That agency must have the ability to require.

The motion to enhance the authority of the Grain Transportation Agency Administrator over the railways specifically gives that Administrator the power to direct the railroads to exchange carloads of grains where such exchanges increase the efficiency of moving grain to export position. While we in this Party have argued that there is no effective need for an additional bureaucracy such as the Grain Transportation Agency and that the Administrator already has too much power in the sense that his powers encroach upon those of the Canadian Wheat Board, this is a good amendment and should be supported particularly by Government members.

No matter what public agency has control over the transportation of grain—we will find out in a few weeks exactly which agency that will be, whether it be the Wheat Board or the Canadian Grain Transportation Agency—it should have the ability to direct the railways to exchange cars in order to promote efficiency.

I see that it is now one o'clock. I will carry on this afternoon.

[*Translation*]

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

At 1.00 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PATENTS

SUPPORT FOR MANUFACTURE OF GENERIC DRUGS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, there is no question that there is considerable pressure and a movement afoot by multinational drug companies to pressure the Government to rescind the manufacture and sale of generic drugs in favour of the more expensive brand name drugs.

Generic drugs, Madam Speaker, are just as effective as brand name drugs but cost a great deal less, which means that consumers can save millions of dollars every year.

As well, Madam Speaker, many more people are employed by generic manufacturers—all Canadian companies—rather than by the subsidiaries of foreign drug firms.

There is ample evidence as well that Canadians need the competition provided by the generic firms. Individuals who pay for their own prescriptions, including senior citizens, can save money. So can all taxpayers because the provincial Governments pay for the drugs used in hospitals, and for drugs for the elderly and the needy.

Before the Patent Act was amended in 1969 to allow the availability of generic drugs, Canada had about the highest drug prices in the world. Now they are among the lowest. I urge the Government for the sake of all Canadians not to take any action to change this.

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AIR SAFETY

CONSEQUENCES OF METRIC MEASUREMENT FOR AIR TRAVELLERS

Mr. Bill Domm (Peterborough): Madam Speaker, Mr. Robert Buck, chairman of the commission which praised Air

Canada for its safety standards, while at the same time refusing to release the details of the study because it was to remain confidential and the property of Air Canada, said, as reported in *The Globe and Mail* on September 30, "You shouldn't have a bastard bunch of airplanes mixed in with the whole fleet, but that is a political issue (for Canada) as I understand it. It's unfortunate that you have one group of planes that is metric and one group that is not."

On September 19 I rose and asked for a public inquiry into the crash landing of an Air Canada Boeing 767 at Gimli, Manitoba. The Minister of Transport (Mr. Axworthy) responded, saying, "If the opposition were to co-operate we could get that legislation through very quickly—" and, presumably, out of committee. We did co-operate and the legislation is out of committee, but we are still waiting for it to appear in the House in order that we can have public inquiries into these kinds of accidents.

The Canadian people will not be happy now that they have learned that this clean bill of health for Air Canada's safety is a result of a seven-man commission appointed by the president of Air Canada, with five of the seven members of the commission being salaried employees of the Boeing Aircraft Company.

How serious does an accident have to be if Canada is to have a public inquiry? Will the Government listen to the air pilots and the air traffic controllers, and hold off air travel in metric until the world associations determine it is safe to change to metric?

* * *

HUMAN RIGHTS

EFFECT OF BRITISH COLUMBIA LEGISLATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the Social Credit Government of British Columbia has objected to a $20,000 federal grant to the Vancouver Island Human Rights Committee on the ground that it will be used to overthrow the Government.

When the provincial Government first cut back on human rights it did so in the name of financial restraint. It now appears that the Socreds fear human rights as a threat to their stay in power. In a sense they are right. Whenever people learn to value their own humanity and to stand up for their own rights, they pose a threat to all mean spirited and repressive governments.

In the same way, the Socreds object to federal funding for self-help centres for the unemployed. These centres provide basic counselling for workers and their families who suffer from the trauma of unemployment. They operate community food banks. Right now they are beginning to organize Christmas hampers and gifts for families who would otherwise do without.

The Socreds fear that when unemployed workers get together they will talk and discuss the basic reasons for their unemployment. The neo-neanderthals fear the full humanity of all people who co-operate to better their own lives and who organize and plan for better communities. Considering the federal Government's failure to solve the problem of unemployment, it has a continuing responsibility to fund these self-help centres, and not be spooked by Socred fears.

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BILINGUALISM

WINNIPEG REFERENDUM

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, it is a great concern to Members of Parliament in all Parties that the City of Winnipeg has decided by a very narrow vote in city council to hold a referendum on French language rights during the municipal elections next month. The wording of the proposed referendum is so complex and so ambiguous that many people may not understand the purpose of the vote.

The intent of the provincial legislation which prompted Winnipeg City Council to hold this referendum is not to ram French down the throats of Manitobans, nor to make it a necessary criterion of advancement in business or in the civil service of that Province for people to speak French as well as English. Rather, it is to provide some provincial services in French to Franco-Manitobans, and to comply with Section 23 of the Manitoba Act of 1870, which was a condition under which Manitoba entered Confederation.

All Canadians are hoping that the citizens of Winnipeg will uphold the Canadian traditions of tolerance, fairness, and multicultural understanding, when they mark their ballots on October 26.

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THE CONSTITUTION

PRIVATE PROPERTY WEEK—CALL FOR INCLUSION OF PROPERTY RIGHTS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I want to remind the House that this is Private Property Week, a national observance sponsored by the Canadian Real Estate Association and its 50,000 members across the country.

I trust all members will endorse the purpose of the observance which is to remind Canadians of their existing rights and responsibilities. It is also to remind them that when encroachments on property, through all manner of laws and regulations, are always increasing, property rights cannot be taken for granted.

At the same time we know that property rights in Canada could and should be strengthened through an amendment that would entrench them in the Charter of Rights. I have seen some fine words from the Prime Minister (Mr. Trudeau) pledging his support both for the purposes of this week and for the amendment. If the Government is serious about adding

this fundamental right to the Charter, it will introduce a property rights resolution to the House, with the usual planning, so that it can be dealt with properly.

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EXTERNAL AFFAIRS

SRI LANKA—CALL FOR UNIFIED SOCIETY

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, having recently returned from Sri Lanka I have witnessed and discussed with Sri Lankans the result of inter-communal violence in that nation.

The barbarous nature of man has emerged and demonstrated the worst of its most basic elements, in a state considered to be educated, enlightened and civilized. Human rights atrocities have been committed and a pluralistic democracy may be at risk.

A fragile developing economy has suffered severe dislocation. These events are particularly tragic in light of the recent successes of new conservative economic policies which include reduction of government subsidies, removal of import quotas, and the establishment of free trade zones.

It is hoped that Sri Lanka will find peace, justice, stability and economic progress as the process of negotiation, compromise and reconciliation unfolds. Canada can play a key role in that process by supporting political attempts to forge a unified society, and aiding economic revival and growth by continued development aid.

Canadian aid, however, should be an element of political stabilization and economic growth leading to self-sufficiency, not to repression and colonialization. The Canadian Government should receive concrete guarantees from President Jayewardene that the resettlement as a result of the Mahaweli Dam project, partly funded by CIDA, will be predicated on existing ethnic ratios, and that future aid will be evenly distributed throughout the country.

I hope that the Prime Minister (Mr. Trudeau) will raise these issues when he attends the Commonwealth Conference in India in November.

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PROVINCIAL AFFAIRS

SUPPORT FOR POLICIES OF MANITOBA NEW DEMOCRATIC GOVERNMENT

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I cannot let yesterday's statement by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) stand without correction. The Hon. Member, never one to let facts cloud his thinking, told the House that the Manitoba Government is the worst in this country for business and that it leaves Manitobans no hope for recovery. How can that be?

Is the NDP Government in Manitoba worse than Alberta's Tory administration where the rate of economic growth is lower than Manitoba's, in fact one of the lowest in Canada?

Can it be worse than the Tory Government thrown out of office by Manitoba voters a couple of years ago—the same Tory Government that drove Manitobans from the Province in greater numbers than at any time in recent history—the same Tory Government that simply could not, in its last year, match the business starts of the current NDP Government in this last year?

Let me set the record straight. Under the Tories, Manitoba suffered its first absolute population decline in many years. Mr. Lyon was simply driving people out of the Province. It was only when the voters threw him out of office that Manitobans began to return. In fact the population growth in the last year was the greatest since 1963.

• (1410)

Manitoba's NDP Government was left a dismal economic future by the Tories but it is turning that around. This year alone, by working with small business, it has been able to reduce bankruptcies by 22 per cent. The interest rate relief program has saved some 500 small businesses from the threat of—

Madam Speaker: Order, please. The Hon. Member's time has expired.

* * *

[*Translation*]

EMPLOYMENT

NECESSITY TO PROVIDE FINANCIAL ASSISTANCE TO PEOPLE LIVING ON QUEBEC NORTH SHORE

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, once again, the North Shore has been struck by major lay-offs. Last week, I was in Schefferville, and I now want to ask the President of the Treasury Board (Mr. Gray) and the Minister responsible for Employment and Immigration (Mr. Roberts) for additional funding to help more employees of the Iron Ore Company who were laid off last week.

Madam Speaker, for a number of reasons, workers on the North Shore have the impression they have been abandoned by everyone. We no longer have a president at the Iron Ore Company. The position has not been restored, so there is no longer any contact between workers and company management, which has produced a tremendous feeling of insecurity. Soon other towns on the North Shore may be affected, and I would like to bring up the subject here in the House because we will need additional funds if, once more, the Government is to take up the slack left by private companies, which after taking advantage of the skills of their workers are now drop-

ping them in the middle of their careers, people who are only in their early 40s. Work at Pointe-Noire has started, but this will not be enough. We will need substantial assistance this winter, and funds will have to be allocated imediately to put people back to work, because if things go on as they are now, I think the North Shore may soon have a number of social problems. I would therefore appreciate it if the ministers would act as responsibly as they have in the past.

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[*English*]

INDUSTRY

RED STAR EXPRESS—EFFECT OF SCHEDULE CHANGE ON EMPLOYMENT

Mr. Girve Fretz (Erie): Madam Speaker, there is a serious problem confronting the trucking industry, not only in my riding of Erie but in Canada as a whole. An American firm, Red Star Express, based in New York State, runs a trans-border service to Toronto. Originally American drivers took the loads as far as Fort Erie where Canadian men took over for the drive to Toronto. Now, in a move aimed at streamlining the operation, the parent company decided it would cease to switch drivers in Fort Erie. It intends to close the Fort Erie terminal and send the American drivers all the way to Toronto. The result is that 14 Canadians are out of work.

I believe the Minister of Transport (Mr. Axworthy) should take firm and decisive action to stem the tide of shutdowns of Canadian operations at the expense of Canadian jobs. With 1.5 million people unemployed we cannot ignore the dangerous precedent of Red Star. Five thousand jobs are at stake should other American operators take this cue and follow suit.

The Red Star decision appears all the more reprehensible in light of the fact it was approved by FIRA in 1975 to take over two existing Canadian operators. Although there were no agreements on undertakings with regard to hiring Canadians to drive in this country, surely the company has an ethical and moral obligation to continue employing Canadians.

In light of the above it is necessary to take some kind of action. I therefore appeal to the Minister of Transport to meet with his provincial counterparts and with representatives of the trucking industry to decide what must be done to ensure that Red Star and similar companies continue to provide jobs for Canadians.

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EXTERNAL AFFAIRS

SRI LANKA—INDIA'S OFFER TO ASSIST WITH CONCILIATION

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I would like to echo the concern many of us have over the situation in Sri Lanka where earlier this summer there was a massacre of a large number of the Tamil population, and where the Leader of the Opposition, whom we met yesterday, is no longer able to return to his country because under the new constitutional reforms his party and his position have been virtually annihilated.

I ask that the Government of Canada do two things. First, urge the Government of Sri Lanka to accept the offer of the Prime Minister and Government of India to use their good offices in bringing peace and security to the country of Sri Lanka. Indeed, I think the Prime Minister of Canada could take that initiative, I hope he will, when he is talking next with members of the Government of Sri Lanka, and we would like to see, particularly on behalf of the Tamils, that offer taken up by the Government.

Secondly, I would hope Canadian aid in Sri Lanka is distributed in such a way that the Tamil population will be—

Madam Speaker: The Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF KOREAN AIRLINER—PRIME MINISTER'S STATEMENT

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, my question is for the Prime Minister. While he was absent all last week travelling both in and out of the country—

Some Hon. Members: Oh, oh!

Mr. Rossi: Where were you?

Madam Speaker: Order, please. We have not started yet, and I do not know if we will ever get to the end of it.

Mr. Mulroney: Madam Speaker, while the Prime Minister was travelling, no doubt on official business, he introduced a troubling new dimension into a recent foreign policy matter. The Prime Minister repeatedly referred to the shooting down of the Korean airliner as an accident. Is it now the official position of the Government of Canada that the Korean airliner tragedy, in which ten Canadians lost their lives, was in fact an accident?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am glad the Hon. Leader of the Opposition missed me last week. I can assure him that I missed this old place and I was thinking of him often when I was travelling through the Provinces and to the United Nations. I even missed him when I was talking to my Quebec colleagues on Sunday.

Mr. Crosbie: The last round-up.

Mr. Hees: You better do better than that, Pierre; you are slowing down.

Some Hon. Members: Oh, oh!

Mr. Trudeau: The Hon. Member for Prince Edward-Hastings—

Mr. Hees: The wrong riding. It is Northumberland.

Mr. Trudeau: —should realize that I was not even aiming at him, Madam Speaker. He is too small fry to occupy my time—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, on the subject raised by the Leader of the Opposition, I want to assure him that the statements made by the Secretary of State for External Affairs and other Ministers who have commented on this subject still remain the view of the Government. I was not intending to change those statements in any way.

"Accident" means something that happens.

An Hon. Member: You are an accident, Pierre.

Mr. Trudeau: It is something tragic which happened—

Mr. Shields: Like you.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, "accident" comes from the Latin *accidere*, which means "to happen"; it can be a disaster. It comes from *ad-cadere*, which means "to fall down". That is what the Korean plane did, it fell down.

An Hon. Member: By itself?

Mr. Trudeau: I think it is an accident that the Korean pilot put that plane over Soviet territory. I think that was an accident. I do not think it was done by design. Therefore, an accident did happen, Madam Speaker.

• (1420)

The Government took the lead in expressing its outrage about that happening. It took the lead and, since then, the Leader of the Conservative Party has been trying to catch up in showing his indignation.

When the Secretary of State for External Affairs declared the 60-day boycott, he consulted me. I said, "That is a policy and you should do it now, before waiting for the lead of other countries", which we did. We took—

Some Hon. Members: Hear, hear!

Mr. Trudeau: We took the lead in bringing it before the Security Council at the United Nations. We took the lead in bringing it before ICAO in Montreal. We are still continuing that boycott, whereas most of the European nations have interrupted their boycotts. I do not think the Government has to state that it did not show the proper amount of indignation and outrage at this happening. Still, the House knows that we adopted, in the House, a resolution which the Soviet Union has refused to receive. The Government presented a note which the Soviet Union refused to receive. What do we do now, Madam Speaker? Do we go on shouting, or do we start war, or do we tell the western farmers that they should not sell their wheat to the Soviet Union? What does the Leader of the Opposition propose?

Some Hon. Members: Bravo!

Mr. Mulroney: The Leader of the Opposition proposes to get a very straight answer from the Prime Minister, even though that is difficult in this country.

Some Hon. Members: Hear, hear!

USE OF WORD "ACCIDENT" BY PRIME MINISTER

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, on September 12 in this House the Secretary of State for External Affairs called the tragedy "an unjustified act of murder". That was the position of the people of Canada as well. There is a world of difference between the word "accident", as the Prime Minister, with his semantics, knows, and "an act of murder".

Some Hon. Members: Hear, hear!

Mr. Mulroney: I want to know from the Prime Minister whether this was an egregious slip of the tongue that he made—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —or whether he is privy to new information, of which none of his Cabinet is aware, that he would care to share with the House, which has caused him to so characterize such an important international incident.

Mr. Lalonde: You have changed positions ten times.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Soviets themselves admitted that they shot down the airline. No new information that I can bring will say that they did not shoot it down. It was characterized as murder by the Secretary of State for External Affairs. I said I accepted it, and I was party to the decision which the Secretary of State made. That was a month ago. We have still not had any indication from the Soviets that they will pay compensation. We still have a heating up of the war, the cold war, which has now been going on for a while, and it is getting dangerous, Madam Speaker.

I think that, for my part, I will not get anything out of the Soviets in terms of describing that murder anew. I want to speak of the event, which was disastrous, and which I believe brought the world closer to the brink of disaster. It is the view of myself, of my Party, and of the Secretary of State for External Affairs, that at this stage we will not get more from the Soviets by treating them as murderers. We might get some de-escalation in the cold war by treating them as human beings.

Yes, Madam Speaker, the Hon. Member speaks of murder. We spoke of murder. However, I do not believe it was the intention of the people in the Kremlin to shoot down innocent passengers.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Well, they do over there, and that is the difference between that Party and this Party.

Mr. Stevens: Hear, hear!

Some Hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, we know that the Korean airliner was over Soviet air space for a matter of more than two hours. We know that all the maps indicate that when one is over that territory one can be shot down without warning. We know that the Soviet fighters tried to communicate and challenged the Korean airliner, asking it if it was friend or foe.

Some Hon. Members: Nonsense!

Mr. Trudeau: We know that that communication did not get through. We know that two years ago there was a Korean airliner which went some thousands of miles into Soviet air space before being brought down. We do not want that to happen again. That is why we are taking positive steps in ICAO to try to ensure that communications of that kind not go by each other in the night, and that if one is challenged, "Friend or foe?" that there will be answer. This is important. For that reason I think that we should concentrate our efforts, (a) in trying to get compensation and, (b) in trying to ensure that this kind of tragic accident does not happen again.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I was fascinated, Madam Speaker, at the Prime Minister's statement of the intentions of the Soviet Union, that it had absolutely no intention of shooting down that airliner.

Mr. Trudeau: I said "the people in the Kremlin."

Mr. Mulroney: The Kremlin. What is the difference? They had no intention of invading Afghanistan, either. They had no intention of invading Poland.

Some Hon. Members: Hear, hear!

REQUEST FOR APOLOGY TO HOUSE OF COMMONS

Mr. Brian Mulroney (Leader of the Opposition): Does the Prime Minister realize the gravity of sending the kind of clear signal that he has sent around the world to the Soviet Union, a signal which undermines the position taken by all civilized countries, which gravely undermines the position of our allies? Why does the Prime Minister not do one of two things? Either he should admit that he made a grave mistake in judgment, or he should apologize to the House for issuing a statement which runs counter to the resolution passed by the House.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, for about a month we expressed our indignation and outrage. I repeat that the Government has taken the lead in doing that, and it was in the forefront of all the nations of the world. Now, what did it get us and where are we, Madam Speaker? I ask the Leader of the Opposition, does he want to send a gunboat to shell Leningrad, or what?

Mr. Hees: We don't have one.

Mr. Trudeau: Madam Speaker, the Hon. Member wants to know the difference between the Kremlin and the pilot who shot down the Korean airline. There is a difference. I do not believe that the people in the Kremlin deliberately murdered or killed some 200 or 300 passengers in the Korean airliner. I do not believe that. I believe it was a tragic accident, an accident of war. It was caused, no doubt, by a reckless pilot and, no doubt, by a misguided commander on the ground. That is what I am afraid of, that the next war that awaits us will be started, not by the people in the Kremlin or by any other people, but, rather, by some accident of some pilot making the kind of tragic decision that he made, and the people on the ground making that tragic decision. That is why I am worried.

I can express indignation just as well as the Leader of the Opposition. The difference is that we have done it before him and we have done it before other nations. Now I think there should be some effort to re-establish communications with the Soviets. I, for one, think that it is in that direction that the superpowers must go. They must try to find some way to stop shouting at each other, when the world is teetering on the brink of disaster and atomic war.

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. I must ask the House to refrain from manifesting itself in this way or we will not get through the Question Period, and I must also ask that everyone try to be brief in their interventions. I now recognize the Hon. Leader of the Opposition.

Mr. Mulroney: Madam Speaker, Hon. Members on this side of the House, and I include my friends in the NDP, have no lessons to take from the Prime Minister or his colleagues about our commitment to peace. Of that, we are absolutely certain.

Some Hon. Members: Hear, hear!

● (1430)

CANADIAN DIPLOMATIC NOTE

Mr. Brian Mulroney (Leader of the Opposition): The implication was that the Kremlin did not wilfully do this. If that is the case, why does the Prime Minister not secure from those people who did not wilfully do this at least the acceptance of our note and compensation paid to the Canadians who were affected by it?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, now the Leader of the Opposition is making a positive suggestion. He wants me to intervene with the Kremlin and get them to accept our note. First, I will have to talk to them. Then I will have to make sure that they will listen to me. They will not listen to me, nor can I talk to them, if I just continue shouting at them and treating them as murderers. That is my point, Madam Speaker.

* * *

MEDICAL CARE

PAYMENT OF PREMIUMS—EFFECT ON UNIVERSALITY OF PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare. She is quoted as saying that she thinks that what has been occurring in Alberta in the last week is crazy. She obviously disapproves of it.

Could she tell the House and those of us who are concerned about Medicare, especially in regard to what is happening in Provinces like Alberta, whether she intends to address the problems of premiums through the Canada Health Act, which we hope to see very soon, and the way in which payment for health care through the premium mechanism in Alberta leads to the erosion of universality? In Alberta especially it is not just the erosion of universality, it is the complete destruction of universality. Does she have any plans to address that, or does she still maintain the position that she must keep a hands-off position in this matter?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as I stated yesterday in answer to some media queries, Alberta would not be in such an administrative mess if it had taken the route of having people pay for Medicare through general taxes, which is also the best method in terms of social justice. It would hit everyone equally, and all of those who are not technically on welfare but are unemployed, and who certainly are not rich by any standard, would not be caught between a two-chair situation as we see now.

However, the Member should not polarize, asking to be in favour of premiums or not, and equating it with not being able to do anything. According to Justice experts, under the Constitution we cannot, ourselves, decide that premiums are not proper for Provinces to choose if that is what they wish. But we will have a paragraph on universality, like we already have, that is as strong as possible according to the Constitution. If there is a breach of universality because premiums are not paid, that will be a breach of the Medicare Act.

Mr. Blaikie: We do not need any lectures from the Minister on social justice. The NDP pioneered the abolition of premiums in all the Provinces where it governed.

INTRODUCTION OF NEW HEALTH ACT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Does the Minister intend to find a way, through the new Act, to take action in a situation where the payment of premiums in a certain way is found to be an erosion of universality? It is not enough for her just to declare that she does not like them. Does she have any mechanism in mind for taking action when we find that premiums are eroding universality?

Furthermore, will we see the new Canada Health Act very soon? It has been three weeks since I asked her about that when we first came back, and we still hear nothing but rhetoric from the Minister.

Hon. Monique Bégin (Minister of National Health and Welfare): If the NDP is so much in favour of Medicare, and since Medicare needs all the friends it can have, maybe it would help if the Minister from Manitoba would say it a few times publicly. I would love to hear that he is supporting Medicare like he should, and like he tells me privately.

Second, my English must be getting worse by the day or week because I just said that people in Canada everywhere must have universal coverage and access to all insurance services. That means all visits to the doctors and hospitals. That is part of the Canada Health Act.

This means that whatever means Provinces use to raise additional money, such as by premiums in three of them, if they do not cover their people according to the Act it will be a breach of the Act and will, unfortunately, be subject to a penalty.

Mr. Blaikie: The Minister of Health in Manitoba has made it clear many times, as he did this summer when he met with all New Democrats across the country, that he agrees with the position we have been taking in this House and is in favour of steps to do away with the erosion of Medicare. The Minister is completely off base when she makes a charge like that.

FEDERAL FUNDING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, does the Minister in fact intend to bring in the Canada Health Act and finally do something about those things she says she has deplored all of these years? If so, at the same time will she re-open the question of the adequacy of federal funding of Medicare and the fiscal arrangements pertaining thereto, so that when she does so it can be a more viable political option which will no longer give the Progressive Conservative provinces something to hang their ideological agenda on for the destruction of Medicare?

Hon. Monique Bégin (Minister of National Health and Welfare): After the Member opposite met with the Minister in their kitchen in Manitoba, there was the Halifax meeting on September 7. You met in August, and I would have been pleased if the Minister did not forget to tell the Press that he was in favour of Medicare and not against it. That was September. There still is October and there will be November.

We will need him like we will need every Canadian in favour of keeping the system open as it is for all Canadians.

As I have said often, and as I answered the Member when he asked me on our first day back last September, the Act is going through the Cabinet process and will be tabled as soon as it is approved in all its various stages.

Mr. Blaikie: You have been saying that for two years.

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THE ADMINISTRATION

CRITICISM OF GOVERNMENT DEPARTMENTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister, Canada's version of Neville Chamberlain. It is a question about Government policy in which there is another conflict. In the Government, the feet do not know which mouth they are in.

According to *Maclean's* magazine of today, there are serious differences in the Government how to deal with the economy. Is it correct that the Government has neglected a range of functions that will become critical in supporting the economy? Is it correct that the Departments are run so badly that Canada now lacks some of the basic government services needed to take advantage of the current recovery? Are those statements correct with respect to the Government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the statements are incorrect, including the one the Hon. Member made about Neville Chamberlain.

REQUEST FOR RESIGNATION OF MINISTER OF STATE FOR ECONOMIC DEVELOPMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, if the statements that the Government has neglected this range of functions, and that Government Departments are run down so badly that they cannot take advantage of the current recovery are not correct, will he dismiss or ask for the resignation of his Minister of State for Economic Development who made those statements in a 35-page document that went to the Cabinet, and who has made similar statements of criticism of Government policy in other documents presented to royal commissions and elsewhere? Is he going to go, or is the Prime Minister going to go, or will they both go—that is the preferable course?

Right Hon. P. E. Trudeau (Prime Minister): Neither will go, Madam Speaker.

TRUST COMPANIES

PROMISE TO INTRODUCE NEW LEGISLATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. He will realize that he, his predecessor, and every Minister of State for Finance since the Bank Act was passed in 1980, promised a new trust company act. Is it the view of the Minister that a new trust company act is not important and is not critical for recovery?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Government and my Department are reviewing the various pieces of legislation that should be brought before Parliament. I would suggest that we have more urgent pieces of legislation to bring before Parliament, such as the Income Tax amendments that I hope will be expeditiously considered by Parliament when they come before it.

As the Hon. Member knows, we also had other measures brought in on those various subjects during the last year or two. As far as trust company legislation is concerned, I do not intend to proceed with a piece of legislation on this subject in the next few months.

CRITICISM OF DEPARTMENT OF FINANCE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, do I understand that the Minister of Finance does not agree with his Cabinet colleague, the Minister of State for Economic Development, who stated in his famous paper that the Finance Department is stifling potential investment with its long delays in bringing the country's trust company, insurance, and pension fund legislation up to date?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Minister did not make such statements.

* * *

● (1440)

THE ECONOMY

UNEMPLOYMENT IN CONSTRUCTION INDUSTRY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. Is the Minister aware of the fact that in the Province of Quebec half of the total number of construction workers are out of work, that in the City of Vancouver half of the number of construction workers are out of work, that in southern Saskatchewan 60 per cent of construction workers are out of work, and that in southern Ontario 60 per cent of construction workers are out of work? If the Minister is aware, will he sit down now and develop an inventory of public works that could be undertaken either by the federal Government, or by the federal and provincial Governments jointly, in order that those people might have not only a job but the hope of a job in the near future?

Will he also look again at the problem of the unemployment insurance payments which many of those people are no longer receiving because they have run out of them and they are unable to live on welfare? Will the Minister try to do something to solve the terrible problems of these people and their families?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am aware of the figures mentioned by the Hon. Member, and that is why, in the last budget, the federal Government proposed a recovery program involving expenditures of $2.4 billion on federal capital projects throughout the country. The program was announced when the budget was brought down and it is now operating. Work has started on a number of projects and in many cases, construction starting within the coming months will keep the industry busy for several years. We have done exactly what the Hon. Member is suggesting. Within the framework of federal spending, we have identified a large number of projects that would have to be carried out in any case by the end of this decade. We have rescheduled the programs in order to implement them at a time when Canada is starting to come out of the recession, thus stimulating the Canadian economy. Last July, I met with my provincial counterparts and discussed the matter with them. I asked them to give special attention to the construction industry and to see whether they could supplement the efforts of the federal Government in this area.

[*English*]

PLIGHT OF UNEMPLOYED IN HAMILTON

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the program is not working. In Hamilton 500 out of 700 carpenters are unemployed; 600 out of 1,200 electricians are unemployed; 1,000 of 1,200—

Madam Speaker: Order, please. I will not allow another long enumeration of statistics. The Hon. Member could be asking a question, but that is all I will allow.

Mr. Deans: Given that those people are unemployed, and I could go on at some great length, that they are not receiving unemployment insurance in many instances—

An Hon. Member: Question.

Mr. Deans: —that there are no jobs for them, that you will do nothing about the COED program, will you move to provide those people with an income so that they can provide for their families?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I do not think jobs are created by pounding one's fists on the table but by proposing specific and realistic programs like those we mentioned. Another way to create jobs, especially in Hamilton, would be to adopt as quickly as possible the amendments to the Crow Bill, which, once it is passed, will generate $25 billion in investment in the coming decade and 300,000 person-years' worth of jobs, and this will also bring jobs to the city of Hamilton, in the steel industry as well as in many other sectors. If my Hon. colleague really wants to help the workers of Hamilton, he should hurry up and pass the bill that is now before the House and is going to create jobs across Canada.

[*English*]

Mr. Deans: Not one single steel job, not one. You are a hypocrite. You are a liar.

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ENERGY

PRODUCTION OF GEOLOGICAL IMFORMATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources who is lining up delegate support.

Some Hon. Members: Oh, oh!

An Hon. Member: Move over, Pierre.

Miss Carney: Now that the Minister has resumed his seat, Madam Speaker, may I point out that the Minister has committed some $8 billion of taxpayers' money for frontier oil and gas exploration under the Petroleum Incentives Program. Does he agree with the view that his Energy Department has failed to produce the geological information needed to develop Canada's offshore mineral resources?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): No, Madam Speaker.

REPORTED CRITICISM OF DEPARTMENT

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also for the Minister of Energy, Mines and Resources. Is the Minister aware that his colleague, the Minister responsible for economic development, has said that the Energy Department failed to do its homework before committing taxpayers to a runaway expenditure program amounting to billions of dollars?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Minister referred to never said such a thing.

Mr. Crosbie: He wrote it.

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AGRICULTURE

RESEARCH INTO SOIL AND WATER SUPPLIES

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, in the absence of the Minister of Agriculture my question is

for the Acting Minister. Does the Acting Minister of Agriculture agree with the view that Canada's food producing capacity is threatened by a lack of research on the part of Agriculture Canada into the deterioration of our soil and water supplies?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would point out to the Hon. Member that a number of initiatives have recently been taken to improve substantially the agricultural research initiatives in this country under the Special Recovery Program. A number of new agricultural research stations have been opened, particularly in western Canada with a hydrology lab. Other initiatives have been taken. I think what we can point out, and if the Minister of Agriculture were here I am sure he could elaborate on it, is that he, and his Department and the Government have been very much aware of that issue and have been responding to it by taking appropriate action.

Mr. Greenaway: Madam Speaker, it sounds to me as though the Minister disagrees. This is at variance with the latest chapter of "Fiscalamity" written by the Minister of State for Economic Development.

CRITICISM OF DEPARTMENT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, does the Acting Minister agree with a document drafted by the Minister of State for Economic Development that states:

> Agriculture Canada has been so preoccupied with Canagrex that it has failed to research vital problems such as the declining amount and quality of our farm land.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the document to which the Hon. Member refers is one on which we would not comment. What we can comment on are the actions that have been taken. I just pointed out this Government has taken several very important initiatives to upgrade and improve research and development, particularly with the establishment of the new hydrology station in Saskatoon in the Province of Saskatchewan.

Mr. Crosbie: Why doesn't Johnston know about it?

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COMMUNICATIONS

REGULATION OF HIGH TECHNOLOGY INDUSTRIES—CRITICISM OF DEPARTMENT

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Communications. Does he agree that the communications Department is subjecting high technology industries to a host of regulations which may be impeding their growth?

Hon. Francis Fox (Minister of Communications): Madam Speaker, may I first of all congratulate the Hon. Member on being able to read *Maclean's* magazine. He, like the two previous questioners, has read *Maclean's* this morning, which I suppose is something to their credit. If the Hon. Member is referring to the communications industries, he knows as well as I do that there is one industrial sector in Canada that has a competitive edge in the international field and it is, indeed, the Canadian telecommunications industry. On the other hand we all know that with evolving technologies there is a need to reform certain regulatory aspects that affect not only the telecommunications industry but also the broadcasting industry. But if the Hon. Member is saying that we should at this stage of the game try to improve that regulatory process, I obviously agree.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I am delighted to know that the Minister of Communications can read *Maclean's* magazine as well.

DOCUMENT SUBMITTED BY MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, does the Minister of Communications agree with the document submitted by his colleague, the Minister of State for Science and Technology, the document that was submitted to Cabinet? Does he agree with the statements made by his cabinet colleague?

Hon. Francis Fox (Minister of Communications): Madam Speaker, quite obviously we, on this side of the House, feel there is always room for improvement, that there is always room to ensure that the regulatory environment is adjusted to changing times and conditions. If that is what the Hon. Member is asking me, then my colleague and I are indeed in agreement.

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RAILWAYS

COST OF UPGRADING RAIL NETWORK

Mr. Les Benjamin (Regina West): Madam Speaker, I have a question for the Minister of Transport. He will be aware of a telex that he received from the Saskatchewan Wheat Pool on September 21. It pointed out that his officials estimate in the order of $1.6 billion will be required to upgrade all the rail line network now guaranteed to the year 2000, but that the announcement of February 1 by the Government of only $1.072 billion means there is a shortfall of about $528 million. Can the Minister advise the House what his reply was to the Saskatchewan Wheat Pool and all the other elevator companies that are making investment plans and do not know whether or not their branch lines will be retained?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would answer by saying I do not think one should say "only $1 billion." It seems to me that is an awful lot of money that is being allocated toward a major improvement of the branch line system in western Canada.

● (1450)

I would point out that already some 1,700 miles have been totally and completely rehabilitated and that another 3,500 miles of work is under way. That is due to the program announced by the Government in 1977 where we did a global attack on the whole branch line rehabilitation issue under Mr. Lang, the then Minister of Transport, for some $700 million. The Government has added over $300 million to that program, and we will be negotiating each line as we do every year with the railway and grain companies. I would say to the Hon. Member that $1 billion is a very big commitment to branch line rehabilitation in western Canada.

Mr. Benjamin: I think I got my answer. It means that we will lose another 1,500 to 2,000 miles of branch lines.

GOVERNMENT COMMITMENT

Mr. Les Benjamin (Regina West): Madam Speaker, is it the Minister's intention to keep the Government's commitment to upgrade all branch lines in the basic network, or is it the intention to spend only the amount announced on February 1?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the commitment of the Government in 1977 was to undertake a program of branch line rehabilitation according to the amount of dollars and fiscal resources we could allocate. The Government has now allocated a second round of resources to improve substantially and add to that sum, as the Hon. Member mentioned, to over $1 billion. We will be negotiating those lines on a priority basis as the money is made available. The sooner and the better the NDP gets on board and supports the Crow expansion, railway modernization of western Canada branch lines will be better off.

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EMPLOYMENT

REQUEST FOR INTRODUCTION OF WAGE SUBSIDY PROGRAM FOR YOUNG PEOPLE

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Given the disastrous youth unemployment in the country, is it the intention of the Government to introduce a wage subsidy program for young people, based on the British experience, so that young people can obtain experience in the workplace? Is it his intention to bring in such a program? If so, why does he feel it is necessary to wait for prorogation and a new Speech from the Throne, when in fact he already has the mechanism in place to implement such a program now with the Access Program, the Portable Wage Subsidy Program, and the program for the disadvantaged? He has the mechanism now. Why does he not implement the program now?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I am simply astounded by the Hon. Member's question. There is such a program. It is the Career Access Program to which the Hon. Member has just referred.

BRITISH MODEL

Hon. James A. McGrath (St. John's East): Madam Speaker, the Minister knows that the Career Access Program was announced in April and is not even operative yet, notwithstanding the ongoing concerns of the country over youth unemployment. My question concerns the British model of training young people and giving them a start, a kite which the Minister has flown not once but twice, and as recently as today in *Maclean's* magazine. Obviously he is committed to the program, and I am sure that he has read *Maclean's* magazine. Does the Minister intend to bring in such a program to help these 600,000 young people who are unemployed? If so, why does he not bring it in now instead of waiting for another session of Parliament?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I regret to say that I have not read *Maclean's* magazine. I will rush out and read *Maclean's* magazine. I have been informed by my staff, who are usually reliable, that I am not in *Maclean's* magazine. The fact is that the program is in place. We expect it to deal with at least 31,000 young people this year and 31,000 people next year. We think it is a more effective program than the kind which has been put in operation by Mrs. Thatcher because it is a program which deals with young people between the ages of 17 years and 25 years, whereas Mrs.. Thatcher's program concentrates only on teenagers. We think there are other young people who deserve our attention as well.

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GRAIN

GRAIN STABILIZATION PROGRAM

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is directed to the Minister of Transport who is spokesman for the Canadian Wheat Board in this House. When farmers were encouraged to enter into the grain stabilization agreement with the Government, the promise was that there would be a payout in a year of low grain prices. We had that year of low grain prices last year and the fund is now built up to approximately $800 million. When will the Government be announcing a payout to farmers?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as the Hon. Member knows, the assessment is made on a five-year average on the stabilization fund. Based upon that average in which there has been a reasonably decent price for grain, we do not expect a payout in this year.

Some Hon. Members: Oh, oh!

Mr. Towers: That is declaring war on the western Canadian farmer. He will retaliate, and don't ever think he won't.

Some Hon. Members: Hear, hear!

Mr. Towers: Not only is the Minister saying that he is not going to pay, but he is taking $1,200 out of the farmer's pocket this year.

REQUEST FOR CHANGE IN POLICY

Mr. Gordon Towers (Red Deer): Madam Speaker, the Government had better change its mind on that, and had better do it quickly. When will the Minister change his mind as far as the policy of the Government is concerned?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, before the Hon Member gets all convoluted in his indignation, I think we simply go back to the formula which was established. We base it on a five-year average. The 1982 index was about $400 million above that average. As far as 1983 is concerned, those calculations are not made until the end of October, 1985. When those calculations are in, of course the matter will come under review and the Minister will make that decision. We are saying that as far as the 1982 crop year is concerned, payout was substantially above that five-year average, and the Hon. Member should know that.

* * *

AIR CANADA

OVERHEATING OF TOILET PUMP

Hon. Don Mazankowski (Vegreville): Madam Speaker, I would ike to direct a question to the Minister of Transport. It has been drawn to my attention that another incident occurred aboard an Air Canada DC-9 jetliner involving the seizing and overheating of a toilet pump in the washroom with the potential for very serious consequences. Since this comes on the heels of the Cincinnati tragedy, and on the heels of a very favourable internal report conducted for Air Canada on its technical and procedural maintenance standards, what steps will the Minister take to ensure that another Cincinnati tragedy does not occur?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I can confirm to the Hon. Member that indeed late Friday afternoon another incident took place aboard an Air Canada DC-9. It was immediately investigated by both Air Canada officials and Transport investigators. That particular malfunctioning has been corrected. However, as a precautionary measure we have undertaken first to issue an airworthiness directive today requiring a daily check of the pump facilities in all the lavatories on Air Canada. Second, I will be ordering a replacement of the particular model of pump which caused the problem both in this latest incident and in the Cincinnati case. We are taking these as precautionary measures, as well as looking at the over-all safety performance under the Air Canada audit which my Department has under way.

OPERATING AND MAINTENANCE PROCEDURES

Hon. Don Mazankowski (Vegreville): Madam Speaker, in a more general context, since the recent internal audit carried out with respect to Air Canada on its operating and technical procedures produced a very favourable report for Air Canada, does the Minister not think in light of this incident that it would be necessary to take some further steps such as a more broad investigation into the technical, operating and maintenance procedures of Air Canada, to ensure that passenger confidence is restored? Surely an incident like this will do nothing more than undermine passenger confidence and the confidence of those who are potential passengers of Air Canada. Is the Minister considering anything further in a broader context to investigate these procedures?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the first thing I would like to do in answer to the Hon. Member is to give assurances that steps have now been taken in relation to the particular problem that has to be faced. They really are quite extraordinary measures. We are requiring, to underline the point, a daily check of the particular piece of equipment to ensure that there are no problems at all, and the direct replacement of that piece of equipment in a phased period so that it will be totally new.

As to the larger issue, that is indeed what we are now doing. We ordered a complete operational, management and safety audit of Air Canada operations at the beginning of September. That is now under way, and I should have the results in a matter of three or four weeks. The Air Canada report which was prepared by Captain Buck for the purposes of Air Canada's management has been forwarded to the team which is undertaking the audit. It will be incorporated as part of the report, and that report will be made public by me so that Canadians and Members of the House will be fully aware of the assessments which will have been made.

* * *

● (1500)

PETITIONS

MS. McDONALD—BROADCASTING ACT

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Broadview-Greenwood (Ms. McDonald) on Monday, October 3, meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. DOMM—ACTIONS OF METRIC COMMISSIONER

Madam Speaker: Before recognizing the Hon. Member for Peterborough (Mr. Domm), I remind him that he did not take the opportunity to bring this question before the House at the earliest possible opportunity. He did send me a notice that he

would raise a question of privilege on Tuesday in the House, but the Hon. Member was in the House yesterday. He ought to have raised his question of privilege at the first opportunity. I will not hold that against the Hon. Member, but I do remind him that, technically speaking, it should have been raised yesterday.

Mr. Bill Domm (Peterborough): Madam Speaker, I rise today to discuss a breach of my privileges as a member of the House as it relates to a letter forwarded to my office, written by Commissioner Cleo Mowers, a metric commissioner employed by the Department of Consumer and Corporate Affairs and appointed by Order in Council.

I will endeavour to show you, Madam Speaker, in as few words as possible, how this metric commissioner has clearly overstepped the mark of propriety. He has hampered my ability as a Member of Parliament to function in a responsible manner. He has attempted to create an atmosphere of fear and thus has created a climate of mistrust. The situation has made it very difficult for me as a Member of Parliament to pursue my responsibilities not only in this House but to my constituents as an extension of my duties in this House.

Beyond this indignity, Mr. Mowers has the audacity to call into question the integrity of Government Cabinet Ministers, and even of the Prime Minister (Mr. Trudeau) of Canada. For the benefit of the Chair I will supply the full content of Mr. Mower's letter to the Prime Minister and to many of my colleagues here in this House, as well as to members of the Senate.

Madam Speaker: It would be more useful in the particular proceedings that we are going through if the Hon. Member sent a copy of that document to the Chair, because the Chair would not be able to judge this question of privilege unless it had the full documents to which the Hon. Member is referring.

Mr. Domm: I realize that, Madam Speaker. That is why I referred specifically to the letter in my communication to you last week, referring to excerpts from the letter in order that you may be apprised of the seriousness of the letter.

I am personally appalled at the lack of respect exhibited by this individual on the Metric Commission. By the way, he is paid $250 a day as a public servant in the Metric Commission serving as a commissioner. He drastically exceeds his mandate and his oath of office, which I have here and which I will also be tabling, by instructing not only myself as a Member of Parliament but also the Government of this country.

We are not dealing in this case with a private citizen, nor am I questioning a private citizen's freedom of speech. We are, however, dealing with a public servant whose words and actions carry the authority of his office. When Parliament first established the Metric Commission, its purpose was to facilitate the conversion process and not to throw into question the integrity of Members of Parliament, the Cabinet or the Prime Minister.

The prima facie case I wish to make deals with a letter circulated to my colleagues which discredits elected Members of Parliament and seriously impedes their ability effectively to discharge their duties. It is the responsibility of a Member of Parliament to interpret matters as he or she sees them. It is definitely not the responsibility of a metric commissioner to practise overt acts of harassment. I strongly object to the manner in which this was done.

Madam Speaker: Order, please. I can see from the presentation of the Hon. Member, which has now gone on for five minutes, that he is aggrieved by an action of a public servant who has obviously criticized what the Hon. Member has said outside the House. The Hon. Member may be considerably aggrieved by that, but it certainly does not constitute a question of privilege. The Hon. Member will have to demonstrate to me very soon that he has been impeded in his function as a Member of Parliament and that that is the basis of his question of privilege. Otherwise, I will have to cut him off and decide that he does not have a question of privilege.

Mr. Domm: Madam Speaker, I will respect your wishes and deal precisely with the two points you have asked me to deal with; first, exactly what this person said and, second, the precedents in rules and procedures both in Beauchesne and other references which makes this a very definite question of privilege, as determined in my research with the Parliamentary Library and other authorities on the Hill.

I would like to quote from Mr. Mowers' letter to give the obvious indication of where I feel I have a question of privilege. In his letter to the Prime Minister, referring to Cabinet Ministers and Members of Parliament Mr. Mowers said, and I quote:

> As a member of the Metric Commission I was appalled at the vast distortion of metric facts in news stories, editorials, and letters to the editor, most inspired by or emanating from the office of Bill Domm, M.P.

I am trying to make this brief by quoting only three paragraphs of a rather lengthy letter. There will be opportunity for yourself and the Table to review it Madam Speaker. I quote:

> I wrote a couple of hundred original letters to editors correcting the record and inferentially questioning Domm's truthfulness, until finally both his voice and his credibility are now much weakened.

In addition, I refer the House to Mr. Mowers' remarks regarding the governing Party. I will quote for their interest and Your Honour's consideration:

> The impression is abroad that the Government doesn't listen to the people. To the extent it is true, these are the faults: (a) the ultimate decision-makers are too few, too obscure, too elusive; (b) those in authority are held in protective custody of their staffs; (c)—

Madam Speaker: Order. The Hon. Member is debating. Just because a bureaucrat does not agree with the Hon. Member or is criticizing some Members of the Government, or other people, does not constitute a question of privilege. The Hon. Member will have to tell me right away where his question of privilege lies.

Mr. Nielsen: Madam Speaker, may I intervene just briefly at this point. I heard the Hon. Member say two things which I think deserves the attention of the Chair in coming to a

decision as to whether or not there is a prima facie case of privilege, which is all that is required.

Madam Speaker: I am giving the Hon. Member all my attention. I have not denied him one second of my attention.

Mr. Nielsen: I have not said that you have, Madam Speaker, but I have heard two things. First, a public servant has questioned the truthfulness of a Member. Surely that is deserving of the attention of the Chair, which I am sure the Chair will give it. Second, in that same sentence that public servant concluded that, because he has questioned the truthfulness of the Hon. Member, it has affected his effectiveness in this House of Commons. That must surely be on all fours with a Government that fired a public servant, Neil Fraser, because of a much less offence. This case sounds far more serious to me, questioning as it does the truthfulness, and thereby affecting the effectiveness, of the Hon. Member as a Member of Parliament.

Mr. Domm: Madam Speaker, in the interest of expediting my case, I will refrain from quoting the letter. I will table this rather lengthy letter. I will circulate it to all Members of Government, all members of the Senate and all Members of the Opposition in order that we can determine whether this gentleman deserves to remain in a position in which he took an oath not to do exactly what he is doing. I will not read the oath; I will table that as well.

I would like to produce for the benefit of the house one final example of Mr. Mowers' lack of respect for Parliament and his contempt for the decision-making processes that are now supposedly in place in this country. I am quoting for the final time from Mr. Mowers' letter to the Prime Minister:

● (1510)

Communications the other way—from the government (and the party) to the people—is in a much worse state. These are the reasons and the culprits—

I will leave that for you to examine, Madam Speaker, and I will send all Hon. Members on the Government side copies of documents indicating what he thinks of them. Liberal Members appointed this man through Order in Council. They gave him the authority to have a clipping service from across Canada in order that he can criticize them publicly.

In the correspondence that I will table, Madam Speaker, Mr. Mowers has clearly treated in a libellous manner the Prime Minister, Members of the Cabinet and Members of the Official Opposition, particularly myself, and I am raising this as a question of privilege as it pertains directly to me. I hope that those Hon. Members on the other side will listen.

Mr. Mowers has clearly treated in a libellous manner statements that I as a Member of Parliament have made in the House. In so doing, he has breached his rights and privileges by referring to me.

I refer you, Madam Speaker, to Beauchesne's Fourth Edition, page 98, subsection (3):

Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the House.

I am not going to rely strictly on the section relating to business of the House because Mr. Mowers is guilty of character assassination in response to press releases, letters to the editor and speeches. I cite the case of *Roman Corpn.* v. *Hudson's Bay Oil and Gas Ltd.* which can be found on page 20 of Beauchesne's Fifth Edition. That case clearly established the extension of Members' of Parliament rights outside the House of Commons and therefore under the general umbrella of privilege.

I was planning to refer to examples of what Mr. Mowers has said across the country and to the 200 letters in which he has condemned the Government, the Prime Minister and myself, but I will not do so. I will go on. Mr. Mowers has attempted to discredit me by distributing a damaging letter to my colleagues.

An Hon. Member: Order.

Mr. Evans: So sue him.

Mr. Domm: I hear Hon. Members from the Government side saying "sue him". I might.

I have already quoted from Mr. Mowers' letter and I believe it provides sufficient proof of a serious breach of privilege. I will go on and refer the Chair to Erskine May, Eighteenth Edition, page 147, where the following is stated:

Sending insulting letters to Members in reference to their conduct in Parliament or letters reflecting on their conduct as such Members—

—in carrying out their duties and responsibilities. That is clearly exactly what Mr. Mowers is doing to Government Members and to Members of the Official Opposition.

Beauchesne's Rules and Forms is quite explicit on the enforcement of the privileges of the House. I turn to page 13, Citation 22, which states:

The power of the House to enforce its rules extends not only to Members and others admitted within the precincts of Parliament, but also to members of the general public who may interfere with the orderly conduct of parliamentary business.

I would like to inject here a passage from Erskine May, Eighteenth Edition, page 148, which reads:

"Written imputations, as affecting a Member of Parliament, may amount to breach of privilege, without, perhaps, being libels at common law"—

That answers the Hon. Member's question about whether or not I should take Mr. Mowers to court.

Mr. Evans: Do it.

Mr. Domm: I shall continue:

—but to constitute a breach of privilege a libel upon a Member must concern the character or conduct of the Member in that capacity.

That is what I am asking you to consider as a question of privilege, Madam Speaker.

In accordance with Erskine May, I sincerely believe that the letters written by Mr. Mowers represent a defamation of my character as well as seriously call into question my conduct as

a Member of the House of Commons and my capacity and responsibility to represent my constituents.

In conclusion, I must say that I am well aware, as are all Members of the House, that criticism in itself does not constitute a breach of parliamentary privilege. It is in answer to such criticism that I continually respond to Mr. Mowers' numerous editorials on mandatory metrication. A difference of opinion regarding Government policy is not uncommon, and in fact, through the media, allows Canadians, the opportunity to consider opposing views and analyse new alternatives. However, Mr. Mowers' criticism goes well beyond objective criticism and is directly intended to bring my duties in the House generally into disrepute. In fact, that criticism has had the effect of questioning the very integrity of this venerable institution and the entire democratic process. It therefore seriously impedes the privileges and rights of all Members of Parliament which are absolutely necessary for the proper execution of their Parliamentary powers.

If you find, Madam Speaker, for the reasons stated above, that I have a prima facie case, I am fully prepared to move a motion which would have the effect of calling Mr. Cleo Mowers to the bar of the House where he would be asked to submit a formal apology.

Might I conclude by reading the oath Mr. Mowers took when he accepted the job as metric commissioner. I claim that he has violated that oath to the Canadian people. That oath reads:

> I, Cleo Mowers, solemnly and sincerely swear (or affirm) that I will faithfully and honestly fulful the duties that devolve upon me by reason of my appointment as a member of the Preparatory Commission for Metric Conversion and that I will not, without due authority in that behalf, disclose or make known any matter that comes to my knowledge by reason of such appointment.

In his capacity as a member of the Metric Commission, Mr. Mowers has available to him a full national clipping service paid for by the people of Canada which is not available to me although I, as a Member of Parliament, requested it from Consumer and Corporate Affairs. That clipping service is made available by the Minister of Consumer and Corporate Affairs (Mrs. Erola) to Cleo Mowers who then in turn uses against his oath, in his capacity as a Metric Commissioner, that material supplied to him by virtue of his appointment as a Metric Commissioner. That material is then used to commit a character assassination which is clearly a question of privilege in the House, Madam Speaker.

I hope, given the material that I will supply to the Chair, that you will rule in support of my motion, which will not call for him to be replaced. I have since learned that he has been given his termination. I would hope that you would support a motion calling for his public apology for statements made against the Prime Minister, the Cabinet Ministers of the House and myself as a Member of Parliament speaking on behalf of the Conservative Party in opposition against mandatory metric, Madam Speaker.

Hon. Erik Nielsen (Yukon): Madam Speaker, you are undoubtedly going to be taking this question under advisement. I will not be speaking to the facts that have been raised in support of the request made by the Hon. Member for Peterborough (Mr. Domm) that you do find that there is a question of privilege. I do ask the House to take the matter seriously and dispense with interventions like that of the Parliamentary Secretary to the Government House Leader (Mr. Evans) who encouraged the Hon. Member to sue.

Nothing goes more directly to the roots of the functioning of this place and the exercise of its authority than the ability of Members to carry on their functions in the House free from wrongful and libellous charges of untruthfulness, particularly when made by a civil servant. The Government has its remedy, which it exercised very quickly in the Neil Fraser case; but here, quite apart from statements made with respect to the Government, there is a direct accusation made by the civil servant in question calling into question the truthfulness of an Hon. Member of this House. That Hon. Member has stated in his assertion that that has lessened his effectiveness as a Member of Parliament.

Nothing could go to the root of the rights, duties and authority of Parliament any deeper than this, notwithstanding the fact that it occurred in the case of only one Member. What happens to one Member can happen to any Member. It goes to the roots of the privileges of all Members when something like this happens.

Our understanding of privilege, Madam Speaker, must be constrained by what has already been pointed out by the Hon. Member for Peterborough. It is not mere criticism that causes a question of privilege to arise; but if that criticism goes to the extent that has been described here, and there is a prima facie case that it has, I suggest the Chair has an obligation to act. When that criticism impedes the Member in the performance of his duties, then in my submission, Madam Speaker, there is clearly a question of privilege.

● (1520)

I should like to read, for the consideration of the Chair, Citation 108.(1) of Beauchesne's Fourth Edition, which reads as follows:

> Anything which may be considered a contempt of court by a tribunal, is a breach of privilege if perpetrated against Parliament, such as wilful disobedience to, or open disrespect of, the valid Rules, Orders or Process, or the dignity and authority of the House, whether by disorderly, contemptuous, or insolent language, or behaviour, or other disturbing conduct, or by a mere failure to obey its Orders.

Given the prima facia establishment of the fact of the letter read by the Hon. Member for Peterborough, the very least that those statements and the letter constitute with respect to the Hon. Member is insolence. I am in accord with the Hon. Member that they amount to libel because they have been published, and libel against an Hon. Member, in my submission, is clearly a contempt of Parliament.

I should like to refer the Chair to Citation 108.(3) of Beauchesne's Fourth Edition, which extends this point by adding the following:

> Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity—

Namely, in his capacity as a Member. All of us are very aware that he has been the metric critic in this place for a good number of years. It continues:

—and the libel must be based on matters arising in the actual transaction of the business of the House.

What could be plainer than that the criticism aimed at the Hon. Member in that letter is a libel in respect to the conduct of his criticism in the House of the application of and the Government's policy with respect to metric? Nothing, in my submission, could be clearer than that. The House has consistently viewed reflections against the House or its Members as a contempt against the Members or authorities of the House. These stretch from the Tassé case in 1873 to the Choquette case in 1976. These reflections have generally been made in the press by members of the press. That is not the case here.

This is a case where Mr. Mowers made use of the vehicle "Letters to the Editor" as the means of carrying on his campaign. Clearly, all letters to the editor are not matters infringing upon the privileges of the House. We are not dealing here with a fair comment made by a private citizen. We are faced with a letter addressed to a Member of the House—indeed, to the Prime Minister (Mr. Trudeau)—by an individual who holds an appointed office and who, in his capacity as an office holder, has seen fit to carry on a public campaign as a civil servant, designed to undermine the Hon. Member for Peterborough in the conduct of his duties in the transaction of the business of the House.

In his letter, as the Hon. Member for Peterborough has pointed out, he directly questions the truthfulness of the Hon. Member for Peterborough. I will quote from that letter briefly. He says "until finally both his" —that is the Hon. Member for Peterborough— "voice and his credibility are now much weakened". That is, the Hon. Member's voice in this House and his credibility in this House as a member are much weakened because Mr. Mowers has been so assiduously determined to question the truthfulness of the Hon. Member for Peterborough.

Mr. Evans: Outside the House.

Mr. Nielsen: The Parliamentary Secretary continues to interject, Madam Speaker. What would he do to protect his rights in this place if it had happened to him? I can tell him what would happen. The Government would fire Mr. Mowers, as it did Neil Fraser. This is the only remedy we have here and he should be supportive of what we are putting to the Chair with respect to the privileges of this place.

I now cite from Beauchesne's Fifth Edition, Citation 55, as follows:

The privilege of freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee. It is primarily guaranteed in the British Bill of Rights which declared "that the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place outside of Parliament".

Clearly, it was Mr. Mowers' intent to restrict the ability of the Hon. Member for Peterborough to conduct his duties in the House. Mr. Mowers himself admits that. In my submission, that would constitute a prima facie case of privilege. He calls into question the Hon. Member's activities in the House and he, Mr. Mowers, intends to restrict the Hon. Member's freedom of speech in the House both through his, Mowers, public campaign and by exhorting other Members to assist him with his campaign. He does so by writing to other Members of the House of Commons. In those letters to other Members Mr. Mowers accuses the Hon. Member for Peterborough of distorting the facts. Mr. Mowers thereby contributes to the infringement of the privileges of the Hon. Member and, consequently, of the House.

Moreover, Mr. Mowers starts off by saying that he did this in his capacity as a member of the Metric Commission—as a civil servant. In my submission, Mr. Mowers has engaged in a contempt of this House, given the prima facie existence, not the proof, of what the Hon. Member for Peterborough has laid before the Chair. The letter itself, once the Chair has possession of it, in my submission constitutes that prima facie proof. He has engaged in contempt and should be called before the bar to apologize, not to the Hon. Member for Peterborough but to all Members of the House, for his actions in not only the campaign but specifically the letter directed to that Member. In laying out his case, the Hon. Member for Peterborough has provided a substantial body of fact which should assist the Chair in coming to the conclusion that there is at least a prima facie case of privilege for putting the question to the House.

If there is no prima facie case of privilege, the Chair, in my submission, has to come to the conclusion that the letter written by Mr. Mowers does not exist at all. If ever there were a prima facie case, it lies in the fact of the existence of the letter authored by Mr. Mowers. The intent, as displayed in that letter, is very clearly laid out. First, it questions the truthfulness of the Hon. Member for Peterborough, which questions the truthfulness of any Member of the House; second, he admits in the letter he wrote himself that his intention was to affect the efficiency of the Hon. Member in the conduct of business in this place; and third, it was mounted deliberately to minimize the effect of the criticisms that have come from the Hon. Member for Peterborough with respect to the application of metric in the country for the entire last three years.

In my submission, Madam Speaker, there was never a clearer case of privilege before the Chair.

Mr. Doug Lewis (Simcoe North): Madam Speaker, I wish to make a brief intervention in this matter and to draw a parallel for the Chair. Earlier this year the Hon. Member for Lincoln (Mr. Mackasey) brought a question of privilege to the Chair. His point was that, through the publication of an article in the Montreal *Gazette*, his capacity to function as a Member of Parliament had been impeded. The Chair found a prima facie case of privilege. We on this side, as did the Government, supported that Member with a unanimous motion sending the case to the Standing Committee on Privileges and Elections.

I submit to you, Madam Speaker, that we have a very similar case here. In this case, however, it is not a question of

an interpretation of a newspaper article; this is a clear action by a Government employee to impede the voice and credibility of a Member of the House. That is the issue here. That is why I rise to support my colleague in asking that the Chair find a prima facie case that his ability has been impeded. In the earlier case, we stood with the Hon. Member for Lincoln and said; "Yes, your privilege has been impeded and it should be examined".

I ask Your Honour to find a prima facie case of privilege here and to support the Member in calling the civil servant in question to the bar of the House to make an apology.

● (1530)

Madam Speaker: I obviously will have to examine the documents in support of the case and all the arguments presented to the Chair. I will come back to the House with a decision later.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF TWENTY-THIRD REPORT OF STANDING COMMITTEE

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I have the honour of tabling the twenty-third Report of the Standing Committee on Finance, Trade and Economic Affairs.

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

* * *

POINT OF ORDER

MISCELLANEOUS ESTIMATES—PRESENTATION OF NINTH REPORT OF STANDING COMMITTEE

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, as Vice-Chairman of the Standing Committee on Miscellaneous Estimates, in the absence of the Chairman, and having discovered and agreed on the need to correct the ninth Report to make it conform to the proceedings in committee on Bill C-152 and to the amendments duly voted on and approved in committee, said report having been tabled in the House on September 29, I now, with the agreement of the Opposition critics of the Progressive Conservative Party and the New Democratic Party and also of our independent colleague, the Hon. Member for Edmonton-East (Mr. Yurko), request the unanimous consent of the House to correct this

report. Therefore, on page 2 of the report, Schedule I should read as follows:

Add, immediately after item 9, on page 17, the following:

Clause 60 is amended by substituting "Minister of Regional Industrial Expansion" for "Minister of Industry, Trade and Commerce".

—and renumber the subsequent items accordingly.

Thus, the amendment to the Canagrex Act included in the Ninth Report is to be replaced by the one I just mentioned, because it was not voted on in committee.

Madam Speaker, I ask that corrections be made accordingly.

Madam Speaker: Does the House give its unanimous consent for correcting the report?

[*English*]

Mr. Nielsen: Madam Speaker, you will recall that this matter arose last week. I spoke to the Hon. Member then and told him I would get in touch with our critic in order that I might be free to give unanimous consent to what he is attempting to do today. I have indeed exerted every effort to get in touch with our critic who is in New York on Government business, but I have not been able to do so. I believe I should communicate with him, not that I for a moment doubt the word of the Hon. Member that he has been in touch, but I think I should have that confirmed before I consent.

[*Translation*]

Madam Speaker: So, there is no unanimous consent.

* * *

[*English*]

PETITIONS

MR. KORCHINSKI—ASSISTANCE FOR WHITE FARM EQUIPMENT COMPANY

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have the honour to present a petition on behalf of 108 petitioners from Alberta who have sent a petition to the Minister of Industry, Trade and Commerce (Mr. Lumley), to the Hon. Member for Red Deer (Mr. Towers), the Hon. Member for Crow Foot (Mr. Malone) and the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). They have asked me to present this to the House on their behalf to ask that the Minister and his Department make every effort to maintain the White Farm Equipment Company as a viable entity.

MR. RIIS—BROADCASTING ACT—AMENDMENT RESPECTING DISCRIMINATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, it is my privilege to present on behalf of 1,000 petitioners a petition regarding Bill C-675, an Act to amend the Broadcasting Act which urges that Section 3 of the said Act be amended

by adding immediately after Paragraph 3(c) thereof the following paragraph:

Notwithstanding Paragraph C, no station, network, operator or pay television licensee shall broadcast any abusive comment or abusive pictoral representation on any race, religion, creed or sex.

MR. YOUNG—SAFE DRINKING WATER

Mr. Neil Young (Beaches): Madam Speaker, it is my honour and privilege to present a petition signed by a number of residents of Ontario who humbly show that toxic chemicals are posing an increasing threat to the potable waters of that Province. There is presently no legislation which will guarantee the safety and healthfulness of those waters, and Canada's neighbour, the United States of America, has legislation entitled the Safe Drinking Water Act, 1974.

Wherefore we the undersigned humbly pray and call upon Parliament to enact a safe drinking water Act which would protect and enhance drinking water quality in all areas of Canada.

MR. ANGUISH—NUCLEAR DISARMAMENT

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I have three different petitions to present to the House of Commons this afternoon. Each of these petitions originated with the Winnipeg Co-ordinating Committee for Disarmament, and they were sent to the Parliament Hill peace camp which approached me to present them to the House.

The first petition is signed by 1,156 residents of Manitoba who fear an escalation of the nuclear arms race and call upon Parliament to support the minority report on security and disarmament, and to refuse to allow testing of the Cruise missile in Canada.

The second petition argues that the nuclear arms race could end in a nuclear holocaust, and it urges Parliament to press for an early signing of a strategic arms limitation treaty and actively support the convening of a European conference on military detente and disarmament in Europe.

Finally, Madam Speaker, it is with a great deal of pleasure that I present a petition signed by citizens of the United States of America who live near the Grand Forks airforce base in North Dakota, and in Minnesota, who are working for a nuclear freeze and the stopping of all testing and deployment of the Cruise missile. The petition is sent to the Parliament of Canada as a form of international support for Canadian opposition to the Cruise.

I think, Madam Speaker, these petitions are particularly relevant at the present time because of the Korean airlines incident and the fragile tinderbox we seem to be living in at the present time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the following questions will be answered today: Nos. 4,882 and 4,904.

[*Text*]

AMOUNTS OF DISABILITY, SURVIVOR AND RETIREMENT PENSIONS

Question No. 4,882—**Mr. Gauthier:**

What was (a) the total amount of the disability, survivor, and retirement pensions that have been paid out of the Canadian Forces Superannuation Account (CFSA), the Public Service Superannuation Account (PSSA), and the Royal Canadian Mounted Police Superannuation Account (RCMPSA) together with the amount of the payments that have been made pursuant to Section 8(2) of the Supplementary Retirement Benefits Act (SRBA) for the indexing of these payments (b) the total amount of interest earned by the CFSA, the PSSA, the RCMPSA, and the SRB Account for each fiscal year since the SRBA has been in effect?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board):

(a)

Pensions Paid

	PSSA	CFSA	RCMPSA	SRBA	Total
			(000,000's)		
1970-71	$ 95	$ 82	$ 1	$ 17	$ 195
1971-72	106	97	2	20	225
1972-73	122	115	2	24	263
1973-74	139	129	2	31	301
1974-75	162	147	3	56	368
1975-76	188	164	4	84	440
1976-77	218	181	5	121	525
1977-78	255	199	7	158	619
1978-79	297	220	9	199	725
1979-80	351	242	11	257	861
1980-81	404	267	13	327	1,011
1981-82	460	291	16	420	1,187
1982-83	516	315	19	521	1,371

(b)

Interest Earned

	PSSA	CFSA	RCMPSA	SRBA	Total
			(000,000's)		
1970-71	$ 198	$ 182	$ 9	$ .2	$ 389.2
1971-72	229	206	12	.5	447.5
1972-73	272	240	14	1	527
1973-74	310	307	18	2	637
1974-75	364	349	23	4	740
1975-76	447	412	29	8	896
1976-77	524	468	36	13	1,041
1977-78	616	530	45	21	1,212
1978-79	715	593	54	37	1,399
1979-80	823	652	64	59	1,598
1980-81	979	751	77	94	1,901
1981-82	1,192	880	97	158	2,327
1982-83	1,522	1,061	124	180	2,887

CONTRIBUTIONS TO SRBA FUND

Question No. 4,904—**Mr. Miller:**

1. What was the total amount of contributions by federal employees, including the Canadian Armed Forces and the RCMP, to the SRBA Fund since it was enacted in 1970?

2. What was the total amount of contributions by federal employees, including the Canadian Armed Forces and the RCMP, to the superannuation fund since its creation circa 1924?

3. What was the total amount of interest accrued on these two funds?

4. What was the total amount paid to pensioners from these funds since 1924?

5. What was the total amount of contributions by the government as an equal amount to the contributors to these funds (superannuation and SRBA) since 1924?

6. What was the total amount of funds needed from general taxation to pay for (a) pensions (b) indexation of pensions?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. The total amount to March 31, 1983 is $627,100,000.

2. There are separate superannuation funds for members of the Public service, the Canadian Armed Forces and the RCMP. The fund for public servants was established in 1924. The fund for the Canadian Armed Forces was created in 1946 and the fund for the RCMP was established in 1949. Employee contributions to the three funds to March 31, 1983 have been:

Public Service Superannuation Account	—$4,265,000,000
Canadian Forces Superannuation Account	—$1,407,000,000
RCMP Superannuation Account	—$ 231,000,000

3. The total amount of interest credited on the superannuation funds from their inception to March 31, 1983 was as follows:

Public Service Superannuation Account	—$6,204,000,000
Canadian Forces Superannuation Account	—$5,101,000,000
RCMP Superannuation Account	—$ 467,000,000
Supplementary Retirement Benefits Account	—$ 578,000,000

In addition, from September 30, 1969, the three main superannuation accounts have earned additional interest which has not been credited to the accounts, but rather has been used to partially offset the government's cost of amortizing actuarial deficits. The total additional interest earned by the three main accounts to March 31, 1983 has been:

Public Service Superannuation Account	—$3,179,000,000
Canadian Forces Superannuation Account	—$2,500,000,000
RCMP Superannuation Account	—$ 165,000,000

4. Public Service Superannuation Account —$4,187,000,000
Canadian Forces Superannuation Account —$2,746,000,000
RCMP Superannuation Account —$ 99,000,000
Supplementary Retirement Benefits Account—$2,235,000,000*

* Includes amounts charged directly to the Consolidated Revenue Fund pursuant to subsection 8(2) of the Supplementary Retirement Benefits Act, totalling $2,033,000,000.

5. The total amount of the contributions made by the government (including public service corporations) in relation to the contributions of contributors has been as follows to March 31, 1983:

Public Service Superannuation Account	—$4,042,000,000
Canadian Forces Superannuation Account	—$2,437,000,000
RCMP Superannuation Account	—$ 429,000,000
Supplementary Retirement Benefits Account	—$ 627,300,000

In addition to making contributions in relation to employee contributions, the Government also has paid the net cost of amortizing actuarial deficiencies. These costs, in relation to the three major superannuation accounts, have been as follows to March 31, 1983:

Public Service Superannuation Account	—$2,232,000,000
Canadian Forces Superannuation Account	—$2,332,000,000
RCMP Superannuation Acount	—$ 164,000,000

6. (a) Zero, (b) $2,033,000,000 to March 31, 1983.

[*English*]

Mr. Campbell (Cardigan): I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Minister of Veterans Affairs have been answered.

[*English*]

Mr. McKenzie: Madam Speaker, I would ask the Minister of Veterans Affairs (Mr. Campbell) in his new role of answering Order Paper questions if he would check out three questions of mine which have been on the Order Paper for some time.

Question No. 4,945 for this year is whether the Minister of Industry, Trade and Commerce (Mr. Lumley) was notified of the opposition by Canadian truckers to the imposition of a 12 per cent duty on the importing of heavy duty reefer units. This is causing the trucking industry problems in Canada, and I would appreciate if it we could receive an answer as soon as possible.

There is also question No. 4,387, which goes back to June 29. It has not been on the Order Paper too long but is quite an important question. We are receiving more and more complaints that western Canadians are unable to join the RCMP, and I have a number of constituents who are having problems joining the RCMP. I would like to have this question answered regarding the recruiting policy of the RCMP.

I also have a question going back to 1981, No. 3,441. The question is, "Did the (a) Minister of Supply and Services (b) Minister of Industry, Trade and Commerce (c) Minister of Indian Affairs and Northern Development take a JetStar flight to Winnipeg for the official opening of the General Aluminium Forgings Incorporated on October 30, 1981 and, if so, in each case, other than the Minister and the aircraft crew, who was on the flight?" I know who was on the flight. They were flying Liberal workers to work in the Manitoba election in 1981. I would like to obtain the names of these Liberal campaign workers and receive an explanation as to why Government aircraft were being used to fly Liberal campaign workers around the country.

• (1540)

Mr. Campbell (Cardigan): I will inquire, Madam Speaker.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 33 (Mr. Mazankowski).

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to resume debate on Motion No. 33, the amendment put forward by the Hon. Member for Vegreville (Mr. Mazankowski) with regard to Clause 17(d), which would really add an element of time to the movement of grain. Rather than simply having powers of promotion for the movement of cars and grains, it would add the words, "shall require, if necessary, reciprocal and other arrangements". The key matter before us involves why CN and CP should give up a long trip for a short trip. Why should they move grain as efficiently and effectively as possible if they can stall, either by leaving the cars on the sidings, waiting too long to get the cars to be loaded, or taking their time getting them to the ports? By adding the key word "require", a time element would be added, which is crucial.

I would like to give a reminder to the Parliamentary Secretary who spoke this morning and said that the amendment contravenes the powers of the CTC and under the Railway Act. I think we all know that if one has a contract, if one has ships waiting at the Port of Prince Rupert, one wants the grain cars to be there so that they can be unloaded and put onto the vessel while the vessel is there and not lose the contract. If we were always to wait under the new proposed Crow legislation for CTC hearings or for the implementation of the Railway Act, there would be an awful lot of farmers with grain sitting on their farms.

Mr. Justice Emmett Hall had a few comments to which I think Government Members should pay a little attention. They do not seem to be moving too quickly in preparing themselves to accept the amendment. I think we need to ask ourselves why the Government side would be reticent to accept it when it is pretty clear that witnesses who appeared before the committee favoured this kind of legislation. The majority of Hon. Members on this side favour this kind of amendment. What kind of a signal is the Government really trying to send out to the CN, the CP, Wood-Gundy and various shareholders of CP stock? The impression is really being left that the trough is wide open out there, that CP can keep all the bottlenecks it likes, that CN can take as long as it likes, and so on.

Bill C-155, as it now stands, really leaves open field running to CN and to CP to maximize absolutely their costing for moving grain. This model, however, increases the cost to producers and allows for continued bottlenecks, stalling and lost contracts.

As Mr. Justice Hall notes, even at the existing Crow rate, the railroads hang on to loaded cars of grain for movement to export position even though the other line could move them to port over a more direct line, cutting the distance, costs and adding to the efficiency of this system. This tends to undermine the assertions of the railroads that they lose money every time they move a carload of grain. If that were so, presumably, they would lose more money for each additional mile they hauled it, and would do everything possible to get rid of it as soon as possible and stick their competition with the losses.

As we know from the way the legislation is written, that simply is not the case. There is no bonus system so that if the rail cars are moved by the shortest, quickest, most efficient route there would be some kind of a bonus per mile, per load or per car. For that kind of idea, a variable rate simply has not been included.

Therefore, the only way to go about it so as to really protect producers and our markets is to have the capacity, hopefully within the Wheat Board, if not at least through some other function within Bill C-155, to allow for the requirement of efficient and competitive movement.

With the lush revenues for moving grain under Bill C-155, this tendency to hang on to loaded grain cars as long as possible so the money will roll in as the cars roll over the road will be exaggerated. Without the authority which the amendment would give vested in the hands of a public agency, one can be sure that there would be little, if any, exchange of carloads of grain between the railroads simply for efficiency's sake.

Mr. Justice Hall, as co-ordinator of the Crow coalition, had a very interesting comment to make to the Transport Committee hearings in Regina on August 9. I think it is worthy of being on the record, particularly for consideration of Government Members. He said:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branchlines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang onto that commodity to the delivery points, come hell or high water. That works out this way and this is what we found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean too much to members from the east, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then

northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.

CP with the Hardisty line, which is another line going through Edmonton . . . all that CPR grain went to Edmonton, but there is no line from Edmonton into Vancouver—so it went south to go to Vancouver. Trainloads of grain were passing each other like ships in the night between Calgary and Edmonton.

I see, Mr. Speaker, that I have run out of time. I hope that some of the Members from the Government side will take time during the debate to rise and explain how they see Bill C-155 maintaining an efficient grain system without this very important amendment.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I just want to spend a couple of moments on this particular provision. I support the motion of my colleague, the Hon. Member for Vegreville (Mr. Mazankowski). I represent a constituency in Saskatchewan, a Province that feels very strongly about the proposals being brought forward by the Government. I would say it is the considered opinion of the vast majority of grain producers in Saskatchewan that the proposals of the Liberal Government are ones which contain a very rich package for the railways. If anyone is considered to be a prime beneficiary of the initiatives of the Government, such as they are, it would be the railways of Canada. I dare say that if the Government, with its majority, decided to ram these proposals through in their current form, then if I were the president or the chairman of the board of directors of a railway of Canada, I would commission a statute of the Prime Minister (Mr. Trudeau) and of the Minister of Transport (Mr. Axworthy) to be placed in a permanent location in the headquarters of the building, because the railways will be the main beneficiaries.

I am naturally very much concerned about the implications of the legislation as it would affect the producers. These are my constituents. These are people who are finding great difficulty in carrying out their responsibilities as farmers in Canada, considering their financial obligations, the pressures of inflation, the ever escalating costs of their operations. This is the message we heard in Regina, in my Province in the representations which all members of the committee heard. I sat through all the hearings in Saskatchewan, in my home Province, because I wanted to have a sense of the main stream of thought. I wondered if it was exactly the same perception as mine, after consulting and travelling around the Province prior to the hearings, as when the Bill was first introduced. That is one of the considerations that is lacking in the Bill. This is why this is another attempt on the part of Members of my Party to bring forward constructive suggestions with respect to the operation of the system, a matter which has caused great concern to farmers with regard to the transportation of their grain to the export points. Particularly in Saskatchewan they are faced with the proposition of lines of one railway or another running parallel or in some instances one being the more appropriate route and efficient way of moving grain to either export point.

● (1550)

That is why I want to suggest that there is a general feeling of support which the Government should seriously consider and accept instead of stating general principles on the matter of maximizing the returns to producers as provided for in the clause of the Bill. We should make the provisions of that clause even more certain.

My colleague's suggestion that the provisions in the Bill should contain a requirement for reciprocal and other arrangements to maximize the returns to the producers is one which I think anyone with any interest in the producers of this country should support wholeheartedly. That suggestion is to oblige the Grain Transportation Agency Administrator and the Grain Transportation Agency to require that the most efficient routes be adopted in terms of transportation of grain. It is a proposal that we should all subscribe to regardless of our view of the over-all effect of this legislation.

I simply say, in supporting this particular provision, that there are serious concerns in Saskatchewan, which were raised in the House again today, about the various programs the Government is operating and implementing. For example, we look back at legislation that was brought forward with respect to western grain stabilization. There were many promises made to the western farmer about the advantages he would experience as a result of that legislation. There were all those promises that were made under the legislation about how the producer would benefit. However, experience in western Canada has been to the contrary. While it is great to pass legislation and promise the world to the western grain producer, they have a bitter experience. When it comes to the pay-off, there is none.

Today, the matter was raised by the Hon. Member for Red Deer (Mr. Towers) with respect to the western grain stabilization program. We said at the time that that legislation would not be effective or sensitive to the real situation in regions of western Canada within the Wheat Board area.

Mr. Dionne (Northumberland-Miramichi): How is that relevant?

Mr. Hnatyshyn: It is relevant to what I am saying here. This is another example of words of general intention that read well and state that the Government will maximize the benefit to the producer. However, unless we put a mandatory requirement throughout this legislation and ensure that there will be the maximum benefit to the producer, the experience has been, using the analogy of the Western Grain Stabilization Act, that we will not experience that benefit in western Canada. We know that. We have been sold a bill of goods in the past and, as a result, the western grain producers are very skeptical. They want to know the precise wording of each of these provisions.

I support my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), and suggest that this provision with respect to the activities of the Senior Grain Transportation Committee and the Grain Transportation Agency Administra-

tor was brought in because the original Bill mentioned no positive aspects in terms of benefit to the western producers. There was not one reference to maximizing benefits to the western producers.

I simply ask my colleagues in the House who do not come from western Canada what they would do if there was legislation affecting their area and they had to speak on behalf of their constituents. What would their opinion be if the preoccupation of such legislation was to enrich the railways and take many other steps except ones which would positively affect the people residing in their area? That is precisely what we are faced with in this legislation. It is pie in the sky and anticipation of all sorts of economic activity, but the person who is most seriously and adversely affected is not mentioned in the legislation. That was the situation when this Bill was introduced.

In conclusion I want to assure Members of the House that as far as I am concerned the provisions of this Bill are unsatisfactory. There is no consensus in support of this legislation. We intend to vote against the legislation but we support this particular amendment.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I just want to make two or three observations with respect to this Bill. First, the power which the amendment would vest in the grain commissioner is already vested in the Canadian Transport Commission, which has a western division and which is quite adequate to the task that this amendment will put upon the grain commissioner. It would seem to me that we would have an untenable situation if there were two different Government agencies with the same power over the railroads. The regulatory agency is the CTC and should remain so.

I wonder why the Hon. Member for Saskatoon West (Mr. Hnatyshyn) is arguing so vociferously in favour of this amendment and why he is so anxious to have it in the legislation if he is going to vote against the legislation. It seems to me to be somewhat of a contradiction in terms.

I believe the Hon. Member is correct when he says there is no consensus in the West on this proposed legislation. However, throughout his remarks he kept referring to the Bill as originally introduced in the House. We are not debating the Bill that was originally introduced in the House. We are debating the Bill as it has been returned to the House from the Standing Committee on Transport. It is quite different from the original Bill.

The changes in the Bill are due to many factors. The committee listened to people from across Canada, and the former Minister and present Minister approached amendments to the Bill with an open mind. The Bill has been extensively amended, with 89 amendments in committee itself.

The contention that this Bill is designed to enrich the railways is, of course, a canard. While there is no doubt that the railways will receive greater revenues, they also have imposed upon them a very heavy responsibility to build and maintain a modern rail transportation system for Canada. The fact that all those who oppose this Bill have failed to mention is that a transportation system that is modern and efficient is absolutely essential to the development of a nation or part of a nation like Canada which covers such a vast territory, much of which is landlocked. If we are to be a trading nation—surely no one will argue that we will never go anywhere economically if we are not a trading nation—we must be able to deliver the goods to the world markets.

The Acting Speaker (Mr. Corbin): Order, please. The Chair has been listening quite attentively to the Hon. Member for Northumberland-Miramichi (Mr. Dionne). It seems that his remarks are of a general nature about the total Bill. It is quite possible that the Chair has missed the point that the Hon. Member wishes to make, relative to the amendment now before the House. In any case I would invite him to restrict himself to the amendment as much as possible because at the report stage that is exactly what Members ought to address themselves to.

● (1600)

Mr. Dionne (Northumberland-Miramichi): I thank you for that admonition, Mr. Speaker. I was simply responding to some of the remarks made by the previous speaker who was speaking on the same amendment.

The Acting Speaker (Mr. Corbin): Order, please. I appreciate the Hon. Member's position. Unfortunately, it so happens that, in the course of debate, Members may go beyond the scope of the amendment before the House, but the Chair cannot unsay what has been said. As a general admonition, I would invite Hon. Members to avoid those digressions and come to the heart of the subject matter now before the House.

Mr. Dionne (Northumberland-Miramichi): That is a point well taken, Mr. Speaker. I will simply complete my remarks on this amendment by stating that the amendment is superfluous and redundant because it attempts to give to the Administrator the powers that already exist in the CTC where they rightfully reside, where the expertise is in matters of rail transportation and has no place in this particular Bill.

Mr. Huntington: Mr. Speaker, will the Hon. Member for Northumberland-Miramichi (Mr. Dionne) entertain a question?

Mr. Dionne (Northumberland-Miramichi): Sure, Mr. Speaker.

Mr. Huntington: Mr. Speaker, I have listened with interest to the Hon. Member for Northumberland-Miramichi defend the CTC vis-a-vis the chairman of the new Grain Committee. Could he tell us what would motivate the chairman of the CTC to protect the interests of the grain producer in determining the most efficient and cost effective way of moving that grain? What is being asked for in this amendment is some form of protection for the producers so that the grain will not be delivered in a circuitous route when a more effective, as the

"crow flies" route, might be available. Who in the CTC is going to consider the plight of the poor grain farmer?

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, it seems to me the role of the Rail Transport Committee of the CTC has as one of its mandates the question posed by the Hon. Member. In fact, this Bill will put more onus upon the Rail Transport Committee to see that the railways operate in an efficient manner because the railways have to submit all their costing, all of their efforts to fulfil the responsibilities imposed upon them by this Bill to the CTC for verification. If they do not live up to the performance demanded of them, they will not get the credits they expect to get. The biggest stick of all to any company is the financial one. That will reside in the CTC and will be applied by the CTC. It is the responsibility of this House and the Standing Committee on Transport as a committee of this House to examine the CTC to see that it is doing its job well.

Some Hon. Members: Continue.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I believe there would be unanimous consent for our distinguished Chairman of the Transport Committee to continue his remarks. We would be most happy to hear him further if he wishes.

Mr. McKnight: Mr. Speaker, it is unanimous.

The Acting Speaker (Mr. Corbin): Order, please. It is the Chair's understanding that the Hon. Member for Northumberland-Miramichi has terminated his speech. I do not see the point of inviting him to continue. He had time left and the Hon. Member chose to sit down. However, I will recognize the Hon. Member on a point of order.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I just want to thank Hon. Members. I did not realize I was so well loved, but I have completed my remarks.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I am glad to be able to get up at this stage in the debate to address myself to Clause 17 which deals with the powers of the Administrator and, more specifically, to Motion No. 33, which adds the phrase "the Administrator shall require". This deals with the exchange of cars in the movement of grain where such an exchange would increase the efficiency of moving grain to its export position.

I want to address some of my initial comments, perhaps even by way of rebuttal, to what the Hon. Member for Northumberland-Miramichi (Mr. Dionne) said as to why this particular amendment is not necessary. He said that the CTC western division is a regulatory agency with powers adequate enough to render unnecessary this added feature of the Administrator being able to take action.

I suppose my question has to be somewhat rhetorical because the Hon. Member is not here to respond. But I have to ask, when has this authority ever worked? It has not worked to this date. I could go further and ask, when has the western division of the CTC ever worked? We have had some 18 rail line abandonment hearings in Manitoba. All of the decisions have gone in favour of the railways. Some of the lines under consideration are lines that would be shorter. If the Administrator had this type of power, he would be able to exercise it to compel the railways to make use of these shorter lines.

Another question asked by the Hon. Member for Northumberland-Miramichi was, if, as the Conservatives claim, they will vote against this Bill, or even if we in the New Democratic Party, as we have said, are going to vote against the Bill, why are we arguing for improving a particular clause? If the Government accepted our suggestion to split the Bill into three distinct sections and portions, I think the Hon. Member for Northumberland-Miramichi would understand we could still argue for enhancing this clause.

We are in favour of the railways being upgraded so that the producers' grain can be transported to an export position. Even with that kind of attitude and support, this type of provision for the Grain Transportation Agency, the Grain Transportation Administrator, would enhance his ability to make sure there could be this type of exchange.

Let me deal a little more specifically with this provision. I think Motion No. 33 is very important. I want to illustrate why it is important that the Administrator have the opportunity when faced with a problem, and these problems arise frequently, to be able to use his authority. I am sure those of us who represent rural ridings can recount enough horror stories of bottlenecks in the transportation of grain. This particular addition, in essence, says "The buck stops here." The Administrator is able to require the movement of grain and the exchange of cars so the grain can be transported.

I was a bit embarrassed, when this amendment was voted on in committee that all the Liberal Members voted against it. I want to emphasize to my friends opposite why the amendment is important. I want to point out the types of problems that farmers in my constituency and other constituencies face when they want to make sure the grain is moving.

• (1610)

As Members of Parliament we often have to deal with such situations. I have had to deal with situations at the elevator at Makinak. The only reason I am being very concrete is that I feel that sometimes an illustration is worth a thousand words; people understand the types of problems faced by farmers when they cannot get their grain moved. I was glad to hear some of my friends to my right talk about their concern for producers. I hope they will demonstrate this further by supporting us in our attempt to have the Bill split. When harvest has occurred, when the grain is off the field and producers have to have it moved, some of them cannot afford to have it sit idle in storage. It may be that they do not have enough storage space, especially smaller farmers such as the ones in my constituency, and it is essential that the grain be moved quickly. There have been occasions when I telephoned the railways inquiring as to why cars were not on certain sidings at Makinak, at Fork River or in other areas of my riding.

Sometimes we have had to resort to writing long letters to the railways demanding an explanation. We would receive back detailed responses indicating that during recent weeks their unloads at Thunder Bay have gone down from an average of 3,183 cars per week to 2,283 per week and, in a later period, down to 1,723 cars per week. Why is there this bottleneck? How can we put our finger on the problem? Obviously the railways were not able to do anything about it. They really had no particular motivation to deal with the problem. They said that the Grain Transportation Agency is responsible, but if the Administrator could compel the railways to ensure that there is an exchange, the situation would be improved. Sometimes that is necessary, especially when we think of ports such as the Port of Churchill.

When we consider the block system in place on the Prairies, we realize there are some 48 different blocks from which grain is taken. The grain taken to port has to match a particular request or a particular sale which has been committed. We have to get grain out of the block system which will match the particular request or sales commitment. If people do not understand much about the shipment of grain out West, they could just picture the checkerboard which has been developed to ensure an efficient movement of grain. Also they could picture that CN and CP lines sometimes run closely parallel and sometimes at great distances from each other. The most efficient way to move grain is to see what type of grain is required, for example at Churchill, and to move it from the closest block, even if it is on a CPR line and it is a CNR line which goes all the way up to Churchill. It should make obvious sense to Hon. Members opposite that we need someone with the authority to require that the shortest route be taken.

There are many illustrations in my constituency. I could refer to the Erwood subdivision or to the line which goes from Swan River through the Hudson Bay, Saskatchewan. There are lines which have not been used but should be used for the transportation of grain. There are lines which are even shorter than the more circuitous routes which could be used. There are such lines through Canora or through Preeceville if we want to move grain from the Swan River Valley. If the Administrator had teeth, he could ensure that those types of movements took place and that exchanges, where necessary, would also take place. What we have at stake is the welfare of producers. No one here really needs to be told about the plight of the producers in western Canada.

I see Mr. Speaker indicating that my time is up. I thank the House for the opportunity to illustrate in the form of case histories the particular problems faced by farmers if they cannot get their grain to market or cannot store it on their own farms because they do not have the granary or storage space. It is incumbent upon Hon. Members opposite to acquaint themselves with the problems faced by farmers in western Canada if this type of authority is not vested in the Administrator. I hope Hon. Members opposite will give unanimous consent to this amendment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald), Canadian Radio-Television and Telecommunications Commission—Responsibility to deal with televised pornography. (b) Inquiry respecting penalties; the Hon. Member for Winnipeg North (Mr. Orlikow), Cultural Affairs—Recommendation that libraries should compensate authors. (b) Request for ministerial action; the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), Provincial Affairs—Federal Examination of provincial legislation. (b) Grant to British Columbia organization.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and on Motion No. 33 (Mr. Mazankowski).

Mr. Gordon Taylor (Bow River): Mr. Speaker, I was about to suggest that we give some extra time to the Hon. Member for Dauphin-Swan River (Mr. Lewycky) to finish his remarks, but he has to attend a committee meeting so I will not bother.

Motion No. 33 concerns the Grain Transportation Agency Administrator. I think some excellent points have been raised in regard to this matter, but for a moment or so I would like to deal with the major point of the Chairman of the Standing Committee on Transport, the Hon. Member for Northumberland-Miramichi (Mr. Dionne), who said that he did not favour this amendment because the authority already rests with the Canadian Transport Commission or the railway section of the CTC. I agree the authority is there, but I do not know of one case in the history of the CTC where it was used in the interests of the farmer, in the interests of the producer. Our major concern today is the producer, the man on the land who has to receive more consideration than he has ever had in the past. I agree that the Grain Transportation Agency Administrator has a tremendous job in front of him, if he does the job he is supposed to do. If we do not give him the tools to do the job, we might just as well not appoint him. If all he can do is to suggest, that is not good enough.

In part, Clause 17 reads:

(d) promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers.

He can suggest until he is blue in the face, he can make arrangements until he is black in the face, but it will not do any good unless the suggestions are carried out.

● (1620)

That is the point we are trying to make in connection with this amendment. The Grain Transportation Agency Administrator not only has the right to suggest and to make arrangements, but to require that they be carried out, "if necessary shall require reciprocal and other arrangements". There is a world of difference between what is said in the Bill and in the amendment.

In case the Chairman of the Transport Committee is not adamant about having this change rejected, I would suggest some reasons why he might listen to these reasons and change his mind. After all, he comes from the other end of the country. I do not hold that against him, but he does not have the direct experience in the grain business which people in the West have had. That comes only from being a farmer in the West.

We hear the Prime Minister (Mr. Trudeau) talk about double-tracking. Some people laugh about double-tracking from Winnipeg to Vancouver. I do not laugh at anything because I have seen over the last few years that anything can change. I can understand why there is laughter when we talk about double-tracking the whole area because the entire area from Winnipeg to Vancouver is not the problem. There are problem points where it should be done. When a minister of highways is dealing with the building of a highway or exchanges, he does not go from one end to the other. There may be something at one end which has a hundred times more traffic. You pick out the trouble points, correct those and then correct the other areas as the traffic requires it.

This is what we should be doing with our railway system. For example, double-tracking is required in some parts of the Rocky Mountains. I do not agree with some of the CP routes. I did not agree with them destroying part of the beautiful Village of Lake Louise. I said that in the House and at the Transport Committee hearings. However, I agree with the objective of moving the grain faster through the mountains and other difficult areas.

I have had letters from people pointing out that from Alberta to Vancouver there is already double-tracking. One is the CN line and the other is CP. Some constituents have asked why we do not make these lines one way. We would then be able to move three times the amount of traffic. That is the case with highways. A two-lane highway can move X number of vehicles per hour. A divided highway, which would not cost that much more, would move three or four times that amount of traffic.

The same is true of the railways. Engineers know these facts. There should be authority, at least during certain times of the year when all traffic goes one way, to have both lines, or at least sections of them, going one way. Why not have a two-way system at certain times of the year, having the CN line going one way and the CP line the other way? Traffic could increase tremendously.

I know there would be some objections. I know the hair on CP's head would stick straight up, if it has any hair left. Perhaps it is like me and does not have much left. In any event, CP would not like that at all. If the Administrator said he had the authority and it was the sensible thing to do, rather than having the grain standing in boxcars, the glut of grain could be moved. That would make a real difference.

When there are West Coast strikes, the grain farmers bear the brunt because the grain cannot be loaded into ships. It is not the Government, the owners on the coast or the elevators that take the brunt. It is the grain farmer who loses. He pays the extra that has to be paid, in some years up to $18 million.

We hope that a strike will not occur again. However, if that should happen, the Administrator, once the strike is settled, should be able to get the hopper cars to the port as quickly as possible so that we do not lose our markets. During one strike we could not move our barley. The ships sat in Vancouver harbour for many days. Finally they moved to United States ports to load the barley. We never got that pearl barley market back. We lost it because we accommodated those who had gone on strike on the coast. We forgot all about the grain producer. He is the one who has had to bear the brunt.

The Administrator should have authority to look after the interest of the grain producer. That should be his prime consideration, not to accommodate the railway or put up with the arrogance of the CPR. The grain must be moved, and there is a way to move it.

I notice, Mr. Speaker, you are indicating I have only one minute left. I have at least nine other topics. I will hold them for another part of the debate. Each and every one has to do with the duties of the Administrator. In closing, I say, let us get the Administrator. Let us not give him just a pretty job, but let us give him the tools to do the job so that he can insist on what is right being done, and order it to be done if there is no co-operation from the railways.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to rise in support of amendment No. 33 which concerns the Administrator of the Grain Transportation Agency. We are pleased that our colleagues in the Conservative Party are at last seeing the light as far as co-operative integrated planning is concerned. It is surprising that they have moved from their free enterprise, free competitive kinds of principles and are actually interested in integrated planning, in this case in order to make the best use of rail cars. We are surprised that the Liberals have not seen the light and recognized this as a sensible plan to make the best use of our resources at a time when we are trying to improve the rail system across Canada.

The motion recommends the exchange of cars between the railways in order to increase the efficiency in the movement of

grain. I would like to point out in my remarks, Mr. Speaker, that there is a concept that I think should be expanded in an over-all planning process that would apply beyond only the transportation of grain. I might mention that in my riding and the ridings that surround the Port of Vancouver, there exists probably one of the worst examples of a bottleneck and inefficiency in the use of rail cars. This is of course because there are four different quite unrelated railways going through the area. For example, it often takes considerable time and expense to move railway cars from the north shore of the Port of Vancouver where there is B.C. rail connections some 45 miles around the total port area to connect to the inner port and transfer grain and other items to another rail system such as Burlington Northern.

● (1630)

I would like to point out also, Mr. Speaker, that in addition to making better use of rail cars, it is my understanding—and my colleague who is an expert on this will perhaps elaborate on this—that we also need more rail cars and we need Canadian-made rail cars. That is why I must put on the record again the fact that this Party feels that it was a great tragedy when the Social Credit Party in British Columbia closed down a B.C. rail car manufacturing plant in the Squamish area which was brought into being when our Party was in power in British Columbia. This is the kind of thing we do not need to see more of. If that plant had not been closed down, it would have provided more Canadian-made rail cars for Canadian domestic use as well as for export at a time when we really needed them.

Returning to Bill C-155 and this amendment, Mr. Speaker, there is no question that we need to make better use of rail cars right across Canada. We need an integrated and interchangeable plan that would make the best use of tracks, regardless of whether those tracks belong to CN or CP Rail or, in the case of the Vancouver region, Great Northern Railway or British Columbia Railway. That would allow for the flexibility needed to combine partial loads of specialized grains into one load on whichever rail system seemed to be the most logical.

In British Columbia and in the area of the Port of Vancouver particularly, there exists a very complex and, I might say, extremely inefficient and unco-ordinated system, which sometimes makes me very fearful for my community when I think of some of the very dangerous goods that are transported on the rail systems.

As I pointed out, there are four different rail systems which are quite unrelated serving that port area. The Burlington Northern is an American rail system and is completely unaccountable to the local communities, the City of Vancouver or even to Canada, as far as I can see. I am thinking of a situation that occurred when there was a problem with noise pollution created by this railway. This problem was very disturbing to the surrounding community, especially to people who were trying to sleep at night. There was much shunting of cars and so on going on. We investigated every possible avenue in our attempts to do something about this. Because it was an American rail system, the noise bylaws were apparently unenforceable. Similarly, the mothers in a public housing community in that particular area had a great fight on their hands when they were trying to get an overpass built over this railway so that their children could go to school without having to cross a dangerous track.

The Acting Speaker (Mr. Corbin): Order, Order, please. It seems to me that the Hon. Member, while raising valid points, is relating to matters incidental to the matters at hand. I do not know what term I should use, but she is sidetracking her remarks and not addressing them to the amendment. I would invite her to relate to the amendment, please.

Mrs. Mitchell: Thank you, Mr. Speaker. The point I was trying to make, by illustrating with some examples from my own experience in Vancouver, was that we need an integrated system. We certainly need an integrated system that will allow for the sharing of rail cars, but we also need to expand on that. I think that is very important because we are dealing with a Bill which is concerned with planning for the whole future transportation system particularly in western Canada.

I might say, Mr. Speaker, that this Bill does practically nothing at all for the Port of Vancouver area. Not one cent of the moneys that the Liberals are proposing to put into rail improvements will go to improvements to relieve the congestion in the Port of Vancouver. I was trying to explain that the congestion is even worse there than in many other regions because of the complexity caused by four different rail systems.

My colleague from Regina spoke this morning about the high cost in inefficiency of having competitive railway systems. Again, the existence of four railway systems in Vancouver is certainly a very good example of what he was complaining about earlier. We need a very integrated planning and operation system, not just for rail cars but for the whole of the rail system.

I would like to devote a good part of my time, Mr. Speaker, to illustrate something that really is related to this Bill and certainly to this amendment. I would like to illustrate this point by referring to some of the documented evidence in a report entitled "Vancouver Rail Access Study, Phase I Report", which was prepared by a group called Travacon Research Limited. This report was prepared for the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba and for Transport Canada and the Canadian Transport Commission. It deals with the very serious bottleneck situation that occurs in the Port of Vancouver.

This Bill and this amendment will actually do very little to solve that bottleneck situation. I think it is very important that I document this because its principles are very important and relate to this Bill. The report attempts to document and identify the timing of potential future rail capacity shortfalls within Vancouver, not only for those that are occurring now. The bottleneck situation is bad right now, but this report deals

with it through to 1990. This is quite important because it ties in with a master port plan for the Port of Vancouver.

Under Bill C-155 and the proposed funding that would go along with that, no moneys were allocated to deal with rail improvements to relieve the congestion that now exists and will increase in the future. The report attempts to evaluate potential alternative solutions to such shortfalls. I will deal with those in a moment. It also develops recommendations and some very interesting alternative ways which would, through an integrated planning process and integrated use of all the rail systems under an authority, ensure the availability of needed rail capacity for the foreseeable future. It would make much better use of the available resources of all the railway systems in an integrated way so that we could deal with the bottlenecks that are there now and the greatly increased bottlenecks that are anticipated for the future as our economy hopefully recovers and there is more shipping through the port.

The scope of the study covers demand for railway movement through Vancouver until 1990. This amendment which deals with rail car traffic improvements should be considered in terms of future as well as present projected traffic volumes. The report forecasts that the demand for rail car movement through Vancouver, which is based on a recently released Port of Vancouver master plan, will increase considerably. It also assumes that forecasts from the CN and CP Rail systems indicate that they will expand their main line rail capacity through the mountains and increse capacity which, in turn, will create problems as they flow into the Vancouver region—

The Acting Speaker (Mr. Corbin): Order. I regret having to stop the Hon. Member but her time has expired. She could continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Some Hon. Members: Shame!

Hon. Ron Huntington (Capilano): Mr. Speaker, I would like it to be made known that I did not deny consent to the Hon. Member who is from that part of Canada in which I reside.

I would like to offer a few comments in reply to the comments made by the Hon. Member for Northumberland-Miramichi (Mr. Dionne) about the fact that the Government will be voting against this amendment because the CTC—

Mr. Dionne (Northumberland-Miramichi): I never said that.

Mr. Huntington: He says that he never said that. He spoke against the amendment. I think I have it right now. He spoke against it because he said it was redundant, that the CTC was already in place and you could not have another authority with the powers that would require the Administrator to find the shortest and best route for the benefit of producers.

● (1640)

I want to deal with that point. The CTC has had these powers and, historically, has not represented the best interests of the producers. I do not want to be unfair, but the problem has existed from time immemorial. I have been told by labour union leaders in the Port of Vancouver that if we were to address the switching limit problems in that port and re-arrange the dispatching of grain cars into the Port of Vancouver, those two areas alone could improve the delivery of grain to the port by some 200 cars per day.

We are pretty good at taking the side of management and established interests, but it is pretty frustrating for the rank and file grain worker and port worker to realize that certain efficiencies are available to management but are not taken up, as is the case with the switching limit and the method of dispatching grain cars to Vancouver to match the grade of grain required by the orders that fill the ships. The over-all integration of the management of the system, from the hinterland down to the port, has some faults which are the direct responsibility of management and are nothing to do with the grain farmer who struggles for a living wage.

If the Government were to accept the amendment of the Hon. Member for Vegreville (Mr. Mazankowski) it would require the Administrator to do what is right for the producer. You would then have a force in place that would allow some correction of the inefficiencies within the system.

What we are doing in Bill C-155 and what we are doing by ignoring this type of amendment, is delivering the whole bundle over to one element of a transportation system. We are not placing normal marketplace forces against that element to compel it to be competitive and efficient. In that way we work against the direct interests of the producer, and that means that we work against the Port of Vancouver and all the other elements in western Canada.

I notice that in the United States the subsidy is $1.12 per bushel, while in Canada it is 37 cents per bushel. However, none of the subsidy in the United States is delivered specifically to transportation. In that country, they are far too smart to do that. They deliver it to the producer and give him the freedom of choice to use those elements of the transportation system that help him operate in the most cost-effective mode. That is what this clause is trying to impose in this bad piece of legislation.

Just the other day I had a conversation with a very senior person in the transportation system about the Port of Vancouver. He said that what we fail to realize is that Bill C-155 is not a grain Bill; that it is a transportation Bill for coal, sulphur, potash and other commodities.

The container movement in the Port of Vancouver relies on grain for 40 per cent to 50 per cent of the outbound trade of containers. That information was given to us by the Vancouver delegation that came to Ottawa some two weeks ago. We rely on that outbound trade of full containers of grain products from the hinterland, the Canadian prairie basin, to attract container ships into the port and provide the some 400 jobs involved at

the port. It is very, very important traffic. When someone gets the mindset that what we are dealing with is a transportation Bill and not a grain Bill, it gives us some serious problems.

We receive a great deal of propaganda from the railroad and the federal Government to the effect that we should not try to improve the Bill—just let the darn thing go through and then, when we get in power, fix it up. To them I say that the Bill is too fundamental and too important. If it goes through in its present form and if the type of amendment set out in Motion No. 33 is put aside, then all Canada from Thunder Bay west loses an opportunity to have value add activities on top of its primary agricultural production. The other thing we lose by continuing to ignore the wisdom of this type of motion is the competitive pressures of an open marketplace on transportation systems. Why should the grower be locked into a rail system if he can move his grain more efficiently by truck? Why should we get into the high cost of branch line maintenance when, who knows—if we put competitive pressures on the system we might find the farmers have a more cost effective way of moving it?

For the Bill to provide for the delivery of all the payment, the subsidy that the Government is putting into the system, strictly into the railroad system is to deny the future of western Canada the further value add in the form of cattle feeding, meat packing plants, crushing plants and further manufacturing of the agricultural wealth that comes out of that prairie basin.

Locking it into the railway system alone locks the farmer into that one mode of transportation. That is literally a tragedy, Mr. Speaker. We have to get this point across to the Government and start to open up the methods of payment that allows all, or a good part, of that subsidy to go out to the producer so that he has the freedom of choice to elect what shall be done with the grain.

We must take into consideration the fact that the farmer on the Prairies is receiving no more for his grain today than he received in 1973 and all his costs of production have inflated, just as those of the railroads have. Yet, in this element of transportation we propose to remove a statutory limit. There is talk of a basket clause or a safety net of 10 per cent. But unless world grain prices go up, I do not know how the farmer on the Canadian prairies will be able to increase productivity. He must do this if he is to offset the imposition of the massive increase in the cost of getting his grain to port in the next decade.

Why would anyone say that this motion is not acceptable? What we are trying to do is to give the grower some form of protection and put some pressure on the CTC which has not been doing its job in terms of the producers' costs. Why does the Government not accept it and give the producers a little more hope in a very bad Bill?

● (1650)

I see that you are on the edge of your seat, Mr. Speaker, with anxiety as the result of my remarks. You are about to ask me to sit down because my time has expired.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to take a few moments to express my views on this important amendment. Essentially what we have, as the Hon. Member for Capilano (Mr. Huntington) has just stated, is an amendment concerning statutory limitation. It would also, quite naturally, extend the opportunities for competition so that the farmers would have a minimal level of service.

I submit, Sir, that one of the great mistakes made by the Government with this legislation is consistently to point the finger toward western Canada and say that the people there could not get their act together and the Government had to take the question in hand. From a political perspective the Government effectively pointed out the differences in western Canada and then said that because those differences exist, they do not have their act together. Sir, the differences exist because the West is not homogeneous, rather, it is a mixed agricultural economy, and while there is a significant difference between Alberta and Saskatchewan, I tell you, Sir, there should be a difference.

More than 85 per cent of the grain grown in Saskatchewan, Mr. Speaker, is exported. In the Province of Alberta, by contrast, 47 per cent of the grain is used in feed lots, in poultry and in swine production. The result is, Sir, that in Alberta there is a very extensive feed lot and meat packing industry. If this amendment, and others associated with it, are not accepted we could lose some 6,000 jobs and, according to at least two economic reports I have seen, somewhere between $400 million and $600 million annually. Feed lot operators in Alberta would be in the position of having to match the Government subsidy of at least 45 cents a bushel. Other parts of the country would be receiving an advantage of 45 cents a bushel because they are moving that grain to export markets. In effect, Sir, what you would have is a 90 cent a bushel disparity between one region of Canada and another. Alberta would be in a position where its feed grains are being exported to create industry in either some other Province or some other country. That, Sir, would mean not only the export of grain, it would mean the export of sons and daughters. When you lose the secondary industry, you also lose your sources of employment. I submit that we are talking about an agency with the power of persuasion plus some authority to ensure that the railways effectively move the grain or, alternatively, open up the market for other modes of transportation.

Over the past 12 months, Mr. Speaker, there has been enormous transportation congestion in the community of Oyen and, more recently this past spring, inthe community of Lougheed. At the present time there is very serious congestion on the line between Camrose and Forestburg, and more specifically the community of Heisler.

As a Member of Parliament, Mr. Speaker, I really have no place to turn in order to help my constituents except to make appeals to agencies which do not have the necessary authority. What the Hon. Member for Vegreville (Mr. Mazankowski) has done in his amendment is, by using the words "shall require if necessary", to give the agency the power to make things happen for the farmers of this country. We have to ask

ourselves not only what we should be doing regarding the Crow rate legislation, but also ask ourselves about the historic meaning of this legislation and its conventions as they affect the expectations for a minimum level of service.

This legislation was established to move grain from the Prairies to other parts of Canada and for export, and as a tool for economic development. I submit that those two principles should remain in the legislation today. If we deny the Hon. Member his amendment, we will have limited the ability of our producers to move grain effectively. It would also affect negatively the secondary industries in Alberta because the farmer can acquire his portion of the Crow rate benefit only if he exports. That kind of limitation, Sir, is unacceptable. However, it is an extremely dangerous one, not only in terms of the economy of the Province of Alberta, but also with regard to the spin-off ramifications for all of Canada.

• (1700)

I note that Your Honour is sending me the signal that my allotted time is up. I really wish I had more time to develop that particular point. However, I know there are other amendments related to that point and I can handle it at a later time. But that concept—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am pleased to have the opportunity to speak on the amendment that has been put forth by my friend and colleague, the Hon. Member for Vegreville (Mr. Mazankowski), who represents a constituency neighbouring mine. I would like to bring attention once more to what I think is the crux of the whole problem, the crux of the amendment. At present, Clause 17(d) states:

—promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers.

With the amendment, it would then read:

—promote and shall require, if necessary, reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purposes of maximizing returns to producers.

I will not debate the matter, but the Government is proposing to transfer $1 billion a year over the next three years, directly to the railroads with no strings attached, except for these kinds of statements, with no onus on the railroads to become accountable to the producer or to the Government which, in its largesse, is handing over this amount of $1 billion.

All that the Hon. Member for Vegreville is doing is putting in three key words, "and shall require". The amendment shall require the railroads to follow through to reciprocal arrangements with other transport carriers within the country. Surely that is not too much to ask when one considers that the taxpayers are transferring to the railroads $1 billion a year for the next three years. In a sense, the $1 billion a year is making the railroads accountable to the people who are supplying the money, making them accountable to Members of the House of Commons who, in turn, are accountable to their constituents and, in my case and that of all western Members responsible to producers within their ridings.

In effect, if the amendment goes through, we know that as soon as reciprocal arrangements are not made and transportation of the producers' crops is stifled, the pressure will be put on Members of Parliament from the West, from the producing areas, from the commodity areas, to do something about it. They, in turn, will come to the House because they will have a definite statement that states, "and shall require". It is not a promotion saying, "Go out, railroads, and start a publicity campaign, a hot air campaign", but words in effect saying, "Yes, we are doing this". However, it states, "and shall require", which would make it mandatory. It will place it under the scrutiny of Members of Parliament who are responsible to their constituents, and would indeed put it under the scrutiny of those in the Government benches who will also feel the pressure, which will indeed force the railroads to do what they say they will do.

I do not know if Members on the Government side understand. I can say without fear of contradiction that the Conservative Members of Parliament are the ones who represent producers in western Canada. I do not know if the Liberals understand that the very lifeblood of the producer is on the line. It is being put on the line with the transfer of tax dollars, which the producer would also contribute, directly to the railroads, $1 billion a year with no strings attached.

We have had experience with railroads which have stated that they would maintain branchlines in all of the communities, and we have seen what has happened. We have heard the railroads promise that they would maintain passenger traffic from Edmonton, Alberta, right through to Vancouver but, indeed, they have cut off service to the severe detriment of an area represented by the Hon. Member for Bow River (Mr. Taylor).

Jasper dropped 60 per cent of its tourist traffic because the railroads were not compelled by legislation to keep the lines open for passenger service. We have continually seen the railroads lobbying all Members of Parliament, the House of Commons and the Government, pleading their case, stating that they cannot continually operate the railroads and provide services to those very prairie towns for which we are giving them $1 billion to move commodities from. If we do not allow the amendment to go through, we will be giving them carte blanche permission to withdraw or to do exactly as they please, and requiring nothing. I am saying that three simple words, "and shall require", change the clout of the legislation, if it does indeed pass. It would then be mandatory that those railroads do what they say they will do, and live up to their

commitments that we know they have not lived up to in the past. They have abandoned branch lines and prairie towns. They have abandoned passenger services from city to city and into some of the vital areas which depend on tourism. I would suggest that unless we include "and shall require", if we do not require the railroads to do it, they are damn well not going to do it and will only pay lip service to it.

I would urge all Hon. Members of the House to consider those three words very seriously and allow the amendment to pass because it is crucial to the legislation. It is crucial, involving as it does control by the Canadian people, who are giving this money to the railroads, to increase the service and to move commodities for the farmer. It is our responsibility to ensure that the $1 billion a year is spent in exactly the way the railroads say it will be spent. We must require them to do it because their record sure as hell does not show that they will do it on good faith.

● (1710)

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I would like to put a few words on the record this afternoon concerning Motion No. 33 amending Clause 17 in Bill C-155. As mentioned by the previous speaker, it requires the railways, CN and CP, to have interchange agreements that can actually be guaranteed or put into force.

When the Government first introduced Bill C-155, it was actually giving the railways a guaranteed annual income without any guarantee to the producers that they would have any better movement of their grain from their farms to the elevators, over the rail lines to the ports and on to the market. That is a very dismal situation and it reflects the attitude of the Government toward our producers in Canada. They are already in a very precarious position because of the economic conditions they have experienced and are experiencing. Farmers face enough difficulty when they do not get adequate prices for their products in order to cover their costs and have some margin of profit for themselves. They do not need the added burden of not having their products adequately transported to the ports.

One area where I think the interchange agreement would work very well concerns the area I represent where producers move some of their grain through the Port of Churchill. The only access to the Port of Churchill is a CN line which goes to the terminals there. Canadian Pacific does not have a line going into the Port of Churchill. Quite often, the situation arises when CN Rail may not have the cars or facilities to move grain into the Port of Churchill whereas Canadian Pacific may very well have some cars within the area that are available to haul grain to Churchill. However, they are not available because the Grain Transportation Agency or the Canadian Wheat Board does not have the power to require CN actually to use Canadian Pacific equipment to go over CN lines and haul grain from plugged elevators to a terminal at the Port of Churchill that is waiting for grain. That is one particular instance.

After all the years when land, rolling stock and money has been put into the rail lines, they are not required to have an interchange agreement for these facilities. The only one who really suffers from this are the Canadian farmers who are unable to get their grain to the ports and must put up with the frustration of having a final crop quota for which there is no room in the elevator to which the farmers traditionally haul their grain. In some cases they must haul their grain greater distances to where there might be elevator space that is on a main line or that is better served.

One point which has been stressed in the interventions that have been made this afternoon is that there is need for support from the Conservatives and, hopefully, some Liberals in the House to back up the NDP proposal to have Bill C-155 split into three very distinct parts. Those parts are: one dealing with the statutory Crow rate itself; a second dealing with the upgrading, improvement and rehabilitation of rail lines in Canada; and the third dealing with Dominion Coal Blocks.

As the Hon. Member for Capilano (Mr. Huntington) pointed out this afternoon, this is not really a Bill dealing with grain transportation but one dealing with much more than that. We heard some Members state that they support Motion No. 33 because of the lack of guarantees from the railroads for the improvement of transportation of grain to Canadian ports.

Of course, I believe the Dominion Coal Blocks have very little to do with transportation at all, especially grain transportation. Without guarantees being provided in the Bill to have better performance from the rail companies in hauling grain, we will only further enhance the guaranteed annual incomes which the rail companies have had for so many years. At this time they are asking for a guaranteed return of 20 per cent on their investment. I would point out that this investment does not even come from the railways but from the people of Canada in terms of land grants, rolling stock and actual money given to the rail companies.

Mr. Flis: Mr. Speaker, I rise on a point of order. I have been listening very carefully to the Hon. Member. I thought we were on Motion No. 33 which states:

—promote, and shall require, if necessary, reciprocal and other arrangements—

And "the duties and responsibilities of the Administrator." I fail to see what splitting the Bill into three and the coal fields have to do with Motion No. 33 which we should be debating right now.

Mr. Deputy Speaker: The point of order by the Parliamentary Secretary is very well taken. Will the Hon. Member please take note of the remarks.

Mr. Anguish: Mr. Speaker, I have taken note and I think it just shows the unwillingness or lack of understanding that the Liberal Government has about how Bill C-155 affects the farmers of western Canada. I am trying to make the point, which I thought I was making very well, that we need some guarantees in this Bill. I support Motion No. 33 and I am pleased it was brought forward.

It is difficult to support some clauses of the Bill with which one agrees when there are other clauses that are not interrelated. I maintain that the statutory rate is something that we want maintained because it was an agreement made with the farmers to bring us into Confederation. We want that Crow rate maintained and the prairie farmers cannot afford to pay what the Liberal Government is asking of them.

The second part of this Bill to which Motion No. 33 refers is that part dealing with rail line improvements, upgrading and rehabilitation of the transportation system. We want that part split from Bill C-155. I can see that the Speaker is shaking his head, nodding in agreement or disagreement with what I am saying, but I think it simply points out the lack of empathy shown by the Liberals for the farmers of western Canada. I am very happy to be able to stand up and speak in support of this motion this afternoon.

I invite some of the Liberals to tell us how the Dominion Coal Blocks and the statutory Crow rate interrelates so closely unless it is due to their friends in Canadian Pacific who donate approximately $50,000 a year to the Liberal bagman who comes around. Does that not really have more to do with the passage of this Bill and lumping those three areas together than actually setting down good legislation for the Canadian people and western Canadian farmers in particular? Is that not the real truth behind this Bill?

Therefore, I suggest that my remarks are relevant. I gave the example of an interchange agreement over a line that is owned by the Canadian National which goes into the Port of Churchill. That is only one example of interchange agreements which may exist between the rail companies if the Grain Transportation Agency or some other agency to replace it were given that authority if the Bill is passed.

I suggest the Liberal Government should think again when the Parliamentary Secretary to the Minister of Transport (Mr. Flis) stands up to say that the remarks I have been making this afternoon are not relevant to Motion No. 33 before us. That motion states that there must be some obligation placed upon the rail companies to make them give guaranteed service on rail lines through interchange agreements because dual ownership over the lines and rolling stock does not exist. Instead, we see a single rail company becoming involved in petty arguments with the other rail company. It does not want to give good service, or even if it wants to do so, it does not provide the kind of service that the Canadian producers think should be given in return for all the benefits which have been given to rail companies over the years by the Canadian people and by this Parliament. The Government should be ashamed of the guaranteed annual income which has been delivered by it to the railways and also by the people who produce our grains in western Canada who, in good faith, have in some cases bought rolling stock for the rail companies without guarantees. I think that is very important and very relevant.

• (1720)

I call on Members in the New Democratic Party to support this motion to make sure we not only improve the rail transportation system in Canada but we also get from the rail companies some guarantee of performance for the producers of western Canada.

Mr. Nystrom: Since the Hon. Member has some time left, would he be willing to answer a question?

Mr. Deputy Speaker: The Hon. Member's time has expired. A question and answer period is not provided in the rules at this point. There would have to be unanimous agreement of the House. Is there unanimous consent for the Hon. Member?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to speak to the amendment, Motion No. 33, which reads:

> The Grain Transportation Agency Administrator may promote, and shall require, if necessary, reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers.

I want to congratulate the Hon. Member for Vegreville (Mr. Mazankowski) for proposing this amendment. I would urge the Government to support it. When we as Members of Parliament representing the taxpayers of Canada are looking at the possibility of forwarding $1 billion a year for the next three years to the railway system, most definitely we must have someone in an administrative position who will protect the very producers we are talking about.

For a moment I want to comment on the remarks made by the Parliamentary Secretary and the remarks made by the Chairman of the Standing Committee on Transport. He suggested that the Transport Commission should be the one to deal with this. We have seen the record of the Transport Commission. We know of the backlog of work. We know, with regard to VIA Rail, what has happened there and what has happened to the recommendations. We know about the abandonment of lines. For them to suggest that they should be the governing body which would make recommendations is certainly not something with which I would feel comfortable, nor would I want to stand by when the taxpayers' money is being invested.

I would like to comment on some of the remarks made by Mr. Justice Emmett Hall when he spoke at the Transport Committee hearing in Regina on August 9, 1983. I think it is imperative that we look seriously at what he said. He said, in part:

> —one of the great grain producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.

He also states that CP at the same time has brought grain into Edmonton but, because there is no line west from Edmonton, CP goes 200 miles south. It is like ships in the dark, he suggested. Here we have two trains, one CN and one CP going

in different directions carrying grain north and south so they can eventually go west. It is a ridiculous situation. It is one that we as Members of Parliament cannot ignore. Not only does grain go north and south but it hits a bottleneck in Calgary. I know because I have worked for the railways for 35 years. When the grain hits Calgary there are switching cars at the Keith yard. This switching goes on for as long as five hours. I would surmise that the same thing happens at Edmonton.

We in the House have allowed taxpayers' money to go forward to build extra grain cars. I say it is a waste of money because grain cars are being held up for hours at a time. Not only are cars being held up in Calgary but then we have problems at places like Rogers. Cars sit in the siding waiting. The train goes on westward again until it reaches Chase and then Monte Creek. The cars sit on sidings for weeks on end while the railway decides when it is time to start moving farther west. A train is 300 miles away from port and it will leave from Revelstoke and be told to set off 50 cars of grain at Chase. Then it will be told to continue on and set another 35 cars off at Monte Creek and continue to Kamloops.

Then we get into a situation where we have another train of grain. This train will be asked to pick up 25 cars at Chase. In order to do that, the train will pull out 100 cars of grain, put on 25 and shove the rest back, and continue on. What a ridiculous situation.

The Hon. Member for Vegreville is right on with his amendment. It is time these railways had someone to administer what is going on. There are computer systems. I know for a fact that in Revelstoke you can ask where a CP car number such and such is. That information can be had with a touch of a button. When there is that kind of system in place, we can certainly have one of the most up to date transportation systems of handling grain anywhere. I want to say that we can feel proud of the Wheat Board because of the way it serves the needs of the producers.

Not only could we have an efficient way of handling grain but we could also apply the system to the handling of other commodities. We do not see unit cars of coal sitting in a siding unless there is some emergency or breakdown, and that is understandable. But unit cars of coal coming out of the Kootenays make their turn and come back in an efficient manner. This could be done with grain and other commodities.

I think it is wrong when we bring in legislation which makes those kinds of guarantees of money to the railways without having the railways guarantee that they will live up to the kind of performance that we expect.

I think we can utilize those grain cars which the Government has provided and which the Wheat Board has put forward in a much more efficient manner. They can go across the country faster. Instead of having grain cars sitting in sidings, they can be unloaded and returned or they could at least be brought a little closer to the destination in cases such as that.

If we can shoot rockets to the sky and pinpoint where they land, surely we can co-ordinate some grain from our shipping areas in the Prairies to our ports in Vancouver that will make connections with boats and ships. I think it is a disgrace that we should be discussing this situation today. This sort of thing should have been put in place a long time ago. One billion dollars a year is a lot of money to guarantee to these railways without any major guarantees made to this House of Commons. I think every Member on the Liberal side of the House should reconsider what has been put in this Bill and get assurances that the railway will do the upgrading.

If Liberal Members would like to ask questions afterwards, I will be prepared to answer them. I can hear some of them shouting from across the way.

• (1730)

There is no question about it. We should have an Administrator who is capable of looking at situations as they arise and seeing where it will be beneficial to trade off with CP and CN on certain grain commodities at certain times. Certain types of grain which are being handled at the present time by CN could meet the requirements when the grain being carried by CP does not meet the requirements. We could co-ordinate different types of grain and ensure that they travel on different railways. I disagree with what the Hon. Member for Bow River (Mr. Taylor) said when he expressed the idea of railways running loaded one way and empty the other. It is not feasible to run loaded trains on one track in one direction and empty in the other, because it will throw out track alignments. Loads must go back and forth to keep trackbeds aligned. It is not like a highway, and it is not feasible in the operations of railways.

I urge Government Members to consider what they are doing, to adopt the amendment and to ensure that we have some mechanism whereby we are guaranteed that the railways will carry out what we expect of them.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I know the Government would like the debate to end, particularly on this particular clause, because it is not interested in putting some muscle into the legislation to make the railway corporations do what they ought to do, that is, give some assurance to producers that the money flowing to them by means of this legislation will in fact be spent to the advantage of grain producers.

The amendment is very simple. It asks that the Government give a statutory declaration that railways shall be required to maximize the returns to producers. It is "shall be"; not may be, not happenstance, not hope so, not even ought to. The Hon. Member for Vegreville (Mr. Mazankowski) makes his request for a very good reason. Producers have had much experience at being disappointed by railways. Is it good enough to extend $651 million to the corporation and hope that it will be spent for the benefit of producers? Is it good enough to expect that, especially when we look at the long lists of interventions by railways relative to branch line abandonment? Are the railways thinking first of producers when they make application to

the CTC to abandon branch lines? It seems to me that it is almost a genuflecting impulse on the part of the railways to think first for themselves and of themselves.

I ask the Government whether there is any guarantee that the $651 million, which will be given carte blanche to the railways, will improve the rail system in British Columbia for all its primary producers. What guarantee is there, regardless of the propaganda floating around British Columbia, that the railways will in fact improve the system for the benefit of producers? It so happens that the Port of Vancouver is interested in an improved system because about half the tonnage flowing through that port is directly related to grain production in the Prairies. If production in the Prairies breaks down, jobs are lost in Vancouver. If production in the Prairies breaks down, it does not matter how good are the port facilities in Vancouver, they will be underutilized. It is very important for people in Vancouver, for people in British Columbia and for those interested in port facilities and jobs in that area to know that railways will not be able to dodge their responsibility in the expenditure of the money for the benefit of producers.

Hon. Members have repeatedly risen to speak on this point and to make a very simple request on behalf of producers, that the Government first think of the benefits to producers, not to railways. They have asked the Government to make sure that the $651 million will not be spent on some other part of the railway rather than for the benefit of grain producers in the prairie basin. I want to see the other parts of transportation in British Columbia improved also. I want to ensure that coal trains have good transportation facilities, that lumber can be delivered to port and that all other aspects of the production system in British Columbia are served well by the railways, but I do not want prairie farmers to pay for it. If the railway system is functioning as it ought to function, if it serves primary producers in British Columbia as it ought to serve them, it will pay for itself. The catch-up work which has to be done to improve the lines in the Prairies should not be neglected further in order to build up the railways somewhere else. I am not saying that the railways will do that. I am saying that the legislation does not guarantee that they will not. If the railways are thinking first of themselves and not of producers, there is no guarantee that they will not do it.

I rise in support of the amendment of the Hon. Member for Vegreville. We ask the Government to provide a simple guarantee that it requires the railways to spend that $651 million on the rail line system so that producers on the Prairies will be served.

A simple piece of information came out of the Wood Gundy report, that as a result of the subsidies flowing to the railway system the value of stock in the railways will double. I do not begrudge shareholders that profit as long as it is earned profit. Therefore, I urge the Government to support the amendment that the railways be required to use that money to upgrade the system for producers in the prairie basin.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to speak on Motion No. 33, the "shall require" amendment which was placed before the House by the Hon. Member for Vegreville (Mr. Mazankowski). It is very important to have government support for this motion. We know that the efficiency of the railways is not something which is automatic. We cannot expect them to co-operate automatically.

Turning to Clause 48 and Clause 49 of the Bill, they allow the Administrator to make rate arrangements with the railways for interchange and reciprocal agreements for joint use, and they give the Administrator the right to buy co-operation between the railways. If we come up with a rate which is advantageous to the railways, they will co-operate, but if we do not come up with advantageous rates, they are not likely to co-operate as they have not in the past. In the sixties and seventies there were a lot of opportunities for interchange. As the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) indicated, they jealously guarded the right to move their own cars. In the days when they claimed they were losing a lot of money, the CPR would not let CNR carry any of its cars. It belies their statement that they were losing money when they would not let the other railroad carry their cars. It tends to undermine the assertion that the railways lose money every time they move a cargo of grain. If that were the case, you would expect them to push their cars off to another railroad. There was no way they were going to allow the other railways to carry their cars.

● (1740)

If they would not co-operate when they were losing money and carrying their own cars increased their losses, how can we expect them to co-operate when it becomes very profitable to move those cars? This amendment would give the Administrator the right to require that there be co-operation between the railways. In order to improve the efficiency of the grain transportation handling system, we must have in place an interchange system between CNR and CPR which works when we need it to work, not when the railway thinks it would be advantageous to them.

The problems are bad enough when moving grain under ordinary circumstances. If we have to fight another major group of participants, the railways, it will be a very difficult situation. It is very logical to put in place a "shall require" amendment which would give the Administrator, much as we would like him to be directly under the Wheat Board, the right to require the railways to co-operate with each other.

Almost every area on the branch line has a very direct route from the shipping point to the port. It is logical that, as a utility that route be the best, shortest and cheapest possible route. We should be able to depend upon the railways to give the kind of efficiency that we need and that it happen automatically. We know what the efficiency of the railways can be. I want to quote Justice Emmett Hall who spoke on the efficiency of railways. He said, and I quote:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branch lines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang on to that commodity to the delivery points, come hell or high water. That works out this way and this is what we

found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean to much to Members from the East, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways—

It is much better to move that grain through Edmonton, as the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) mentioned earlier. Instead, the grain is shipped through Calgary. We have put before the House a number of examples where co-operation was logical, efficient and valuable to the producers and to the railways, but they would not do it. If they would not do it where they were losing money, there is no hope that they will do it when moving grain becomes profitable.

This Bill allows a kind of profitability which our farmers would love to have. Ask any farmer if he would find acceptable a 20 per cent guaranteed profit on what it costs to farm. We would like to see that kind of situation for our farmers. Since we are giving it to the railways we should demand from them the kind of efficiency which would allow that to be possible.

We have argued that there is no need for the Grain Transportation Agency. Also, we have argued that the Administrator has too much power. However, we go along with this amendment of the Hon. Member for Vegreville. Although under certain circumstances we think that his power encroaches on the power of the Wheat Board, if he is to be there we should have this kind of amendment which gives him power to increase the efficiency of the agency. No matter what public agency is finally given control over the movement of cars, the Administrator needs the power to force this kind of co-operation.

Over the years, the railways have been operating under the Railway Act. That Act gives power to the Canadian Transport Commission to require certain efficiencies and qualities regarding the movement of cars. The CTC has never used the Railway Act. It has never used the powers that it has. If we gave those powers to an agent directly involved in the movement of grain, possibly he would use those powers to help the producers and the grain transportation system.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to enter the debate on the amendment of my colleague for Vegreville (Mr. Mazankowski), I trust that Members opposite are paying adequate attention to the arguments being presented on this side of the House. The Chairman of the Transport Committee, who spent a considerable part of the summer chairing this committee as it toured western Canada, is in the Chamber. As Chairman, he has been very fair, honest and straightforward in the approach that he has taken to this. We respect him for it. There is a great misunderstanding, though—

● (1750)

Mr. Huntington: He spoke against the amendment.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: The Hon. Member for Red Deer (Mr. Towers) has the floor.

Mr. Towers: Thank you, Mr. Speaker, but I always welcome the interjections of my colleagues because they are always very worthwhile and, hopefully, the Members opposite will pay attention to them. Nevertheless, he does have his shortcomings and one of them is that if he debated and argued against this amendment, then certainly his education is not complete. He still has something more to learn, and perhaps another trip to western Canada would stand him in good stead and help him understand exactly what happens there.

I recognize what this amendment is attempting to achieve because my constituency lies between two of the railways, the CPR and the CNR. I recognize that those cities or towns with grain moving facilities in an area served by two railroads do get better service than those that are isolated from either one or the other. There is no doubt that if this amendment is accepted by the Government and there is a reciprocal arrangement made between the CPR and the CNR, the farmers will enjoy the benefit of it.

Unfortunately, Mr. Speaker, possibly because of the politics of the Government in one form or another, quite often the farmer or the grain producer is the forgotten individual. Somebody, and it really does not matter who or whether or not his agency is called the Grain Transportation Agency, must have the authority to emphasize to the participants involved in moving grain that the grain must move in an efficient manner.

An interesting thing came out of the committee hearings. One of the witnesses before the committee stated that if we could have a 2.5 per cent improvement in efficiency in the movement of grain each year, however the railroads, the grain companies and the shipping facilities at port operated, it would mean that there would not necessarily be any increase in the cost to the producer. This is of fundamental importance because, at this time, the producer cannot afford to pay any more for moving his grain until such time as the price of grain goes up.

Those of us on this side of the House know very well what the Snavely Report meant, and one of the arguments I had with that report is that it accepted the railways' figures. I do not think, Mr. Speaker, that we must accept those figures, because I have never seen an operation yet that could not become more efficient with proper leadership.

This amendment, if accepted by the Government, will provide a more efficient system of moving grain. In the competitive world that we live in, we must compete against our counterpart south of the 49th parallel. I was in that country just recently and those farmers were receiving anywhere from 50 cents to 80 cents a bushel more for a comparative bushel of barley than those farmers north of the 49th parallel. This is something of basic importance and something of which we must be cognizant.

An area of the movement and transportation of grain in which we can give full credit to the producer is the area of efficiency because the producer has certainly done his part in improving efficiency. However, there is a limit to the extent that the producer can go. I think at the present time, with the increased costs of energy, there are dire times ahead for the

producers unless we start implementing programs and facilities that will be of benefit to the producer.

We have had dealings with reciprocal arrangements between the CPR and the CNR in my constituency. In Red Deer, the train must cross a river. The CNR eventually got permission from the CPR to use the bridge belonging to the CPR. It can be done if it has to be done. This is why the amendment moved by my colleague, the Hon. Member for Vegreville, is of basic importance. It will mean that this will have to be done, and the railways can do it.

I do not know whether you recognize it, Mr. Speaker, but it is ridiculous for the CNR to pull a trainload of grain into the port facility at Vancouver and then have to unhook its locomotives and put CPR locomotives on to pull the grain train in and unload it because it is on CPR tracks. I know, Mr. Speaker, that you are amazed by that and I trust that, with any influence you may have on Members opposite, you will help to ensure that they become cognizant of what is happening.

An Hon. Member: Somebody has to have control.

Mr. Towers: No problem. Somebody has to get control, and we are asking the Government to move one step at a time. The Chairman of the Transport Committee can blame the railway brotherhood or whoever he likes, but I must tell you, Mr. Speaker, that it is the farmers who have to pay the price if the provisions of this Bill are implemented. There is provision in the Bill for the cost of moving grain to increase five times by 1989-1990. This is totally unacceptable to western Canadians and to those of us who represent those grain producers in western Canada.

Further to that, there are extra costs involved in uni-transportation. That occurs when a railway has a monopoly over a certain area and can do whatever it likes. It can move the grain whenever it likes. As I said earlier, wherever competition exists, there will be better service.

Mr. McKnight: What about the cost-plus system?

Mr. Towers: As my colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) has said, with the cost-plus system the railways absolutely cannot lose. This is one of the deficiencies in this Bill.

I must tell you, Mr. Speaker, that the general mistrust felt by grain producers in western Canada is certainly surfacing at this time. They are angry at the CPR because of what it did through Marathon Realty. They are angry about what happened with Pan-Canadian, and they are really angry about what will happen to them in the years ahead.

Mr. McKnight: They are not happy with the Government.

Mr. Towers: I suppose that is right. They are not happy with the Government. They are angry about that as well. I presume, Mr. Speaker, that the next election will prove that.

I do hope that Members opposite will think about this overnight and accept it. I realize that it is close to adjournment time but I do trust that the Members opposite will think about this amendment and what it will do. Thinking about it will take no skin off the noses of any of the Liberal Members in western Canada even though their skin is pretty thin and they do not have too much of it. If they would just take cognizance of this amendment, accept it in their policies and draft it into the legislation, then we will certainly move in the right direction.

May I call it six o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—RESPONSIBILITY TO DEAL WITH TELEVISED PORNOGRAPHY. (B) INQUIRY RESPECTING PENALTIES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have been raising the issue of pornography in broadcasting since last January and the first response of the Minister of Communications (Mr. Fox) to questions asked of him was relatively favourable. He did express some concern, and also expressed confidence that the CRTC would act. We know that the CRTC has failed to act; it has not amended its own broadcasting regulations to deal with the pornography question. It has not been tough in private with broadcasters and it has basically admitted that it made a mistake in licensing Pay-television. Then, it said to the women of Canada, "Tough luck! You can wait until the licence renewal time is up." That is roughly five years hence, Mr. Speaker. The CRTC failed to act in spite of the fact that the Broadcasting Act was very clear and that the powers given to it are enormous.

• (1800)

The only light at the end of the tunnel as far as the CRTC is concerned, is the recent decision it gave to a complaint from Media Watch. At last the CRTC has shown that it understands the problem of pornography and is able to distinguish between a discussion of violence against men and women as a question of freedom of expression and the advocacy of violence against women directly, which we have in pornography. The CRTC still did not offer any remedy, however.

The Minister of Communications next offered an excuse for not acting by suggesting that men or women who complained about pornography could lay complaints with the police under the obscenity provisions of the Criminal Code, and go to court. Of course, everyone should go to the police, insofar as they can, with obscenity complaints. There are some loopholes in the existing legislation, however. Some instances of pornography—even extremely violent pornography—are not covered by

the current provisions of the Criminal Code. The Minister of Justice (Mr. MacGuigan) has promised an amendment. That was supposed to be introduced last spring before we left for the summer, but it has been delayed until the next session of Parliament.

There is another difficulty with enforcement, Mr. Speaker. Individuals and organizations have made complaints but police response has not been vigorous. The courts still do not understand the problem of pornography, especially the violent aspects of it. Recent decisions have included paltry fines, even in such flagrant case as Red Hot Video in British Columbia.

For broadcasting, there are particular difficulties in enforcement. What do you do if you do not have expensive recording machinery? With print pornography there is a magazine that you can take to the police with your complaint; otherwise, you do not have anything. A tape may be available or it may not. In the case of satellite broadcasting of pornography we cannot even have tapes and that means that redress is extremely limited.

[*Translation*]

Pornography is a serious problem. The rate of violence against Canadian women is too high and the situation is growing worse. We now have proof that a link exists between violence on the screens and violence in real life. Social workers, psychologists and psychiatrists have been telling us about child abuse cases, and they are becoming increasingly serious. Battered women tell us that their aggressors forced them to imitate pornographic acts. And what does the Federal Government do? The Minister of Communications (Mr. Fox) has faith in the CRTC, but the CRTC does not do anything. The Minister of Justice (Mr. MacGuigan) has proposed an amendment to the Criminal Code, an amendment which I support indeed, but the Minister is quite prepared to wait until the new session of Parliament to introduce it in the House. No hurry, even though the problem is serious.

What can we do now? Tomorrow, we can take one step. Tomorrow, my Private Member's Bill will come up for debate on second reading, which means we will be debating the principle. My Private Member's Bill, C-675, features a simple amendment to the Broadcasting Act. I propose adding a single sentence to prohibit abusive comment or pictorial representation on any race, religion, creed or sex. The first three criteria are already covered in CRTC regulations, but the fourth—sex—is not. Abuse against ethnic minorities and religious groups is illegal, but abuse against women is legal. Antisemiticism and racism are prohibited, but sexism is acceptable. If the CRTC has refused to bring forth an appropriate amendment to the regulations, then it is up to Parliament to amend the legislation, the Broadcasting Act, and to abolish all forms of abuse on public airwaves.

• (1805)

[*English*]

The Minister of Communications can show his concern about the pornography issue concretely tomorrow by supporting my Private Members' Bill to amend the Broadcasting Act, and I call upon him to do so. Indeed, I am hoping to get all party support for this Private Members' Bill. It is only a small step but an important one. It would say to the broadcasting world that abuse is not acceptable. With other measures, it could help to stop pornography and help turn the tide. It would give Canadian women some confidence that this Parliament takes the problem of violence against women and children seriously.

[*Translation*]

Hon. Céline Hervieux-Payette (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to answer this timely question on pornography which has been a subject of growing controversy since early this year as a result of the campaign launched primarily by residents of the Ottawa region and the advent of Pay TV.

[*English*]

Since then the Minister of Justice (Mr. MacGuigan) proposed amendments to the Criminal Code, on June 23, to reflect growing concern about cruel, violent or degrading portrayal of individuals in the media. This proposal removes the current need for linking crime or cruelty, violence or degradation with sex in order for the undue exploitation of these matters to be obscene. Video tapes and broadcast material are clearly included in this clause, so this is step number one.

The second step is that we have to state clearly that the CRTC also has to go by the general standard and that child pornography and violent pornography has never been permitted. This Government has set up a task force made up of experts in the field of pornography, that is to say composed of deans of law faculties and various experts in the social sciences. This committee has already started its work this summer, and it is working very closely with all those concerned with this important problem.

I believe, Mr. Speaker, that even though we feel this particular subject is of the utmost importance, if we were to take the wrong measures in order to protect women we might create more harm to those we want to protect.

I have been standing very stongly with the Hon. Member for Broadview-Greenwood (Ms. McDonald) on this particular issue, but I would like to reassure our citizens that this Government is firmly committed to taking the necessary action, but also in line with the new Constitution of this country under which freedom of expression also has to meet the standards generally accepted by this country.

So, Mr. Speaker, we are quite aware of the problem. This task force will certainly give us more indication as to what steps we should take and we are necessarily going to work very closely with the Hon. Member to study her Bill tomorrow. But I would like to point out that pornography is certainly a

delicate matter and we should treat this very delicately in this House.

CULTURAL AFFAIRS—RECOMMENDATION THAT LIBRARIES SHOULD COMPENSATE AUTHORS. (B) REQUEST FOR MINISTERIAL ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, several weeks ago I asked the Minister of Communications (Mr. Fox) whether he was prepared to implement a proposal that authors be paid for the public use of the books they have written which are available in public libraries. My questions arose following a series of cross-country demonstrations organized by the Writers Union of Canada in order to publicize the issue of payment for public use. It was, they felt, one of the only avenues left to them after many years of quietly suffering poverty and neglect.

There are several thousand people in this country, Mr. Speaker, who make their living by writing. Very few of them make a very good living. There are authors like Peter Newman, Pierre Berton and I suppose Margaret Lawrence and Margaret Attwood, to mention a few. However, most authors can only earn a part-time living, with an income of something in the neighbourhood of $2,000 to $3,000 a year, from their writing. Most of them live in poverty. Despite that poverty, they endure and continue to write, contributing to the cultural life of this country.

• (1810)

I put this matter before the House in the form of a question several weeks ago. I referred to payment for public use program which would give authors compensation for the public use of their books through public libraries. This program would be one way of providing a minimum level of support for writers who now earn, as I have already indicated, somewhere between $1,000 and $3,000 a year from their books. It would encourage writers to continue writing and producing Canadian literature, and would, in a small way, support and enhance the development of Canadian culture.

This idea is not new; it is not unique to Canada. There are now various schemes based on this principle in existence in ten other countries. The question has been examined in some considerable detail by a number of very important organizations. It was studied by the Canada Council, which not only approved the idea but also worked out a proposal as to how it could be administered. It was studied by the Applebaum-Hébert Committee which also worked out a proposal somewhat different than that of the Canada Council, but one in which they adopted the principle, the idea.

Indeed, the Minister of Communications endorsed the idea, the principle, in a speech he made to the Writers' Union. Unfortunately, endorsements do not authorize funds. The total amount to implement the plan in the first year was estimated to be just $1 million, a very modest amount by government standards. Yet the Minister has continued to stonewall its implementation.

All that the writers are after is some compensation for the royalties they lose when a library purchases books they have written and then loans them repeatedly to members of the public in order that all can enjoy them. Under this idea, book borrowers would not be penalized, nor would the libraries be required to fund the authors' payments. The revenue would come out of general revenue and at least some of it would go back into the public coffers in the form of income tax.

When I raised this question with the Minister, as I say, a principle which he apparently endorsed in his speech to the Writers' Union, he had two answers. First, he suggested that since libraries come under the jurisdiction of the Provinces he would have to receive the Provinces' approval. I say that that is nonsense. No province would object to a plan for helping authors earn a living if it did not have to pay for it. The proposal is that the Government would pay $1 million a year to help authors earn a somewhat decent living.

• (1815)

The second point the Minister made was that the Canada Council could do it. Of course, it could and it has looked at the problem and worked out a system for doing it. Unfortunately, the Canada Council simply does not have the money. The Minister knows that the Canada Council already has many more demands on its funding than it can meet. Therefore, to suggest that the Canada Council can do it without giving it the authority or money required is simply to put off the implementation of this proposal. In fact, it is saying to the authors that the Government is not prepared to implement this idea which is so essential if Canadian authors are to be able to earn any kind of living.

I would urge the Government to seriously consider the proposal from the writer's union and implement this plan which would require a relatively modest amount of funding.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in reply to the Hon. Member for Winnipeg North (Mr. Orlikow), I believe he knows full well that in fact not only the Provinces but municipalities have a great deal to play in this matter of public payment for authors. We are really talking about the use of books in public libraries. The Hon. Member also knows that Provinces have great jurisdiction over public libraries, as do individual municipalities.

Of course, this matter is not only of concern to the Minister of Communications (Mr. Fox) but to the Government as a whole. The basic answer is yes, the Minister of Communications is in favour of some sort of program that would assist authors to receive financial benefits and payments for the use of their works in a public setting. However, we know that the Provinces have great jurisdiction in this matter.

The Hon. Member raised this question on September 15, at which time the Minister responded that all libraries that would be affected come under provincial jurisdiction. I cannot stress that particular point too strongly because it is a fact.

The Hon. Member also referred to the Applebaum-Hébert Report which is the federal cultural policy review committee. As a Member of the Standing Committee on Communications and Culture, he knows full well that the committee is looking at other aspects of the Applebaum-Hébert Report, part of which is this very subject. Therefore, the Minister is waiting to get some response from the Standing Committee on Communications and Culture as well as from the Provinces.

I believe it was a year in May that the Minister met with his provincial counterparts when this subject came up. He asked for a provincial response. We have not received any response to date. Until we get some input from the Provinces and from the Standing Committee on Communications and Culture very little can be done about it.

I can assure the Hon. Member and the House that we in fact are very cognizant of this particular problem and would certainly hope that we would be able to get the co-operation of the Provinces, municipalities and all others concerned to come up with a workable solution to this very pressing problem as it affects Canadian authors.

PROVINCIAL AFFAIRS—FEDERAL EXAMINATION OF PROVINCIAL LEGISLATION. (B) GRANT TO BRITISH COLUMBIA ORGANIZATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, last week I rose in the House to ask a question of the Minister of Justice (Mr. MacGuigan) relating to the practice of the Government in funding organizations that operate in each of the Provinces. Specifically, I was alerted by the fact that the Government had given grants to two different organizations in British Columbia with the expressed purpose, apparently, to enable those two organizations to demonstrate—using today's language—against that particular Government.

The Leader of the New Democratic Party (Mr. Broadbent) first raised this question in the House regarding Government funding of organizations in the Province of Quebec first, and now of organizations in British Columbia.

If there is any one thing at which the Canadian people will point as the legacy of this Liberal Government to the country—and I think there are many prime choices—it is the state of anxiety and conflict which exists. The fact is that the Government under the Prime Minister (Mr. Trudeau) has caused region to fight against region and different levels of Government to fight against each other. It has caused sectors to fight against other sectors. It seems to me that the Prime Minister has been thriving on a program of divide and conquer.

There is no question that the Government has the ability to do what it has done. It has the financial resources to fund these organizations in each of the Provinces, and it may even have the law on its side, in order for those organizations to fight legislation or programs within those Provinces. The question is not whether the Government has the legal right to do it; not a question of whether the Government can, but a question of whether the Government ought to do so. It is a matter of propriety; whether the Government should use federal tax dollars to fund organizations in any of the ten Provinces in order that those local groups can demonstrate against any of the programs within the Provinces.

• (1820)

The Minister of Justice says in this case it is a matter of human rights programs. Who says? It well may be, but is it the prerogative of the Minister of Justice or the Secretary of State (Mr. Joyal) to decide that possibly human rights will be violated in the Province of British Columbia? Is it the prerogative of the Minister of Justice or the Secretary of State to decide whether human rights or language rights will be proscribed in the Province of Quebec? Are they doing the same thing in the Province of Manitoba? Are they doing that in the Province of Alberta? There are about ten provincial Governments that would be interested to know what are the criteria which allow the federal Government to decide it can spend tax dollars to fight programs within each of the Provinces.

The question is not whether it is lawful or whether it is within the purview of the Government, but is it right that each of the ten Provinces now should have to look over their shoulders when they pass legislation, when they conduct programs, when they institute new programs, to see whether the federal Government is going to run counter to the Provincial program?

It seems to me that if Confederation has matured, and we all believe it had when we debated the Constitution two years ago, to the degree that the Provinces can now make their own decisions, should they not democratically rise and fall on the basis of their own legislation? Is it within the purview of the federal Government to fund organizations to fight provincial Governments? Should the Government do so?

I think the Prime Minister would be the first to say that democratically this Government will rise or fall on the basis of its own programs, and that the electors will decide whether or not this Government should be elected on the basis of how it has administered the affairs of state. If he believes that to be true federally, why should he not believe that to be true provincially? Are there not ten Provinces elected democratically? Are they not also defeated democratically when they violate the trust of their electors?

I would like to have an answer from the Parliamentary Secretary as to the criteria the Government uses to spend our tax dollars to fight provincial programs initiated by democratically elected Governments which can also be democratically defeated? Is it right for the federal Government to use our money to fight against provincial programs? That is what we have a right to know, Mr. Speaker.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, first I would like to apologize to the Hon. Member opposite in that neither the Parliamentary Secretary to the Minister of Justice nor the Parliamentary Secretary to the Secretary of State are here

today. I will endeavour to comment briefly. I believe a number of points have been made sincerely by the Member opposite.

I want to assure the Hon. Member that it is not the policy of the Government of Canada to fund any group, in the words of the Hon. Member "to fight the provincial Governments." I want to assure him also that it is not our policy either to fund any group to promote policies of any particular provincial Government or political party. Let me refer to the days of the Special Joint Committee of the House of Commons and the Senate on the Constitution of Canada when all Parties sat around the table and discussed the issue of the Charter of Rights for this country. It discussed the many issues involved in human rights in Canada. It should be apparent from that experience that it is the policy of the Government, as it always has been, to promote wherever possible free, open and democratic discussion of what the Charter of Rights means to Canadians and, more important, during the process of evolving those rights, to hear the views of all groups concerned, in particular the views of every minority group. The will of the majority is often heard without any assistance or motions from anybody.

I assure the Hon. Member opposite that this Government, or any government in Canada for that matter, is not interested in funding groups to promote or, in the words of the Hon. Member, to fight legislation of any provincial Government. We are not in the business of asking such organizations what their views may be on any particular legislation of any Province of Canada. We are interested in the promotion of free, open and democratic discussion of the rights of Canadian citizens, particularly those rights which have now been entrenched in the Canadian Constitution.

[*Translation*]

Mr. Deputy Speaker: The Motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, October 5, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SMALL BUSINESS

EXPENSE INCURRED DUE TO POSTAL DELAYS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, the Government often speaks in favour of small business and the desire of the Government to help small business, but it is hard to take those statements seriously when one sees the way Government Departments and agencies function. Everyone knows that for small business to be healthy it has to have a healthy cash flow and a healthy current account balance.

However, when the Post Office itself will take two weeks to deliver a cheque for $10,000, or $20,000, or $30,000, a delivery time that should take two or three days, one must wonder how seriously the Government agencies are in helping the small businessman. It deprives a company of the hard cash that it needs to function, and it adds extra costs in carrying charges for that company since it has to borrow the money that is being held by the Post Office. The question should be asked if business or the Post Office should pay the extra expense that it costs the small business because the Post Office will not deliver.

It seems to me that a company should not have to revert to priority post at the extra expense that entails in order to get the kind of service it should have from first class mail.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CANADIAN PARTICIPATION IN CONFERENCE ON DISARMAMENT IN EUROPE

Mr. Louis Duclos (Montmorency-Orléans): Madam Speaker, with the international situation deteriorating from day to day, I must say it is very encouraging to see that the Canadian Government did not burn all its bridges, and I am referring to a statement made by the Right Hon. Prime Minister at the United Nations on October 1 of this year, when he said that although NATO would be deploying Pershing-2 and cruise missiles in Western Europe, Canada would be taking a very active part in the Conference on Disarmament in Europe, to be held in Stockholm next January. Instead of making thundering and hawkish speeches on East-West relations like the official Opposition does, the Prime Minister has preferred to have Canada play a mediating role within the framework of this Conference. I would like to thank the Prime Minister for his wisdom in wanting to keep the lines of communication open between the West and the Soviet block at this difficult time for international relations. This attitude is far more responsible than that taken by the official Opposition, which is fond of rhetoric and does not hesitate to fan the flames of discord by making far-fetched statements about a situation that is threatening the very survival of mankind.

* * *

[*English*]

NOBEL PEACE PRIZE

RECOGNITION OF WORK OF LECH WALESA

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, all Members of the House will be aware that Lech Walesa was today announced as the winner of this year's Nobel Peace Prize.

Some Hon. Members: Hear, hear!

Mr. Kilgour: Let me, in the moment available here, give three reasons why I believe all thoughtful Canadians will rejoice in this honour.

First, Walesa has faced, without flinching, the combined force of Poland's Communist Party, its Government, its army, and its official media, on behalf of the rights of Polish working people.

Second, the movement he founded, Solidarity, achieved in the brief period that it was legal an estimated membership of fully 10 million Poles in a work force of approximately 14 million.

Madam Speaker: I am sorry to interrupt the Hon. Member but I must warn him that he must have a statement on a particular situation. He cannot use this particular time of the House to pay homage to someone, no matter what merit that person might have.

Mr. Kilgour: Madam Speaker, the third point was that Mr. Walesa is an unbreakably honest, intellectually brilliant and thoroughly democratic leader of faith, Christian faith I might

add, who has won a permanent place in the pantheon of those men and women who, through the ages, fought and suffered for the rights of their fellow human beings.

* * *

NOBEL PEACE PRIZE

TRIBUTE TO LECH WALESA

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, yesterday during Question Period, in answer to question posed by the Leader of the Official Opposition regarding the shooting down of the Korean airliner by the Soviet Union, the Prime Minister said that the super powers must try to find some way to stop shouting at each other when the world is teetering on the brink of disaster and atomic war. The Prime Minister was suggesting a peaceful resolution to the tragic Korean airliner incident. Statesmen who seek peaceful resolution as opposed to solutions by battle are prime candidates for the Nobel Peace Prize.

In this same vein I am pleased that the Nobel Peace Committee awarded the 1983 Nobel Peace Prize to Lech Walesa, leader of the Polish Trade Union Solidarnosc.

Thanks to Lech Walesa's peaceful approach in attempting to obtain the right of Polish workers to elect free trade unions, widespread bloodshed in Poland was averted. Demonstrations organized by Lech Walesa were large in numbers but peaceful in approach. Indeed, Lech Walesa was successful in moving Poland away from the brink of disaster. Thus, the choice of Lech Walesa as this year's recipient of the Nobel Peace Prize is encouraging to workers and freedom loving people everywhere. With this decision, the Nobel Peace Committee has given recognition to the crucial importance of the principle of freedom of association, and peace.

* * *

FARM CREDIT CORPORATION

LEVEL OF FUNDING

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, Canadian farmers are deeply upset at the attitude of indifference shown by the federal Government to the urgency of their credit needs. These needs, which should be met by the federal Farm Credit Corporation, are not being met at all.

This House passed amendments to the Farm Credit Corporation Act which would permit it to resume its historic role as the major source of long term farm credit. Despite that, directors of the Canadian Federation of Agriculture have recently noted that:

> It is shockingly clear to farmers that the Minister of Finance is restricting the ability of FCC to borrow anything like sufficient funds to meet today's urgent needs. The Government must be either ignorant of the credit problems the industry faces or unforgiveably indifferent to them. Today, with farm incomes appallingly low, the role of the FCC in meeting the federal Government's obligations in farm credit must be respected and facilitated rather than resisted as the Minister of Finance appears to be doing.

• (1410)

There is simply no long term funding available from the commercial banking system to which this Government abdicated its responsibility. The Government of Canada is to be condemned for its failure to support the Farm Credit Corporation with adequate financing. By so doing it is thwarting the desire of many Canadian farmers to stay on their farms producing foods for Canadians.

* * *

AIR CANADA

SEQUEL TO GIMLI ACCIDENT—DEMOTION OF PILOT

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I was dismayed, as I am sure were many Members of this House, to learn that Air Canada has decided to discipline Captain Robert Pearson, the pilot who safely landed his crippled Boeing 767 on an airfield near Gimli, in July. He will receive a six months' demotion.

At the time Captain Pearson was praised, and rightly so, for his role in bringing the plane down. His action saved the lives of 61 people aboard, saved the aircraft, and saved Air Canada millions of dollars in potential lawsuits.

I do not think it is right, Madam Speaker, for Air Canada to make scapegoats of its air and ground crews for what is obviously a failure of the Crown corporation to implement proper training and operational procedures for the Boeing 767.

The fact that the crews at both Montreal and Ottawa made the same error when they manually measured the plane's fuel supply shows that Air Canada had not yet introduced the proper procedures for dealing with this kind of situation on the Boeing 767.

Instead of victimizing its staff, Air Canada should take a hard look at its own training and operational procedures for the new Boeing 767. It should abandon its efforts to discipline Captain Pearson and the other workers, and make sure flight and ground crews are properly trained to deal with this aricraft.

* * *

GRAIN

WESTERN GRAIN STABILIZATION PROGRAM

Mr. Arnold Malone (Crowfoot): The objectives of the western grain stabilization plan are commendable. Farm incomes cycle with unpredictable variables, and a plan for stabilization is appreciated.

However, the Minister of Transport's (Mr. Axworthy) announcement yesterday "that no payment is expected this year" from the western grain stabilization plan has been greeted by Prairie farmers with shock and disbelief. Underscored was the view that the mechanics and administration of the plan are insensitive to economic realities and the needs of

individual farmers, and that the plan is open to political manipulation. The Prairies are crying out for amendments so as to make a good principle workable.

In this period when farm receipts are equal to those of 1973 but the operating costs have tripled, the fact that the fund will be storing approximately $1 billion by January 1, 1984, mocks and insults our farmers. The intent of their investment has been betrayed.

I and my colleagues call upon the Government to amend the western grain stabilization plan quickly to make it sensitive to the realities of our economy, and to function in concert with the general expectations of the producer investors.

* * *

MEMBERS OF PARLIAMENT

FUND RAISING BY MR. CROSBIE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the Member for St. John's West (Mr. Crosbie), the Conservative Finance critic, is reported to have a $200,000 deficit from his leadership campaign. Following in the footsteps of that world reknowned feminist, Hugh Hefner, the Member is planning to pay off his debts by holding a little fund raising bash featuring a former "Playboy" Playmate of the Year.

We all know of the Conservative Party's impressive track record on women's issues as exemplified in its caucus where women make up only 3 per cent of its members. I am glad to see that traditional Conservative sensitivity toward women is being upheld by the Hon. Member for St. John's West.

In fact, when questioned by the press as to the role of the playmate he said that she will not be the main course. He said:

> She will be the aperitif.

He also said that he had abandoned the imaginative idea of wrapping his playmate in a Newfoundland flag and auctioning it off. He said:

> Someone would say it was sexist.

He added:

> You've got to be so careful these days not to be sexist.

And finally he said:

> There'll be nothing sexist going on there, at least not in public.

I assume the three women Members in that caucus will pass up the opportunity to be humiliated at the fund raising function and will, instead, mail in their cheques.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FARM CREDIT CORPORATION

AVAILABILITY OF FUNDS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Agriculture. The position of the Farm Credit Corporation as the main lender to the agricultural community has deteriorated to a point where it is being referred to as a lender of last resort. What is the Government doing to ensure that Farm Credit will have enough funding so that it can lend on a regular and long-term basis to provide Canadian farmers with certainty and accessibility to funding on a regular basis?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member should check the legislation by which Farm Credit is bound in its operations. The Crown corporation will be lending this year the most money it has ever lent in its history. It will lend somewhere between $700 million and $800 million. It is the eleventh largest lending institution in Canada. We cannot take private lending institutions off the hook for all the money that farmers want. Private lending institutions have a responsibility. It used to be that 17 per cent of the loans went for refinancing farm operations. This year nearly 60 per cent of all loans we make will be taking over debts which farmers have with private lending institutions.

I would like to have perhaps a large rural bank. Is that what the Hon. Member is suggesting, that we form another Crown corporation in Canada so that we can offer farmers short-term money? I was in British Columbia with a Member from that area this week. We met hundreds of farmers who are in really dire financial straits. But mostly the banks are cutting off their money, are cutting off their operating funds, and are cutting them off the long-term money they had. Is the Hon. Member suggesting that I take over from the banks?

Mr. Lewis: The Minister is on record as saying, "We want more money, we want to move the Corporation back into lending".

REFINANCING OF FARMERS' LOANS

Mr. Doug Lewis (Simcoe North): Madam Speaker, Farm Credit asked for $600 million in June. The Minister of Finance approved less than half that request, and it is not even all advanced. What advice does the Minister of Agriculture have for a Canadian farmer who is refinancing a bank loan or buying a farm? Should he apply to a bank or to Farm Credit?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, under the Bank Act banks have a responsibility to lend to people who can comply with the rules and regulations of a proper lending authority. The banks have a responsibility

to the rural community just as much as we do. This year we will be lending and taking care of nearly 50-some per cent of all long-term mortgages in Canada because banks and other lending institutions are just refusing to give long-term money. Farmers want ten-year or 20-year money. We are offering it to them on ten year or 20 year contracts, if they want, with a renewable feature after ten years. We are probably the best lending institution for long-term money at the present time. If the Hon. Member can convince his Party and his Party Leader that Crown corporations are a good thing and that we should expand upon them, boy, we will go to the races!

Mr. Lewis: The Minister's track record at convincing people speaks for itself. Canadian farmers are not asking for free money. They are not asking for hand-outs. They are not asking for money to be spent on them. What they want is funding through Farm Credit which they will pay back, but they have to get it at reasonable rates and they have to know that they can go and get it, and they do not.

ROLE OF CORPORATION

Mr. Doug Lewis (Simcoe North): Madam Speaker, when will the Minister act to persuade the Minister of Finance to take the Farm Credit Corporation out of the role of lender of last resort and put it in the business of lending money to Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have a responsibility that we are fulfilling under the legislation which guides the Farm Credit Corporation. The Hon. Member should read it. In one instance it is stated clearly in that legislation that it is to be a lender of last resort. We are lending to young farmers, start-up farmers, and farmers who are in dire need. He says that we did not get any more money. We promised that we would only put $200 million more into it. This year we will put nearly $300 million more into the fund.

REQUEST FOR ADDITIONAL FUNDING

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my supplementary question is directed to the Minister of Agriculture. He talked about creating a new Crown corporation. We do not need a new Crown corporation. We need the Minister to support the Farm Credit Corporation which is there, and is a very good credit corporation. That is all we need.

I had an opportunity to question the Minister on September 12. I asked him if he had seen fit to approach the Minister of Finance on behalf of the Farm Credit Corporation for additional funding. I will ask him the same question again. Has he approached the Minister of Finance on behalf of FCC to see that the Corporation has additional funds to meet the requests of the farm community today?

• (1420)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, this Member, who says that he represents the great free enterprise world, is asking me to expand a Crown corporation. I sat in this House last week and listened to his Party downgrade Crown corporations one after another, speaker after speaker, yet today they seem to have a change of heart. They want this Crown corporation expanded to be the largest lending institution in Canada. If we took over all the responsibility from the private lending institutions for rural lending, we would be the largest lending institution in Canada. In reply to the Hon. Member, yes, I have made representations to the Minister of Finance about the needs of the farmers of this nation.

AGRI-BOND CONCEPT

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, if we have ever had a windbag, do-nothing Minister of Agriculture that—

Some Hon. Members: Hear, hear!

Madam Speaker: Order. The Hon. Member can say that in the course of debate, but we are in Question Period and he should go straight to his question.

Mr. Mayer: As a result of the Minister's cap-in-hand visit to the Minister of Finance, can we expect some innovative financing through the Farm Credit Corporation, such as the agri-bond concept?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member refers to a bag of wind. The House rules would not allow me to say what kind of a bag I think he is.

Some Hon. Members: Hear, hear!

Mr. Whelan: If and when he ever has the opportunity to serve as Minister of Agriculture, and the nation should beware of that, let him have so many good things as are said about the present Minister of Agriculture, and have been said by many people in this country.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Whelan: The agri-bond concept was not thought of by the Hon. Member, that's for sure. It is one that has been considered by many farm leaders in Canada for a long time.

THE CHARTER OF RIGHTS

VOLUME OF SECURITY CHECKS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Solicitor General. Canada's new Charter of Rights refers explicitly to the "liberty" and "security of the person", concepts which, according to the United States Charter of Rights, which has been around for 200 years, have been interpreted correctly to mean freedom from intimidation, among other things. Canada's Human Rights Commissioner revealed yesterday the extraordinary fact that some 75,000 Canadians who have had some kind of dealing with or working for the federal Government and who have had security checks done on them. How can the Government of Canada justify this extraordinary situation? Why all these incursions into the privacy and security of Canadians?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, this very high figure is, of course, known to the Government. It is a matter of concern to the Government as well. I can tell the House that between two and one-half and three years ago I cut out a very large number of positions in the Government of Canada from requiring security clearance so that at present security clearances are limited to those positions, which was not the case in the past, where actual access to classified documents takes place.

I would like the Hon. Member to know that a paper is being worked on in my Ministry which I will be bringing to Cabinet, to provide for a more rational system of classification of documents. I confidently expect that that will result in a considerable reduction in the number of security clearances that are necessary in the course of a year. Most important, I remind the Hon. Member that his Party has hidden behind shrill rhetoric until today about the important Bill C-157 which will establish a security agency, and which will also establish a right of review for the first time for people who are denied security clearance. This would be a good day for the NDP to tell the House and the country about the things in that Bill and that they are prepared to support the steps that are undeniably an advance in the rights and respect of privacy of Canadians. Let us get on with that Bill.

• (1425)

REASONS FOR SECURITY CHECKS

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister has brought up no fewer than two red herrings in his answer. First he said he took corrective measures two or three years ago. The figures that Mr. Fairweather produced yesterday were from last year. The corrective measures that the Minister took two or three years ago were totally inadequate.

The second point that Mr. Fairweather makes is that, whatever new provisions are in the security Bill to provide rights for Canadians who are subjected to security checks, too many security checks are being made. The Minister did not deal with that.

I would like to ask him specifically about two kinds of checks that are now being carried out. One pertains to employees working for the Human Rights Commission itself. Mr. Fairweather has indicated that no such security checks are required. I ask the Minister why those employees are subjected to security checks. Second, in terms of federal-provincial relations, why is it that provincial Government employees involved in such relations are not subjected to the security checks to which federal Government employees are subjected? Why do these incursions exist?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it was actually provincial classifications that I excluded in the action I took sometime between two and a half and three years ago. Before those measures, security clearances were being conducted by the RCMP on people who worked for provincial Governments. That is no longer being done, for the simple reason that those employees do not have access to classified material.

Within the Human Rights Commission there are some employees who, as I understand it, do have access to classified material, but I would be very glad to discuss that situation and look into it in more detail, and hear the Commissioner's views about the amount of classification that should exist in that agency.

I do agree with the Hon. Member that too many security clearance checks are occurrring. I have explained what I have done in the past. I am telling the House that work is being done right now on an improved system of classification that I confidently believe will result in a great reduction in the number of Canadians who are subjected to security clearance checks in order to work for the Government.

Mr. Broadbent: Madam Speaker, the complacent tone of the Minister is not encouraging. If 75,000 people were investigated last year, the steps he has taken in the past are clearly inadequate.

INVASION OF PRIVACY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would ask the Minister if he does not realize that, in a society that really respects the individual, any incursion by the state on that individual's privacy must be justified. If he accepts that as a criterion, will he tell the House today what criteria are used by the Government for the broad range of investigations that are occurring? Does the Government not realize that Canadians do not want a society in which the Government holds files on everyone?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not think that we need a lecture from Members of the NDP on that subject.

Some Hon. Members: Oh, oh!

Mr. Kaplan: The Government has indicated its respect for rights of privacy and civil liberties for Canadian people by

bringing forward the Charter of Rights and Freedoms and the Access to Information law, and by the program I have just described which will reduce the number of jobs that require security clearance. I have told the Hon. Member that security clearances are now required only for an employee who has access to classified material. Too much material is being classified so we are now in the process of developing a criterion of procedure which will prevent an excessive number of government documents from being classified. I think the result of that will be that the clearance requirement will be removed from a great number of positions.

Finally, I respect as much as does the Hon. Member the privacy and civil liberties of the individual. I believe that the project that is underway will mean progress, but I think that the main progress we could achieve together is the passage of Bill C-157 containing, as it does, the first provision in the history of Canada to give an individual who is denied a security clearance, first, the information that he was denied that clearance, which does not happen today, and, second, a right of appeal and review by independent outsiders.

REVIEW OF SECURITY REGULATIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also directed to the Solicitor General. There is some concern with the criteria now used by the Government with respect to who will be subjected to security checks. Mr. Robert Bryce has indicated that the reason such a large number of security checks have occurred is that the Government views the protection of federal-provincial negotiations as being paramount. I should like to ask the Solicitor General if he can give us a time when the internal review of this matter will be completed. This is important, so that when people are dealing with the Government they will know that they do not automatically need a security clearance. They should also know that the story that is current at the present time that even the tissue in the washrooms is marked confidential, is not the case under this Government.

● (1430)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can give that assurance to the Hon. Member. There are only top secret, secret, and confidential classifications. The criteria for applying those designations are not as tight as I think they should be.

We are working on a project, but I cannot tell the House when it will be completed; however, neither can I tell the House when Bill C-157 will be passed. I hope that with some co-operation we will be able to achieve progress in protecting the rights of Canadians by having the whole range of safeguards that the Bill contains, as well as, for the first time, a procedure for complaining if an individual is denied a security clearance.

TOURISM

REQUEST FOR TAX CHANGES TO ASSIST INDUSTRY

Mr. Otto Jelinek (Halton): Madam Speaker, I should like to address my question to the Minister who is responsible for tourism. In a speech he made in Toronto last Monday, the Minister finally followed some of the initiatives of the Conservative Party, in at least recognizing the importance of tourism in this country. I compliment him for that.

Unfortunately the Minister did not address himself to the major problem facing tourism in Canada, namely, the excessive taxation on lodging, food, gas and liquor, which is pricing the industry out of business. Can the Minister tell us why he has not dealt with this most important of issues? When does he intend to recommend to the Minister of Finance that he make the necessary tax changes in this respect?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, the subject of the cost competitiveness of Canada vis-à-vis the United States in terms of the North American tourist dollar was the subject matter of a federal-provincial conference held in September at the federal initiative. That matter was put on the agenda by the federal Government, and I had the opportunity of discussing that issue with my provincial counterparts. We discussed a wide range of approaches.

I should point out to the Hon. Member that the main problem grows from provincial taxes, so perhaps he could speak to some of the Conservative Premiers in this country.

Mr. Jelinek: Madam Speaker, notwithstanding that answer, the fact is that the tourist industry in Canada suffered a $1.7 billion deficit and a loss of 70,000 jobs in the first six months of this year.

PROMOTION OF CANADIAN TRAVEL ABROAD

Mr. Otto Jelinek (Halton): Madam Speaker, can the Minister tell the House if he agrees with the External Affairs press release which promotes Canadian travel abroads and which states, in part, that travel beyond the North American continent is again becoming attractive to an increasing number of Canadians, and information booklets designed to assist Canadians travelling abroad will be distributed to members of the public? Does the Minister agree that the Department of External Affairs should promote Canadian travel abroad, or does he believe it is counterproductive to the efforts of the industry trying to bring tourism to Canada?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Madam Speaker, we happen to live in a free country. If Canadians want to travel abroad I think it is only reasonable that the Department of External Affairs would provide them with good advice. The Government has given a lot of emphasis to promoting tourism to Canada. Last year there was a television campaign in Great Britain, and a radio campaign in the United States. On Monday of this week I announced an incremental increase in funding of $7.5 million,

$3.3 million of which will be spent in Canada to promote Canadian vacation travel in Canada. There will be a television campaign entitled "Canada. Oh, what a country" which will take place this winter. There will be more radio ads in the States, and another $1 million spent in Great Britain and other countries. We are putting the emphasis where it should be, namely on getting Canadians to travel in Canada and inviting folks from abroad to visit us.

* * *

EMPLOYMENT

ADMISSION OF WORKERS TO SKILL-TRAINING PROGRAMS

Mr. Jack Shields (Athabasca): Madam Speaker, I direct my question to the Minister for Employment and Immigration. Will the Minister confirm that his Department no longer sponsors those adult Canadians with less than a functional grade seven into skill-training programs, even though the National Training Act states that the object is to increase the employment potential of individual workers without regard to education? While the Minister is on his feet, will he confirm that this was done after an evaluation of Canada Manpower training programs confirmed that academic upgrading at lower levels rarely led to further skills training or employment? Would he also tell us who made the recommendations and who did the evaluation?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I think we have one question and two supplementary questions here. As I have already said to the Hon. Member in the House, it has been relatively long-standing policy that training at the educational levels he has described is primarily the responsibility of the Provinces. I believe it is also the case that the Provinces, generally, share that view. This position goes back a considerable number of years and it flowed from recommendations made by the Senate committee which looked into the matter several years ago.

Mr. Shields: Madam Speaker, to try to push on to the Provinces the responsibility that the Minister has to treat all adult Canadians in an equal manner, is a very poor excuse indeed.

PLIGHT OF THE FUNCTIONALLY ILLITERATE

Mr. Jack Shields (Athabasca): Madam Speaker, does the Minister not realize that one million adult Canadians have sought job-training programs but have been barred from those programs? Does he not realize that the problem is not the one million people with less than a functional grade seven education—the problem is getting an insensitive Government to act on their behalf?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I think I am more aware of the problems at those levels in society than the hon. gentleman. I am aware, but I am not sure that he is, of recent reports which have indicated very serious problems with literacy on the part of Canadians, and the difficulty of many Canadians in meeting the grade six or grade seven educational standard.

It seems to me that what the Hon. Member is suggesting is that we try to pre-empt the role of provincial Governments, which is a legitimate role, in responding to this problem. I do not know why he is counselling that we take initiatives which would lead to that result.

Last week I was discussing this problem with the Minister from Ontario. In discussions with the Provinces we seek to respond to that kind of problem. I think it would be helpful if the Hon. Member found out a little more about it before he began to blather in the House.

* * *

TRADE

MANUFACTURERS' SHARE OF DOMESTIC MARKET

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Prime Minister. Products from other countries occupied only 19 per cent of the Canadian market in 1968, the year the Prime Minister took office, but occupy 31 per cent of our market today. This shows clearly where the jobs have gone. Will the Prime Minister take the first opportunity on motions to outline to the House what policies his Government intends to introduce to stop this massive erosion of the Canadian market for Canadian products, which has cost Canadian workers hundreds of thousands of jobs in the last 15 years, and is going on at an unabated pace today?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is seeking an occasion to express his views. Rather than do it on motions, where he would not have a chance to reply because of his backward position in his Party, I would suggest that perhaps it could be done on the debate on the Government Re-organization Act where we could deal with precisely the re-organization of the Department of External Affairs, giving greater importance to external trade. That might be an occasion where he could get the floor and discuss this matter.

Mr. Hees: Madam Speaker, the Right Hon. Prime Minister has taken a very circuitous route to explain to the House that he has no idea what the answer to this very important question is, and has no intention of doing anything about it although it is one of the most important reasons why the country has nearly two million unemployed people today.

REQUEST FOR POLICIES TO ASSIST MANUFACTURERS

Hon. George Hees (Northumberland): Madam Speaker, would the Prime Minister take this seriously, stop trying to duck this very important issue, and introduce policies that would make it possible for Canadian producers to win back the very large proportion of their own market which they lost during his prime ministership? I would remind him that a

blueprint for doing just that has been presented to him on the floor of this House on several recent occasions.

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this is known as the rhetorical question. The Hon. Member is prepared to discuss his views on policy. We are discussing ours. As a matter of fact I have just had lunch with Canadian businessmen who are doing with the Chinese markets, precisely what the Hon. Member suggests they should be doing. This is something which is a matter for debate. If the Hon. Member has any ideas, apart from questions, he could express these ideas in a debate to which I welcome him. However, as usual, the Hon. Member, like his party, is better at asking questions than giving answers.

Mr. Hees: Madam Speaker, I have presented various programs to the Prime Minister in this House on several occasions and he has taken no action on them at all.

Madam Speaker: Order, please.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF STATE COUNCILLOR AND MINISTER OF FOREIGN AFFAIRS OF THE PEOPLE'S REPUBLIC OF CHINA, MR. WU XUEQIAN

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Mr. Wu Xueqian, who is the State Councillor and Minister of Foreign Affairs of the People's Republic of China.

Some Hon. Members: Hear, hear!

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NORTHERN AFFAIRS

PROPOSAL TO ESTABLISH HARBOUR AT STOKES POINT

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I am sure he is aware that in 1978 the Government of Canada accepted the recommendations of Mr. Justice Thomas Berger, which were supported at that time by the National Energy Board, that the area on the North Slope in the Yukon be withdrawn from development for the purpose, particularly, of a national wildlife park and conservation area. Would the Minister reconfirm the July 21 promise he made at Rankin Inlet, that should he proceed and accept the Gulf application for Stokes or King Point, he will return to Cabinet and obtain an Order in Council for that purpose.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I believe it would be premature to give the Hon. Member an assurance of that kind simply because —and I believe he would be aware of this — there is a project review group on the North Slope, now in the midst of deliberations. It has agreed, hopefully, to give me its recommendations in about a week from now, certainly by October 17. It is looking at the whole question of Stokes Point alternatives. I believe it is considering other elements which could possibly form some type of package arrangement in terms of national wilderness parks.

I believe the Hon. Member would certainly agree that I should await the recommendations of that group. It consists of all the varied interests, including representatives from COPE and the native interests. I am sure the Hon. Member will agree that we should wait and see what that group will come up with before making any further decisions on this matter.

POSITION OF YUKON GOVERNMENT

Mr. Jim Fulton (Skeena): Madam Speaker, the people of Canada trusted in the recommendations of Mr. Justice Thomas Berger, on the very project about which the Minister is talking. Given that one half of the representatives on the North Slope project review group were appointed by the Yukon Territorial Government, I wonder if the Minister would tell this House whether or not, on behalf of the Government of Canada, he supports the statements made to the Leader of the Yukon Government, Mr. Pearson, from the Deputy Minister of Economic Development, and I quote:

—without economic growth the North could become a large "reservation" with our native population comprising the majority of the population.

... YTG must do everything possible to ensure that some of the Beaufort Sea hydrocarbon action is centred in Yukon, e.g. Stokes or King Point.

It is pretty clear, Madam Speaker, that the position of the Yukon Government is blatantly racist—

Madam Speaker: Order.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if the comments set out in that letter from Mr. Lang to Mr. Pearson, as read by the Hon. Member, are correct, I also find them objectionable. May I also say that a letter from a Minister to his Leader does not necessarily represent Government policy. I believe that is the situation there. Let us see what are the recommendations of the task force. The position of the Government of the Yukon will be presented to that task force. Presumably it will be the position of the Yukon Government, not the personal, rather objectionable views of Mr. Lang.

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CRIMINAL CODE

HIGHWAY FATALITIES—NEED FOR LEGISLATIVE MEASURES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of Justice. In view of the recent OECD report which shows Canada has the second highest rate of highway fatalities in the world, will the Minister tell the House if he plans to introduce any new programs or

legislation designed to help prevent or eliminate this serious situation? Where delay is measured in terms of human lives, when will the Minister act?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I thank the Hon. Member for his question, and for his notice of the question. This is indeed a matter of great concern and common concern, I believe, to Hon. Members on all sides of the House. I have tried to be open with the public as to where we are on this. I can say that I have now made my decision with my Department on what to recommend to the Government. We will be making recommendations. We would hope they would be in the omnibus Criminal Code Bill which we will be able to bring forward as soon as the Hon. Members opposite will allow us to get on to the next session.

REQUEST FOR EARLY ACTION

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I am sure the Minister of Justice realizes—although some of his colleagues do not—that the Government does have carriage of the business in the House and is in complete charge of the agenda. I realize that the Minister has a review of the Criminal Code under way. However, this section deals with human lives. I cannot think of anything more important. I would like to suggest to the Minister that that section should be brought out and legislation introduced immediately, particularly when the Minister tells the House that he has taken a decision. How many Canadians have to die on their highways before the Minister will act?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, this legislation could be introduced in the next week or two or three, depending on the co-operation of Hon. Members opposite. We are only too anxious on this side of the House to start the new session. However, Madam Speaker, I would not want Hon. Members or the public to be under a misapprehension that the only way of dealing with this problem is through legislation. I agree that changes to legislation are necessary, but public education and much stricter enforcement are at least equally important in dealing with this very serious public problem.

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LABOUR CONDITIONS

UNEMPLOYMENT IN ATLANTIC REGION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Deputy Prime Minister. In response to a recent question the Minister said that, of course, the reduction of unemployment is a major priority of the Government. The construction industry in New Brunswick is experiencing a 76 per cent unemployment rate. By December, work at the Saint John Shipyard will have dried up with the result that 400 or 500 persons will be added to the soup lines. Unemployment in the Miramichi is between 40 per cent and 50 per cent, with another 3,500 to be added to that figure. This is reflective of the entire situation in the Atlantic region. Where is this policy of reducing unemployment in Atlantic Canada? It certainly is not there. What is the Minister going to do about it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the next time I am Acting Prime Minister I will answer that question.

EFFECT OF GOVERNMENT DEBT

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I will address my next question to the Minister of Employment and Immigration. I am sure the people in Atlantic Canada will take notice of the answer of the Acting Deputy Prime Minister.

I would ask the Minister to address himself to the question I have already asked. In addition to that, would the Minister tell the House how a Government, which has built up a deficit of $31 billion, with an annual price tag of $17 billion to $18 billion, with only pittance to show for it in Atlantic Canada, can possibly say to the desperate unemployed in that region that it is trying to do something about unemployment?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I could go back over a long litany of answers pointing out to the Hon. Member that in fact there has been considerable job creation in Canada. The record since last November is one which we on this side of the House are glad to see in terms of increasing employment, and we are optimistic that the recovery of the economy will continue. About three or four weeks ago I did send to the Hon. Member a complete description of the variety of programs which we have available to help his constituents. I would hope the Hon. Member would look through that material and come forward with projects which he could suggest to be utilized under those arrangements.

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MULTICULTURALISM

REQUEST FOR SEPARATE MINISTRY

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I would like to address a question to the Right Hon. Prime Minister. On April 21, 1980, on behalf of various multicultural groups, and in support of the appeal by the National Congress of Italian Canadians, under Standing Order 43 I called upon the Government to create a full Ministry of Multiculturalism. More recently, many multicultural groups have indicated that the present multiculturalism directorate no longer seems to be capable of handling the workload. Since we have groups such as the National Coalition of Blacks in Canada and other multicultural groups which are calling for a full Ministry of Multiculturalism, would the Prime Minister tell the House what his intentions are concerning the creation of a full Ministry of Multiculturalism?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I feel the present arrangement with the present Minister is the ideal arrangement. If we had a full Ministry it would cause problems in the machinery of government, because obviously people who belong to multicultural groups come under different Departments and they can be served by different Departments. There is a specific interest in multiculturalism which is best discharged, in our view, by having a Minister of State for Multiculturalism.

Mr. Lewycky: Madam Speaker, I am a bit disappointed in the response of the Prime Minister bacause it seems to indicate a kind of backtracking from the commitment that he made in 1971 with his policy statement to the House.

BUDGET OF DIRECTORATE

Mr. Laverne Lewycky (Dauphin-Swan River): My supplementary question is addressed to the Minister of State for Multiculturalism. The Government's budget for 1983-84 works out to something like sixty-six cents—

Madam Speaker: Order, please. The Hon. Member must ask a question. His preambles are much too long.

Mr. Lewycky: Madam Speaker, going directly to the question, could the Minister indicate what type of pressure he is exerting on other members of Cabinet to see that multiculturalism in Canada is more of a way of life rather than a mere Government policy to which they only devote 66 cents per capita for the population of Canada?

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Madam Speaker, first, the Government has increased the budget of the multiculturalism directorate, in fact, has doubled it, for the period of the last year and the next four years. Therefore I think that is quite a commitment. It would take too long here to catalogue all the various programs that have been put in place by the Government of Canada to enhance the multicultural dynamic of the country. I would be glad to give the Hon. Member information at a later date.

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GRAIN

WESTERN GRAIN STABILIZATION PROGRAM

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Transport. It follows on the heels of his answer of yesterday when he said, "We do not expect a payout with respect to the western grain stabilization plan". Does the Minister find any fault with the present administration or regulation of the plan? Specifically, is he trying to cause a greater sensitivity of the plan toward economic conditions that currently exist, and the needs of individual farmers?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as I pointed out in my answer yesterday, the grain stabilization payment is regulated by the legislation. It must be adjusted over a five-year average. That is very clearly part of the rules which the Hon. Member, himself, admitted in his earlier statement would have to be amended by the House. As I pointed out, according to the formula that is not a matter of policy but a matter of requirement, the average this year, or so it appears, will be above the five-year average.

I did indicate that that matter would be under review at the end of October, which is the normal time. If the Hon. Member has any specific complaint or judgment about the administration, I would be glad to receive it on behalf of the Minister of State responsible for the Wheat Board.

FIVE-YEAR AVERAGING PRINCIPLE

Mr. Arnold Malone (Crowfoot): Madam Speaker, I think the Minister has touched on the very point that I wished to ask him about. We in this House are all aware that we are bound by the legislation and a five-year average. I want to put the question to him again, though. Does he find any fault with the concept of the five-year average, bearing in mind the fact that a 10 per cent inflation rate for five years would in fact yield a 50 per cent misrepresentation from payments for the farmers? Therefore, can I have the Minister's view as to whether or not he finds that five-year averaging at fault, and is he agreeable to accepting an amendment that would shorten that period of time?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would be very pleased to have more detailed representations from the Hon. Member concerning any changes that he would want to see. I think it is a matter that would have to be more carefully assessed than one is given time to do during Question Period.

INCREASE IN PREMIUMS—REQUEST FOR CHANGE IN PAYOUT FORMULA

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to direct a supplementary question to the Minister of Transport. If, in his view and that of most producers, the formula that establishes the payout is at fault, considering that the payment for the insurance program started at $500 per year, was raised $900 per year, and is now at $1,200 per year, if the premiums can be changed would the Minister agree that he could change the formula to reflect the realities of 1983, and trigger a payout at this time?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I think we are all aware of the changing conditions in the grain market. It is for that reason that a review is being undertaken of the operation and application of the grain stabilization program. But I do not think one can pick out one ingredient and isolate it as being a cause or a factor. I think it must be reviewed over all. That review is under way and should be completed very soon. As I said, if Hon. Members of

the Opposition would like to make further representations, I would certainly be very pleased to receive them.

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PARLIAMENT BUILDINGS

PROPOSED TUNNEL BETWEEN WEST BLOCK AND CONFEDERATION BUILDING

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Public Works. Public Works Canada completed a study into building a pedestrian tunnel from the West Block to the Confederation Building to replace the present bus service. Does the Government plan to proceed with the building of the tunnel?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have not seen a final report. Obviously I will want to find out what it contains before I answer the Hon. Member.

POSSIBLE SAVINGS ON BUS SERVICE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, Public Works Canada also conducted a cost ratio study which showed that millions of dollars would be saved with the building of a tunnel to replace the bus service. Would the Minister also have an update on the cost ratio savings and inform me and the House, as soon as possible, if the Government plans to proceed with the tunnel?

Hon. Roméo LeBlanc (Minister of Public Works): Obviously, Madam Speaker, if this were considered seriously, substantially, those questions would have to be examined.

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AIR CANADA

ACCIDENT AT GIMLI—REQUEST FOR PUBLIC INQUIRY

Mr. Bill Domm (Peterborough): Madam Speaker, we have just learned that five staff members of Air Canada have been severely reprimanded, some of them suspended, some of them demoted, and other things done to others. In light of the fact that the airline, Air Canada, was just praised for its service, and in view of the fact that the pilot of the airplaine, through his miraculous ability to land the plane as a glider pilot, saved the lives of 69 people—

Some Hon. Members: Hear, hear!

Mr. Domm: —would the Minister, to avoid the appearance of a cover up—because the chairman of that investigation committee said, "You shouldn't have a bastard bunch of metric airplanes mixed in with the whole fleet"—would the Minister order a public inquiry into that Air Canada incident at Gimli, Manitoba?

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, such an investigation is already under way. I have already indicated to the House that results will be made known in a period of two or three weeks, at which time we would be able to provide a fuller assessment of what did take place in the Gimli air incident.

PASSAGE OF LEGISLATION

Mr. Bill Domm (Peterborough): Madam Speaker, my supplementary question is also directed to the same Minister. The last time, on September 15, that I asked that question here in the House, the Minister responded that if the Members of the Opposition would speed up the removal from committee of Bill C-163, we could have a public inquiry. We did speed it up. We removed the Bill from Committee, and the Government is dragging its feet in an effort to cover up Air Canada in the Gimli disaster by not having a public inquiry and by not bringing the Bill of the House of Commons for final approval, agreement from all Parties, and a public inquiry, to get around this reprimand of five employees of Air Canada, in an effort to cover up a bad administrative story.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, just let me remind the Hon. Member that the Government does have legislation that is presently before the House. As soon as the Opposition is prepared to pass it, we will be in a position to bring forward the aviation safety Bill.

Mr. Domm: You haven't brought it before the House.

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[*Translation*]

EMPLOYMENT

QUEBEC-OTTAWA JOB-CREATION PROGRAMS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Employment and Immigration. If my information is correct, it seems the Minister met with his Quebec counterpart very recently to discuss Quebec-Ottawa job creation programs. Could the Minister inform the House today how negotiations have progressed and whether an agreement can be expected shortly that would be in the best interests of both parties?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, as the Hon. Member suggested, I met my Quebec counterpart, Mr. Léonard, last night, to start discussions on how both Governments could proceed so that municipalities would receive funds designated for employment in the Province of Quebec. I can say that last night's meeting was very general and, I feel, fairly positive, and that during these talks, officials will continue to demonstrate their good will and common sense and that a way will be found to respect the jurisdiction of the provincial government and also the right

of the Government of Canada to treat its citizens in Quebec as it does Canadian citizens in other provinces.

* * *

● (1500)

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on October 4, meet the requirements of the Standing Orders as to form. The petition presented by the Hon. Member for Mackenzie (Mr. Korchinski) does not meet the requirements of the Standing Order as to form.

Although the petition by residents of the United States, presented by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) is correct as to form, I must note that it cannot be received by the House on the grounds that are cited in Citation 688(1) of Beauchesne's Sixth Edition which states:

Aliens, not resident in Canada, have no right to petition Parliament.

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OFFICIAL LANGUAGES

NOTICE OF RESOLUTION ON FRENCH LANGUAGE RIGHTS IN MANITOBA

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there has been consultation among the representatives of the different Parties on a very important subject. I suggest that you seek unanimous consent of the House to deal with the following House order once I have finished reading the House order so that we will be able to adopt it without debate today and are able to proceed accordingly. Therefore, the House order is the following:

That at 3 p.m. on Thursday, October 6, 1983, any business before the House shall be interrupted and a Minister of the Crown shall propose the following motion:

[*Translation*]

Whereas a fundamental purpose of the Constitution of Canada is to protect the basic rights of all Canadians, including Aboriginal peoples, English-speaking and French-speaking minorities, religious, ethnic and other minority groups;

Whereas the Constitution contains provisions respecting the status and use of the English and French languages in Canada;

Whereas the *Manitoba Act, 1870* was enacted by the Parliament of Canada to establish the province of Manitoba and is part of the Constitution;

Whereas in 1870 Parliament provided special protection for the use of the English and French languages in Manitoba under section 23 of that Act;

Whereas the Supreme Court of Canada, on December 13, 1979, reaffirmed this constitutional protection under section 23 of the *Manitoba Act, 1870;*

Whereas the Constitution is the supreme law of Canada and is binding upon Parliament and the Legislatures of all provinces;

Whereas it is in the national interest that the language rights of the English-speaking and French-speaking minorities in Canada be respected and protected in a spirit of tolerance and civility, amity and generosity;

Whereas an agreement was reached on May 16, 1983 by the Government of Canada and the Government of Manitoba, with the participation of the Société Franco-Manitobaine, to modify the *Manitoba Act, 1870,* so that the Government and Legislative Assembly of Manitoba can fulfill effectively their constitutional obligations under section 23 of that Act;

Whereas it is in the national interest to support continued efforts by the Government and Legislative Assembly of Manitoba to fulfil effectively their constitutional obligations and protect the rights of the French-speaking minority of the province;

(1) the House endorses, on behalf of all Canadians, the essence of the agreement reached by the Government of Canada and the Government of Manitoba, with the participation of the Société Franco-Manitobaine, on May 16, 1983, to modify the *Manitoba Act, 1870;*

(2) the House invites the Government and Legislative Assembly of Manitoba to take action as expeditiously as possible in order to fulfil their constitutional obligations and protect effectively the rights of the French-speaking minority of the province.

[*English*]

Provided that after one spokesman from each Party in the House has spoken, the said Motion shall be deemed to have been adopted.

Hon. Erik Nielsen (Yukon): Madam Speaker, it is quite evident that the Government House Leader (Mr. Pinard) did not provide the translation services with a verbatim copy of the resolution, for as I listened to the translation, it departed significantly from the text of the resolution which the Government House Leader was good enough to provide to me when he sought my consent.

All that he has to do is to assure me that the copy he provided to me is the actual text of what he read in French today and I would be happy, on behalf of my Party, to provide our unanimous consent to this House order.

Mr. Pinard: Yes, Madam Speaker, I am pleased to confirm to the Hon. House Leader of the Opposition (Mr. Nielsen) that what I read in French is what I have shown in both French and English.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the concerns raised by the House Leader of the Official Opposi-

tion (Mr. Nielsen) were indeed the same concerns that I had. I am pleased to hear the House Leader (Mr. Pinard) indicate that the text which we have had an opportunity to peruse and approve is in fact the text that will appear in *Hansard*. We are very pleased to give our consent.

Mr. Bill Yurko (Edmonton East): Madam Speaker, I have been consulted on this matter by the Government House Leader and he has provided me with a copy of the resolution.

I have categorically stated my views on this very important matter in my speech on the Constitution on March 10, 1981, and again under Standing Order 21 on May 26, 1983, both of which are recorded in *Hansard*. I wholeheartedly give my consent to the resolution that is presented to the House today.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent of the House?

Some Hon. Members: Agreed.

Motion (Mr. Pinard) agreed to.

* * *

NOBEL PEACE PRIZE

CONGRATULATIONS TO LECH WALESA, 1983 RECIPIENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise on a point of order. I think you will find that there is unanimous agreement, after consultation with all Parties, to the following motion. I move, seconded by the Hon. Member for York-Peel (Mr. Stevens) and the Hon. Member for Parkdale-High Park (Mr. Flis):

That this House conveys to Lech Walesa our congratulations on behalf of the people of Canada on his being named the recipient of this year's Nobel Peace Prize.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

POINT OF ORDER

MR. DEANS—WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, last evening it was brought to my attention that the record of yesterday's debate indicated that I had, during a heated exchange with the Minister of Finance (Mr. Lalonde), called the Minister of Finance a liar. I know the rules of parliamentary debate. I recognize that this word is not acceptable parliamentary language, regardless of the circumstances or my personal view, and I withdraw it.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

BROADCASTING ACT—AMENDMENT RESPECTING PORNOGRAPHY

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I have four petitions today which are basically on the topic. One is submitted by Mrs. Violet Drabble from Speers, another from Mrs. Roy E. Kieper from Radisson and another from Jessie and Bruce Smith from Battleford. They call upon the House to bring about a resolution regarding what they and many Canadians see as a problem that of pornography being degrading to women, children and men alike. The undersigned, your petitioners, ask that this Parliament demonstrate its opposition to the degradation of women by enacting an Act to amend the Broadcasting Act. This was introduced by the Hon. Member for Broadview-Greenwood (Ms. McDonald) on March 8, 1983 which will be debated in the House this afternoon.

● (1510)

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I have a large number of petitions which I would like to present as a group. Some come from my own riding of Broadview-Greenwood. They are all in support of my Private Members' Bill to be discussed this afternoon, Bill C-675. Some are from other parts of Toronto, including the riding of St. Paul's and some north Toronto ridings. There is a large number from Kootenay West from the towns of Castlegar; Glade; Trail; Riondel; Proctor; Fernie; Rossland; Crawford Bay; Argenta; Nelson; Salmo; Burton; Winlan; Fruitvale and Nakusp. Also there is a petition from the board of directors and regional representatives of Media-Watch.

I would like to thank them all, and indeed the many hundreds of people who have sent in petitions in support of this Bill.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I have a number of petitions touching on the same subject as the Private Members' Bill which will be introduced today by my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald). These petitions come out of an information meeting held by the women's movement in Winnipeg for the general public, and they call upon Parliament to act to stop the abuse consisting of pictorial representations that affect women in this country.

Mr. Dan Heap (Spadina): Madam Speaker, I have the honour to present a petition from residents of Spadina, Ontario, on the matter to be debated this afternoon, namely an Act to oppose the denigration of women by amending the Broadcast Act as introduced by the Hon. Member for Broadview-Greenwood (Ms. McDonald) on March 8, 1983, and as in duty bound your petitioners ever pray.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,880 and 4,955.

[*Text*]

EMPLOYER PENSION PLAN CONTRIBUTIONS

Question No. 4,880—**Mr. Gauthier:**

1. What is the method of determining employer pension plan contributions for employees of Departments?

2. What is the method of determining employer pension plan contributions for employees of Crown corporations who are covered by the Public Service Superannuation Account (PSSA)?

3. What was the estimated percentage of payroll employer pension plan contributions made by (a) Departments (b) Crown corporations who are covered by the PSSA for the fiscal year 1982-83 and each of the preceding five fiscal years?

4. What is the estimated additional amount in employer pension plan contributions that PSSA Crown corporations would have been required to make in the fiscal year 1982-83 and each of the preceding five fiscal years if their pension plan contributions had been determined in the same manner as those of Departments?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. Under the legislation governing the Public Service Pension Plan, the Government as an employer, each year:

(a) Matches the departmental employee contributions made to the Public Service Superannuation Account in the previous year,

(b) Matches the departmental employee contributions to the Supplementary Retirement Benefits Account in the current year,

(c) Pays the net cost of amortizing the actuarial credits (e.g. for annual salary increases) made to the Public Service Superannuation Account,

(d) Pays the cost of any indexing payments made to retired employees in excess of pensioner credits to the Supplementary Retirement Benefits Account.

The Total of the costs is divided by the total of the salaries and wages of departments to determine a uniform percentage of payroll that each department pays as pension contributions in respect of its employees.

2. Public Service Corporations match the current contributions paid by their employees to the Public Service Superannuation Account and the Supplementary Retirement Benefits Account.

3.

	(a) Departments	(b) Public Service Corporation
	Per cent	Per cent
1982-83	13.3	6.4
1981-82	14.3	6.4
1980-81	11.4	6.4
1979-80	10.6	6.4
1978-79	11.4	6.4
1977-78	10.6	6.4

4.

	(000,000's)
1982-83	$ 96
1981-82	84
1980-81	24
1979-80	17
1978-79	19
1977-78	18

MACHINERY AND EQUIPMENT ADVISORY BOARD

Question No. 4,955—**Mr. Mazankowski:**

1. Is there a Machinery and Equipment Advisory Board and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Board (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Board publish in the fiscal year 1982-83?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): In so far as the Department of Industry, Trade and Commerce is concerned:

1. Yes.

(a) The Machinery and Equipment Advisory Board is comprised of a Chairman and the Deputy Ministers of Industry, Trade and Commerce/Regional Economic Expansion, Finance and National Revenue. Deputy Ministers are represented at these meetings by officials from their respective departments.

(b) (i) The members of the Board or the officials who represent their Deputy Ministers at Board meetings are required to have a broad understanding of their representative department's responsibilities in terms of commercial policy, tariff administration and knowledge of the machinery sector of the Canadian Economy.

(ii) Deputy Ministers are ex officio members of the Board.

(c) Neither the Chairman, the members of the Board nor officials who replace Board members receive any remuneration for exercising their responsibilities to the Board.

(d) The Machinery and Equipment Advisory Board's administrative requirements are provided by indeterminate employees of Industry, Trade and Commerce using existing accommodation and resources.

2. (a) The Board was established on the recommendation of the Minister of Industry, pursuant to section 15 of the Department of Industry Act (P.C. 1967-2301). The terms of reference of the Board are to consider applications for remission of duty on goods classifiable under Tariff Item 42700-1 and to advise the Minister of Industry which goods, in the judgment of the Board, are eligible for remission.

(b) See 2 (a) above.

(c) The Board generally meets weekly, although there are no specific requirements on how often it must meet.

(d) The Board published an annual report in 1982-83 and provided recommendations concerning approximately 17,000 duty remission applications.

[*English*]

Mr. Evans: I ask that the remaining questions be allowed to stand.

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*Translation*]

Madam Speaker: Shall the notices of motions stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Lambert: Mr. Speaker, I note that the number that has been called and the item set down for the first item of business bears a serial number of about 600. May I respectfully raise again the objections that I have put before, that late comers on the list are getting debating time, whereas there are some Private Members' Bills that have been on the Order Paper, quite as important to the Members who are the sponsors, since 1980.

Why is it that an official, to whom apparently this authority has been delegated to select items, should do so? That is a matter for the Table officers, and there was an order of precedents that was set. I am not aware that there has been any agreement by the House to vary the procedure. Why is it that we have the Johnny-come-latelies coming in now?

The Acting Speaker (Mr. Blaker): I do not think it is appropriate for the Chair to comment too extensively on that subject. I might indicate to the Hon. Member very briefly that my understanding is that Private Members' Bills come forward on the basis of agreement and availability of the private Member. I might also indicate that recent information from the Standing Committee on Procedure and Organization that

the handling of Private Members' Bills will be shifted from its present system to a system which responds to the Deputy Speaker and to the Clerks at the Table.

I understand the Hon. Member's point. He has raised it before.

Mr. Lambert: And nothing has been done to vary it.

The Acting Speaker (Mr. Blaker): I believe that if the Hon. Member wishes to check the records of the Standing Committee on Procedure and Organization he will find that that problem has been addressed.

Mr. Lambert: Mr. Speaker, may I say that the only time this has been addressed is apparently in a letter circulated by the former Parliamentary Secretary to the President of the Privy Council who was proposing a rather complicated procedure. It did not receive sanction from anyone as far as I know.

All I am saying is that we have well known established rules with regard to the filing of two types of motions and of private Bills. There were procedures laid down quite clearly as to how the priorities would be chosen. May I say, as one who still has two outstanding Bills, that no one has approached me concerning these apart from the one that I have had to debate. I do not believe there is a sort of seriatim right pertaining to everyone in the House to be asked or to have proposed a Bill so their name may appear as a proposer of some private Member's motion.

The Acting Speaker (Mr. Blaker): I will repeat, with the permission of the Hon. Member, that I have heard his comments before on the subject. I am aware of the grounds for his comments. I have indicated that, as far as I am aware, the Procedure and Organization Committee has addressed this subject. I think that if he would accept my comments as indicated that the form for procedure with respect to Private Members' Hour seems to be on the way, then, with his agreement, I might be able to proceed. I cannot say anything further because it is not within my particular authority to do so. I would hope the Hon. Member would understand that and realize the subject has been addressed in the committee.

Mr. Lambert: If you are deputizing for Madam Speaker, you have the authority—

The Acting Speaker (Mr. Blaker): If the Hon. Member wishes to stand and make a further comment, I will recognize him, but it is difficult to have a personal conversation with the Chair.

Mr. Lambert: Mr. Speaker, as my last comment may I say that I admire your diffidence as to authority, but at the present time the occupant of the Chair is representing the Speaker, and the Speaker has the authority on all these matters. Therefore, in my book there is no ducking it.

The Acting Speaker (Mr. Blaker): In that case, I shall not attempt to duck it and will simply proceed as I ought to in the circumstances.

Shall all orders listed under Private Members' Public Bills preceding order No. 475 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

Mr. Lambert: I will let it go on division. I am not going to make any issue of it. I do want it noted that I protest on the part of a great number of Members in this House against the procedures that are adopted.

Just to go on a little bit. I do not have any material here but if the Clerk will pull out a Bill that is in my name, I will take it.

● (1520)

Mr. Dionne (Northumberland-Miramichi): A point of order, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Of course I will recognize the Hon. Member for Northumberland-Miramichi (Mr. Dionne) on a point of order, but I indicated in my remarks that I hoped the Hon. Member for Edmonton West (Mr. Lambert) had realized I was aware of the point he raised and that it was my feeling the problem was on the verge of resolution. Having said that, that is no more than an effort to ask the Hon. member for Edmonton West whether he would accept my indication in the present circumstances. If he does not accept that view and does not wish to give his consent to proceed, that is entirely his right as an Hon. Member of the House, and I would respect that right without any hesitation whatsoever.

I have indicated that I will recognize the Hon. Member for Northumberland-Miramichi, but I want to indicate that if the matter becomes one of increasing debate, the probability is that we will not be able to proceed today in the usual fashion.

Mr. Lambert: Well, Mr. Speaker—

The Acting Speaker (Mr. Blaker): I will now recognize the Hon. Member for Northumberland-Miramichi.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, obviously I did not rise to debate a point but simply to raise a point of order. When you asked for unanimous consent, it was not given. Consent on division is not unanimous consent.

Mr. Lambert: Mr. Speaker, in light of what you said, I was prepared to go ahead with any Bill of mine they want to bring forward. I will withdraw that for today. I have done this, but I want to underline that I disapprove of the procedure under which we are going forward with Private Members' Bills and that we should return next week to the appropriate procedure which had been laid down.

The Acting Speaker (Mr. Blaker): The Hon. Member for Edmonton West has made his point, and has made it strongly. I hope other Hon. Members realize that he feels strongly about the issue and that recommendations to the Standing Comittee on Procedure and Organization might be considered in the circumstances. He has also indicated that he is prepared to give his consent toward a unanimous consent that we might proceed as we do in the ordinary course of events. Accordingly, I will put the question again. Shall all orders listed under Private Members' Public Bills preceding order No. 475 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

BROADCASTING ACT

AMENDMENT TO PROHIBIT ABUSIVE COMMENT ON THE BASIS OF SEX

Ms. Lynn McDonald (Broadview-Greenwood) moved that Bill C-675, an Act to amend the Broadcasting Act, be read the second time and referred to the Standing Committee on Communications and Culture.

She said: Mr. Speaker, I am very happy to have the opportunity to debate my Private Member's Bill, Bill C-675, this afternoon. It is a very simple amendment to the Broadcasting Act. All it will do is to add the following sentence:

> Notwithstanding paragraph (c), no station, network operator or pay television licensee shall broadcast any abusive comment or abusive pictorial representation of any race, religion, creed or sex.

This is a phrase which has been taken from the existing broadcasting regulations established by the CRTC. It is necessary for Parliament to put this clause into the Broadcasting Act because the existing phrase in the regulations includes only the first three criteria—race, religion or creed. Abuse on the basis of sex is not there despite many recommendations that it be added to the list. The broadcasting regulations are hopelessly out of date. Regulation amendments were proposed more than a year ago by the CRTC task force on sex stereotyping in the media. They have been advocated by groups like the National Action Committee on the Status of Women, Media Watch and various organizations. The CRTC has persistently refused to amend its own broadcasting regulations, so it is now up to Parliament to take the necessary action.

One proposal has been that as well as race, religion, creed and sex there should be other criteria added, for example, age and physical or mental handicap. Some people have suggested that the Act should include all categories which are now in the Charter of Rights. I would certainly be in agreement with doing this. The appropriate time to do this, I would suggest, is at committee. The real problem in broadcasting right now is the abuse of women, the problem of pornography. That is the real problem.

I am a practical person. I am directing my efforts toward solving a most important problem that we have to face in abusive broadcasting. That is why the proposal is the way I framed it. Race, religion and creed have already been accepted. Now we have to add sex to the list. Certainly it would be appropriate to add the other categories. There is some symbolic importance in doing this, to make clear the kind of protec-

tion we believe Canadians deserve and to make it consistent with the Charter of Rights.

There is support for this proposal all across the country. Petitions have been introduced in Parliament from all parts of the country; there have been thousands of signatures. I am very happy to report that the people who supported this Private Member's Bill include women and men of all ages, church groups, unions, voluntary associations, large organizations, small organizations, all kinds of people. I am very pleased to be able to report that there is a great deal of support for this Bill among men. I have had many men in my own constituency say that they are very glad to see that I am taking up the issue of pornography and taking it up very vigorously. Male constituents of mine have told me that they are horrified and ashamed by pornography.

It is women who are the prime victims of pornography, it is women who are the physical victims of abuse, as well as a growing number of children. But it is still largely women who are the victims. However, the role for men in pornography is as the "pornographer", as the aggressor. Decent men do not like to be identified with this role. Men too are demeaned by pornography. Pornography is demeaning to men. It is also an insult to their dignity. To women it is an insult not only to their dignity but also to their security and sometimes to their lives. The wielder of the whip is demeaned but the receiver of the blows bears the scars.

Let us be very clear about what is the problem. I am talking about pornography, especially violent pornographic abuse with real victims. The issue is not sexual explicitness; it is coercive relationships, it is about abuse. Pornography is growing in quantity and it is getting worse in quality. We also have growing evidence of the harmful effects of pornography. There are psychological studies which show that men who are exposed to pornography, to pornographic films, video cassettes and so forth, are more likely to injure, to hurt a woman or a child. It has been shown that men who are exposed to pornographic films are more likely to accept the rape myth that rape does not really happen, that the women really liked it after all, that aggression is all right because the woman comes around in the end.

Indeed, this has been found to be the most dangerous kind of pornography because it is the one that excuses actual sexual assaults, at least in the mind of the person who commits them. It is false, it is a lie. Pornography does lie. We must face that lie and denounce that lie.

I want to relate the issue of pornography to the broader issue of sex role stereotyping. I was a member of the CRTC task force on sex role stereotyping in the media. It was set up in response to a large number of complaints which women had been raising with regard to their portrayal generally in the media. These were complaints about under-representation in serious programming, under-representation in the news and public affairs, not treating women's issues seriously as real news issues and of course over-representation and ridiculous representation of women in advertising. These were the issues which prompted the task force on sex stereotyping. It was only at the end of a three-year study that the pornography issue really became clear, that it emerged. Thus, public members of that task force came up with the following statement about pornography:

● (1530)

Male dominance and female submissiveness are at the very heart of the stereotypes of men and women. Pornography is the extreme portrayal of dominance and exploitation of women's sexuality. Pornography, or any portrayal of violence against women, is the ultimate expression of dominance submissiveness, the objectification and the abuse of women. As such, pornography or the portrayal of violence against women has no place in the broadcast media.

Very specifically, the public press members recommended that sex be added to the list in the broadcasting regulations. This, of course, has not been done and that is why we have proceeded to this Bill this afternoon. We worry that all the good that the task force on sexual stereotyping did could be undone by the proliferation of pornography. We are seeing some improvements in the portrayal of women in the media, but all of these good effects could be reversed if late at night we see adult programming that is pornographic and demeans women in a much more serious way.

Mr. Speaker, we could move from ring-around-the-collar on the old television to noose-around-the-neck in the adult programming. Women used to be portrayed as being excessively clean. We worry now about women being portrayed as excessively bloody.

In the old television, women sought to get male approval by being good housewives. Now it goes very fast, women are simply beaten into submission in pornography. In the old days, television showed women as the chatelaines of middle-class domesticity. Shall we give this up now for women as inmates of the torture chamber?

[*Translation*]

There is the matter of freedom of expression. Yesterday, in answer to my question, the representative for the Minister of Communications raised the point of freedom of expression being entrenched in the Charter of Rights and Freedoms. We all know there is a limit to freedom of expression. We do not have the right to shout "Fire" in a movie theatre. We are not allowed to make libellous statements about another person. We are not allowed to counsel someone to commit murder, assault or any other crime. The individual's right to life and security is more important.

I think the Minister of Communications has been somewhat hypocritical in his comments. He raised the issue of freedom of expression when women demanded legal protection. The same protection already exists for minorities and religions. Why the double standard? Does the Minister of Communications mean that minority groups and religions deserve to be protected by law and that women do not? And if that is his position, I would ask him to say so clearly to Canadian women, and if it is not, it is up to the Minister of Communications to take a stand and to support this Private Member's Bill today.

The CRTC made its position on freedom of expression known not long ago in its ruling on the complaint against CKVU in Vancouver. A complaint had been lodged by Media Watch, after a program where the commentator expressed the hope that in a conventional war, the women of Media Watch would be at the front so they could be raped by Russian soldiers. The CRTC explained that the Broadcasting Act involved certain rights and obligations assumed by all licensees. One requirement is that programs must be of high quality. The Commission stressed that freedom of expression was not absolute and was limited by other legislation passed to protect other values that were equally precious. The CRTC agreed with Media Watch that the issue was not whether the women should be raped or not, and I quote:

The right to freedom of expression on the public airwaves cannot prevail over the public's right to receive high quality broadcasts that are free of denigrating comments or incitements to violence against any identifiable group.

[*English*]

The CRTC has shown a great deal of sense and sensitivity in its decision, but note that there was no remedy in the decision. There has been a lot of hypocrisy when the issue of freedom of speech has been raised. Where were the people who talk about censorship when women were demanding the end of censorship of women's news and the right for women to be in the news and to be part of public affairs programs? Why are the people who are worried about censorship not demanding that the protection that now exists on the basis of race, religion and creed be removed? There is certainly an inconsistency. Why is censorship only an issue where women's rights are concerned and nobody else's? I ask people to be consistent.

What are we going to do about this? Passing this Private Members' Bill today is only one step. I suggest that many others are needed. The Minister of Communications (Mr. Fox) is responsible for appointments. There is a vacancy for the position of head of the CRTC. I suggest that the Minister should be considering a woman. He should be considering a feminist. He should consider the stand on pornography of whoever is considered for this position. The CRTC should ask these questions as much as they ask questions on Canadian content.

The CBC has a board of directors. It is responsible for a great deal of programming. There is only one woman on a board of 15 members. There are four vacancies. This is shameful. It is not because women's organizations have not put forward names. I have personally recommended people, but it has not done any good.

I would like to support the recommendation which Canada presented at Copenhagen to the United Nations Decade on Women. There was already a provision encouraging "the fullest and most active participation of women at all levels of policy-making and decision-making within media organizations". Our Government put forward this addition, and I quote:

Governments should use the opportunities they have by way of appointments to regulatory bodies and broadcast networks to ensure that women are equally represented in senior decision-making.

We have only one woman out of 15 on the CBC board of directors, and yet that was said in 1980 in Copenhagen. Where is the Minister of Communications?

The CRTC must get tough on Pay TV and tough on pornography. Adhering to the guidelines on sex-role stereotyping should be a condition of licence for every station and network in the country. There should be the possibility of revocation of licence when there are serious violations. These are the public airways. Commercial operators make money by using them. We should demand high quality and concern for human rights when we in effect rent out our public airwaves.

The Minister of Justice (Mr. MacGuigan) has some responsibility. The obscenity laws are inadequate. They are antiquated. The language is bizarre. The Minister has proposed an amendment. It is a good amendment. However, it will not come up for a while even though he said it would be up shortly as long ago as last April. It will stress violence and add the notion of degradation. This is certainly moving in the right direction, but what we need are tough laws and much tougher enforcement. Pornography is a business. People make money from it. It is important that the fines that are levied make this business unprofitable.

The courts do not adequately understand pornography. In some cases their interpretations have been quite misguided. Certainly the fines they have imposed have been rather paltry. We hope to see a growing sensitivity on the part of the courts. We want to see many more prosecutions in order to really get rid of the problem.

Something else the Minister of Justice could do in bringing in tougher laws is to see that they are carefully directed. We want them to be tough, but we do not want them to go all over the place. We do not want to see people like Margaret Laurence, who has been harassed by the school boards, hindered by the Criminal Code. We need proper distinctions. The Canadian Association of University Teachers has proposed an eminently sensible one, in my opinion, to ensure that scientific research, political discussion, serious artistic and literary work will not be included in the definition of pornography. That would be a sensible approach and one that would make it easier to have really tough laws to go after those who are clearly the offenders.

● (1540)

I seek today, Mr. Speaker, approval in principle of this Bill. Simply referring the subject matter to committee is something which I would be happier to accept than having the Bill talked out. However, I would suggest that simply referring the subject matter to committee is not quite what this Bill deserves. Referring the subject matter to committee, would suggest that this is a matter which perhaps is a good idea but needs more study. We do need more study about what to do with the victims of pornography and about all kinds of aspects of pornography, but we do not need a study on the principle of the Bill. We need a clear statement of that principle and we know what it is. Wording has been developed that comes right out of the broadcast regulations. It would fit right into the Act

and it would fit right into the section of the Act which deals with policy. It is an appropriate amendment, and I do not think that we really need to take a step backward and merely look at the whole subject again.

The issue at stake is equality. Anyone who believes in equality for women in Canada must be against pornography because it limits the freedom of women to work, to go out, to take part in trade unions, political Parties, and social, cultural and sports events. Pornography makes women afraid and women cannot be full citizens and full participants in our society while that fear exists. Therefore, I call on all men and women to recognize that we must resist, denounce and fight pornography wherever and whenever possible. Hon. Members of the House here today have the opportunity to take a step that will approve Bill C-675 in principle. The women of Canada expect that of Hon. Members and the women of Canada deserve no less.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I am pleased to have this opportunity to speak to and offer my full support for Bill C-675 standing in the name of the Hon. Member for Broadview-Greenwood (Ms. McDonald). Because of the nature of politics, some people may find it unusual that a Conservative Member of Parliament would speak in favour of a Private Member's Bill standing in the name of a Member of the New Democratic Party. However, this Bill is interesting, it is important and it deserves support from all Members of the House. I would like to endorse the principle of the Bill and certainly see it obtain approval in principle at second reading. Failing that, I would like to see the subject matter of the Bill referred to the Standing Committee on Communications and Culture.

I should point out as an aside to the Hon. Member for Broadview-Greenwood and other Members of the NDP who were not here five and a half or six years ago that at that time, I was here in the Parliamentary Press Gallery and as a broadcaster was very concerned about the subject matter of pornography and particularly pornography on the airwaves. A whole series of Private Members' Bills were put on the Order Paper five and a half or six years ago by the Hon. Member for St. John's East (Mr. McGrath), the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), the Hon. Member for Provencher (Mr. Epp), the Hon. Member for Edmonton South (Mr. Roche) and the then Hon. Member for the riding that was then known as Selkirk, Mr. Dean Whiteway. The subject matter of the Bills was referred to the Committee on Justice and Legal Affairs, the Chairman of which was the present Minister of Justice (Mr. MacGuigan). The committee came up with unanimous recommendations designed to deal with the spreading pornography crisis. All of those recommendations have been ignored to this day.

We are starting all over again, Mr. Speaker. It is our expectation that the Government side will approve in principle the subject matter of the Bill introduced by the Hon. Member for Broadview-Greenwood, and certainly we on this side give that approval. Perhaps when the subject matter goes to committee this time, specifically the Committee on Communications and Culture, we can deal with it expeditiously and put on the statute books, through an amendment to the Broadcasting Act, some meaningful legislation and laws designed to deal with the spread of pornography over the public airwaves and, in some cases, through the printed media. I will refer to that in a few moments.

The genesis of the Bill is worth mentioning again. The Hon. Member for Broadview-Greenwood was a member of the task force on sex role stereotyping in the broadcast media which was formed in September, 1979, by our then colleague, my friend, the Hon. David McDonald, who was the Minister of Communications. The mandate of that task force was, and I quote:

> To delineate guidelines for a more realistic and positive portrayal of women in radio and television (both programming and commercials) and to make policy recommendations for consideration by the Commission and the broadcasting industry.

The task force reported in September, 1982, with a well thought out document which contained many valuable recommendations, some of which deserve reiterating now. I read from that report as follows:

> The following summary of concerns was compiled and discussed by the Task Force: (only related concerns listed)
>
> "Women should not be used as sexual stimuli or lures, or as attention-getting, but otherwise irrelevant, objects."
>
> "Broadcasting should not demean or degrade women through the images used to portray them."
>
> "Male dominance and female submissiveness are at the very heart of the stereotypes of men and women. Pornography reflects the extreme portrayal of dominance and the exploitation of women's sexuality. Pornography, or any portrayal of violence against women, is the ultimate expression of dominance/submissiveness, the objectification of women. As such, pornography, or the portrayal of violence against women has no place in the broadcast media."

As a former broadcaster intimately involved with that industry, I say Amen to those concerns.

The task force recommendations for Pay TV read as follows:

1. recognize the public concern about sex-role stereotyping
2. adopt the applicable programming recommendations set out in this report
3. exercise sensitivity to, and awareness of, the problem of sex-role stereotyping in the acquisition of programming material or rights
4. ensure that women are adequately represented on and off air

I presume that off air in this case means that women should be represented as prominent members of boards and commissions.

Incidentally, I would applaud and second the suggestion made by the Hon. Member for Broadview-Greenwood that the next Chairman of the Canadian Radio-television and Telecommunications Commission might well be a woman and one who would be able to bring to that very important regulatory body the concerns that are raised in this Bill.

The recommendations I have just read from the task force report are ones that we as Members of Parliament should look at very carefully, particularly in light of the second stage generation of this Bill and the Playboy adult programming controversy which surfaced last January over Pay TV programming. Before I get to that, I will point out that this issue is clearly in the minds of the media. As I was putting together some remarks for this speech, I came across an interesting

article from the Hamilton *Spectator* of September 27, 1983. The headline reads: "Use power of sales against porn: Broadcaster". That braodcaster was speaking in Kitchener and said:

> People should use their buying power to force pornographic advertising from the media, says a 10-year veteran of radio broadcasting.
>
> "It's a weapon too many of us don't use," said Liz McCloy, a third-year divinity student at the University of Toronto, during a conference on pornography. "Radio stations have images, corporations have images."
>
> When listeners or viewers phone to complain, they may not see the effects of the call, but Ms. McCloy said from her radio experience, "panic sets in."
>
> "Memos go out from general managers to announcers, salesmen and programmers: 'We have to clean up.' "

There is great power in the advertising dollar over the broadcasters when they do step over the mark. The problem that this Bill deals with and the problem we all face is that there is nothing now in the Broadcasting Act to give any kind of direction which would regulate or prevent pornography or the sexual exploitation of women in advertising.

● (1550)

I mentioned the furor on one of the pay TV channels over this Playboy adult programming. I think most Members received a lot of mail on this from their constituents because I did. Although the Playboy TV issue is only a small part of the pornography question, it serves to focus attention on the fact that we have progressed—if you like to use the word progressed in this context to the point where soft-core pornography is available on your television set via broadcast. I wonder how long it will be before soft-core pornography gives way to hard-core pornography and all its horrible ramifications.

The Playboy pay TV episode focused concern on the entire pornography/violence issue. One of the connections between violence toward women and pornography, violent sexism whether implicit or explicit, is that it leads to the degradation of women and has no place in the broadcast media.

As a communications critic for the Official Opposition I am concerned with the sex stereotyping of women in advertising and the degradation of women over the airwaves. Some of us take equal exception to printed exploitation. As a former journalist I recognize that this takes us into the most difficult and sensitive area of censorship, and I am not prepared to deal with that at the moment.

The CRTC is supposed to make decisions based on its view of what is in the best interests of the general public. It must decide what minimum standard of public morality should be applied by those it licenses. This is not a new idea and it falls within the power of the commission.

I would draw to the attention of the House the current code of advertising ethics developed by the CRTC, broadcasters and advertisers and the task force report which I mentioned earlier.

I should like to see the pay TV companies subscribe to and work within the guidelines set out in the report on sexual stereotyping, but there does not seem to be a great deal of activity in this area. Perhaps this is an extremely important and vital reason why we must have a new Broadcasting Act from the Government—or from the next Government which some of us on this side will have a say in.

I should like to see a new Broadcasting Act tabled in the House as soon as possible and I think it should contain the material set out in Bill C-675, introduced by the Hon. Member for Broadview-Greenwood.

Although I would prefer pay TV licencees and the CRTC to come to a co-operative agreement, perhaps the way to set up such a public forum would be to send the Bill to the Standing Committee on Communications and Culture and invite pay TV companies to appear before it to justify why they feel they should not come under more stringent laws on pornography.

Essentially, we are still dealing with the public airwaves and with young people, and we just cannot leave everything to their choice. Somewhere a provision has to be enshrined in the Broadcasting Act which will prevent the sex stereotyping of women.

I am sure I speak for all Members of the Official Opposition when I say that we are pleased to support wholeheartedly the subject matter of Bill C-675.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as Parliamentary Secretary to the Minister of Communications I welcome this opportunity to participate in the debate on Bill C-675, presented to the House by the Hon. Member for Broadview-Greenwood.

I think it is quite evident from the remarks and comments I have heard outside of the House by Members of all the Parties represented here, that there is a great deal of support for the Bill. I had hoped that the debate this afternoon would be along those lines. This being politics, however, I must say that I am a little disappointed in some of the remarks of the Hon. Member for Broadview-Greenwood in her criticism of the actions or, as I suppose she was suggesting, the inaction of the Minister of Communications (Mr. Fox) regarding this very important concern.

I believe that actions do speak louder than words. If one were to look in *Hansard* since the whole issue of pornography came to the fore, one would see that the Minister of Communications has stated a number of times—and that I, as Parliamentary Secretary have stated a number of times—concern about this matter. We have suggested to the various elements of society responsible for pornography and the degradation of women in broadcasting, and the sex stereotyping question, that they clean up their act.

I am not going to go on at great length this afternoon about the Bill. I think everyone supports it in principle. Certainly the Minister has indicated his concern that something be done in a very definite and parliamentary way through the legal process to put teeth into the Broadcasting Act and regulations affected thereby.

As late as yesterday afternoon the Minister of Communications and I had the opportunity of a meeting with representatives of Media Watch, one of the groups to which the Hon. Member referred. It was set up to watch the media, television

in particular, and programs related to pornography and sex stereotyping. Media Watch has been funded by the Minister responsible for the Status of Women who has been very much concerned about this matter and who wants to see something done in a positive way.

It is not only the Hon. Member for Broadview-Greenwood who has been carrying the torch on this question. Certainly on this side of the House the Ministers responsible have been trying to arrive at a suitable solution to this very penetrating question.

It has been suggested by the Hon. Member that the Minister of Justice (Mr. McGuigan) set up a special committee to see how the Criminal code could be changed as it relates to violence and sexual crimes. In turn, this will relate to the broadcasting industry.

I should like to add my support for this Bill, Mr. Speaker. It has been suggested that we send it on to the Standing Committee on Communications and Culture, and I think that is where it should be handled. It is not a question of trying to prolong the debate, but to change the Broadcasting Act and put teeth into this section is not as simple as the Hon. Member states. There is a difference between changing the Broadcasting Act and amending CRTC regulations.

I would therefore move:

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

Bill C-675 an Act to amend the Broadcasting Act be not now read the second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Communications and Culture.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said amendment?

Some Hon. Members: Agreed.

Amendment (Mr. Burghardt) agreed to.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion, as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Blaker): Accordingly, the order is discharged, the Bill is withdrawn and the subject matter thereof is referred to the Standing Committee on Communications and Culture.

Bill withdrawn and order discharged.

● (1600)

PRIVATE MEMBERS' MOTIONS

[*English*]

DISABLED AND THE HANDICAPPED

ADVISABILITY OF MAKING TELEPHONES ACCESSIBLE

Mr. Neil Young (Beaches) moved:

That, in the opinion of this House, the government, in pursuance of a policy that will ensure that all disabled Canadians have the same opportunity to participate fully in all of the employment, recreational, consumer, educational, community and domestic activities which characterize everyday Canadian society, should consider the advisability of introducing legislation that would require all telephones being produced in Canada or imported into Canada to be fully accessible to hearing-impaired Canadians.

He said: Mr. Speaker, my motion arises from a decision which was made on November 23, 1982, by the Canadian Radio-television and Telecommunications Commission. In that decision the CRTC refused to require that all telephones should be compatible with hearing aids. Hon. Members on all sides of the House will know that many people with hearing aids use a telephone switch or T-switch on the hearing aid to improve access to telephones. The T-switch enables the hearing aid to respond to the magnetic pulses of the telephone receiver, the part you hold to your ear. This feature improves reception. In short, it gives hard of hearing people better access to the telephone.

Admittedly, much of the argument which I am going to present is of a rather technical nature. However, it is necessary to go through it in order to allow Hon. Members to understand exactly what the problem is. In arriving at its decision, the CRTC dealt a severe blow to the hearing impaired, indeed, to the whole thrust of achieving full accessibility to the disabled community generally. In fact, this decision will have serious implications for the hearing impaired, that it has been appealed to the federal Cabinet by the Canadian Co-ordinating Council on Deafness, the Canadian Hearing Society, the Canadian Hard of Hearing Association and the Hard of Hearing Club of Ottawa. This petition has received wide public support from both individual Canadians and numerous organizations. Among those organizations is the Canadian Labour Congress, the Laurentian University School of Social Work, the National Union of Provincial Government Employees, the Canadian Union of Public Employees, the Public Service Alliance of Canada, the Registered Nurses Association of Ontario and the Canadian Federation of Communication Workers, to name but a few.

The reason for this massive support, Mr. Speaker, is apparent to anyone who cares to look at the issue carefully. Hearing loss in Canada is one of our most common physical disabilities. About a million and a half Canadians have some degree of hearing loss. It is estimated that some 200,000 Canadians are profoundly deaf. In fact, Mr. Speaker, the Department of National Health and Welfare has estimated that of those who are not profoundly deaf, some 550,000 Canadians have a significant hearing impairment in both ears.

I cannot emphasize enough that while the impact of the CRTC decision is most severe on the present hearing impaired population, it will become even more so in a few years' time. As Hon. Members are aware, all indicators show that Canada, as well as other nations, is faced with the fact that our population is aging very rapidly. Hearing problems will increase in number rather than diminish as we go through the process. I cannot conceive of a better time to prepare for that than right now.

It is to this large group of Canadians that my motion addresses itself. The telephone is often a much more important device to the hearing impaired than it is to a person who does not have this disability. In cases of emergency, it may be the only way a person can call for help if that person has impaired hearing. This can often be the case if one is elderly and housebound, or if one has multiple disabilities or happens to live in a rural or isolated community. The telephone is also a very important device in a number of work places. Being able to use the telephone can mean the difference between keeping a job or losing it and, indeed, even in securing employment. A major problem for people with hearing impairment is in finding suitable and reasonably well paying employment.

Witnesses were heard before the Special Committee on the Disabled and the Handicapped. I saw an estimate not too long ago which indicated that the unemployment rate within the hearing impaired community was in excess of 40 per cent, and I believe more in the area of 50 per cent, of the unemployed within that population group in our society. That spells out the size of the problem, Mr. Speaker, because to the hearing impaired an inaccessible telephone is a major obstacle toward achieving the right to independent living. I would even say that it flies in the face of the spirit of the amendments which this House recently made to the Canadian Human Rights Act. If the federal Cabinet fails to overturn the decision of the CRTC, it would be doing a great disservice to those Canadians who looked on the International Year of the Disabled Persons as a starting point for greater future achievements.

The telephone has become a part of daily living in our society, whether it be in business, social contact or in communicating information quickly. Yet for most hearing impaired Canadians, the telephone is only of use when special attachments are available. The CRTC in its decision, to which I referred, has refused to prescribe technical standards which would ensure that all telephones are compatible with hearing aids and are equipped with a device known as a telecoil. In the face of that refusal, this motion asks the Government to consider introducing legislation which will require all telephones which are produced or imported into Canada to be accessible to the hearing impaired.

On occasion, Mr. Speaker, I and other members in my Party have been severely critical of Bell Canada in the way it conducts its business with the public at large. However, in this case, Bell Canada has played an excellent role and has been a good corporate citizen in recognizing its responsibility in this area. It has been fitting its equipment with the necessary devices. Unfortunately, a number of other producers have not followed suit. By not doing so, it has been argued that Bell has been placed in a position which makes it less competitive with other producers. In my view, Mr. Speaker, the only real long-term solution is to put all telephone equipment producers on the same competitive basis. All of them should be required to provide telephone terminals which are magnetically compatible with hearing aids. All telephones manufactured in Canada or imported should be required to generate enough electromagnetic flux to be compatible with hearing aids. This requirement should apply to all telephones, residential, public, those used in business. Existing incompatible public telephones should be retrofitted where that is required. It is essential that all new telephones imported into the Canadian market also be required to be compatible.

● (1610)

It has been argued by some that if the federal Government did overturn the CRTC decision, which I would like to see, the whole question should be referred to the Standing Committee on Communications and Culture for further examination. It is my recollection, after speaking with some of the consumer groups representing hearing impaired Canadians, that some of the evidence presented to the CRTC hearings, from which it made its decision, was clearly erroneous. In fact, I have some correspondence from B.C. Tel and others disputing the information that the CRTC received in making its decision. Short of referring the whole question back to the CRTC for proper examination, a perhaps more productive way of dealing with it would be to place it before a committee, such as that on Communications and Culture, where elected representatives of the people in this country could ensure that the hearing impaired in Canada were being dealt with equitably. I am quite sure there is not one Member in the House who has not received correspondence from hearing impaired groups about this very question. I am sure that concern is shared by all Members, and not just by myself or people in my Party. It is something that requires more examination.

I know that my colleague, the Hon. Member for Burnaby (Mr. Robinson), worked extremely closely with groups such as the Western Institute for the Deaf. He has made many representations to the Minister of Communications (Mr. Fox) on this matter. Unfortunately, the response from the Minister's Department has not been as productive or useful as we had hoped. The Minister himself, I must say, is one of the more concerned Members in the Cabinet when it comes to enacting recommendations that have emanated from the Special Committee on the Disabled and the Handicapped, of which I am a member. The Minister has been one of the most caring Ministers. I hope that he uses his persuasive powers to convince the Cabinet, which presently has an appeal before it right now, not to dismiss it lightly but, rather, to have the question referred right up to the Standing Committee or back to the CRTC for proper examination.

There are many misunderstood aspects of this particular case. I have in my hand a letter from one of the Members of the House who had written to the Canadian Hard of Hearing Association. He argued thus in the letter:

Part of the difficulty comes with deciding whether or not to impose what would in effect be a universal tax on all telephone subscribers.

That would be if all telephones were required to have the telecoil implanted in them. It is an argument I have often heard, whether it comes to providing ramps for wheel chair use or removing architectural barriers from federal buildings. Why should the general taxpayer pay to remove those barriers for a small group of disabled Canadians? First, I want to tell Your Honour that that small group of disabled Canadians amounts to something like 10 per cent of the total Canadian population. In fact, it is estimated that there are over two million Canadians who are considered to have disabilities of one form or another. It seems to me that rather than placing those kinds of offhanded, dismissive remarks about why we generally should be caring in our attitude toward those who are disabled, we should be discussing what kind of society we really want. Do we want a society that reduces every problem to dollars and cents and wonders where these dollars and cents are coming from when it comes to human needs? Or are we to be the kind of society that says, "I look after me first, on a dollar and cents basis, and everyone else is on their own"? That is not the kind of society in which I am interested. I daresay that most Hon. Members in the House would share that view. I do not place all that much importance on that kind of an attitude.

But then it comes to a more serious question, where one particular Member says that another problem arises with the effect there could be on international trade from requiring all new telephones to be compatible with hearing aids. Now that telephones no longer have to be leased from the telephone company, which is Bell Canada, such a requirement could be perceived as a non-tariff trade barrier with possible retaliation. I felt the Canadian Hard of Hearing Association presented the classifical argument to that classical argument when its Chairman wrote back to this particular Member and said:

—in regard to international trade, I cannot see how such a requirement could be perceived as a non-tariff trade barrier. In particular, such a requirement would in no way give any advantage to domestic industry. International trade agreements do not take away our right to control the performance of devices in the Canadian health, transportation and, in this case, communication system. We already regulate automobile safety, medical device performance, et cetera.

While the Special Committee on the Disabled and the Handicapped was going through public hearings over the last three-year period, we found that there was a readiness, even a willingness on the part of able-bodied Canadians to dismiss out of hand, lightly, problems faced daily by people with disabilities. They used the most specious, spurious arguments to dismiss legitimate claims on society, arguments that they would not dare use with any other group in society. However, they feel quite free to use such arguments against disabled persons simply because the individuals are disabled.

I do not feel that I am being unkind in making that statement, because it is a fact. We found it time and time again, from witnesses who appeared before the committee, relating their experiences with the able-bodied community. I found it quite shameful and shocking. We all did in the committee, and I think that is what made it one of the best committees the House has ever had.

I would argue that the time has come when the House has an excellent opportunity to say that we must play a role in changing the attitudes of society toward the disabled community. Today we are presented with no more of an excellent opportunity than to do it right now. I would ask the House, in all sincerity, to give its support to the motion. If the Government wishes to amend it in such a way as to get the motion into a committee where it can be examined, where we can be assured that the hearing impaired population will receive their due right to have the matter examined closely, I will not object. What I am interested in is ensuring that the question be fully and properly examined. I would ask the House for that support.

• (1620)

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, may I begin by complimenting the Hon. Member and congratulating him on his choice of issues to raise before the House. It is certainly true that the ability of disabled Canadians to participate in the mainstream activities of Canadian society is something that all of us should be concerned about. I honestly believe that all of us in the House have that same concern and share it as sincerely as the Hon. Member opposite. I would like to assure the Hon. Member that I also absolutely support the idea that disabled Canadians should have access to the same employment, recreation, consumer, educational, community and domestic activities which characterize Canadian society every day.

However, before Members consider the specific issue raised by the Hon. Member, that is, the advisability of introducing legislation that would require all telephones being produced in Canada or imported into Canada to be fully accessible to hearing impaired Canadians, I believe some background information would be in order and helpful.

There are more than 180 telephone companies in Canada. Of course, some are very large like Bell Canada and some are very small. Generally speaking, federal and provincial Governments are responsible for the regulation of the telephone companies under their jurisdiction. Usually, carriers must apply to their regulatory agency, be it the federal agency, a provincial Government public utility board or a municipal council in some cases, for approval of the terms and conditions on which telephone service is provided. Of all these telephone companies, only four are currently subject to regulation by the federal telecommunications regulatory body and the Canadian Radio-television and Telecommunications Commission, CRTC. These are Bell Canada, which operates in Ontario, Quebec and part of the Northwest Territories, the British Columbia Telephone Company operating in the Province of British Columbia, NorthwesTel serving the Yukon and the other part of the Northwest Territories, and Terra Nova Telecommunications, which serves part of Newfoundland.

Traditionally, for all or most of their operations, the telephone companies have carried on business as monopoly service providers within their operating territory. This monopoly extended to the provision of telephones and other devices

which were attached to the telephones companies' lines. Over the past ten years, however, this situation has been changing, particularly in the Territories served by the four telephone companies I mentioned a few moments ago. Over much of this period, the federal Department of Communications has sponsored a program known as the Terminal Attachment Program which has put in place mechanisms for an orderly transition to an environment in which telephone company subscribers can attach their own devices to the telephone networks.

Over the same period, the CRTC has made regulatory decisions which have progressively given subscribers greater choice and flexibility in deciding on the kind of telecommunications equipment they want and whether they will lease it from the carrier or buy from an independent supplier. It is worthwhile to describe briefly the work of the program advisory committee, TAPAC, which has played a major role in the orderly development of the telecommunications industry in Canada.

In 1975, the Department of Communications, recognizing the evolutionary change in the telecommunications environment, proposed the creation of a committee dedicated to the development of terminal equipment standards which could be used in the telecommunications industry across the country. Under the chairmanship of the Department of Communications, a voluntary co-operative committee was formed composed of provincial Governments, federally regulated common carriers, telecommunications equipment manufacturers and suppliers as well as representatives from consumer associations and users. TAPACs first work was on terminal attachment standards for network non-addressing devices, that is, devices which cannot be used to dial directly into the telephone network. An example of such devices is the well known automatic telephone answering machine. When a consensus is reached within TAPAC, its decisions are referred to the Department of Communications and are published in the *Canada Gazette* for public comment. Upon completion of this process, the standards are issued by the Department. The committee has now completed the development of standards for network addressing devices, which include the ordinary single line telephone, of which some 10 million are currently in operation in this country.

As I have said, matters progressed in an orderly fashion, and in 1980, the CRTC made an important decision with respect to Bell Canada. At that time the CRTC issued a decision which permitted ordinary extension telephones purchased by subscribers to be attached to Bell's lines. This was the first such decision in Canada. Prior to this, only certain kinds of business equipment could be attached to Bell's lines, and many telephone companies permitted no subscriber-provided equipment to be attached without special protective couplings which were to be provided by the telephone company at a tariffed rate.

While many subscribers welcomed this decision, one group of Canadians, the hearing impaired, viewed it with some concern. The concern of the hearing impaired was as follows: hearing aids which are equipped with a device called a telecoil can, when the telecoil is activated by the hearing aid T-switch, detect and amplify the magnetic field generated by certain telephones. However, not all telephones generate sufficient magnetic field to activate a telecoil hearing aid. Some telephone receivers must have a flux coil added. The flux coil increases the magnetic field sufficiently to be detected by a telecoil.

Just prior to the 1980 CRTC decision, representatives of the hearing impaired had held lengthy discussions with Bell Canada, and Bell had made a very public spirited commitment. Bell Canada had committed itself to equipping all of its telephones with flux coils. Thus, the hearing impaired were assured that any telephone leased from Bell would work with a hearing aid equipped with a T-switch. With a decision that subscribers could attach their own telephones to Bell's network, the hearing impaired were concerned that a proliferation of non-Bell telephones would lead to a situation where telephones would not generally be compatible with hearing aids equipped with telecoils.

In the fall of 1981, the CRTC held an extensive public hearing into the issue of attachment of subscriber-provided equipment to the networks of federally regulated carriers. Representations were made by 30 representatives of various organizations interested in the matter, including three associations representing hearing impaired persons. These associations were the Canadian Hearing Society, the Canadian Co-ordinating Council on Deafness, and the Hard of Hearing Club of Ottawa. Groups representing the hearing impaired urged the CRTC to prescribe technical standards which would ensure that all telephones are compatible with hearing aids that are equipped with a telecoil. Representatives of the hearing impaired were concerned that in an environment in which consumers and businesses can purchase their own primary telephone set, and in the absence of appropriate technical standards, an increasing percentage of telephones will not be compatible with hearing aids. Also, they expressed the view that access to telecommunications services would be reduced owing to the fact that private or business users would be able to purchase telephones which are not hearing aid compatible.

On November 23, 1982, the CRTC issued its final decision, Telecom Decision CRTC 82-14, which concluded that it was in the public interest that the terminal attachment policy that was established as a result of the 1980 interim decision be continued. The liberalization of ownership of telephone equipment and other devices to be connected to the federally regulated common carriers' public networks is now a fait accompli and has generally met with positive reaction.

In its decision, the Commission stated its view that any device necessary to permit a disabled person to have access to the telephone network should continue to be priced at a level as low as possible, and that it continues to be committed to ensuring that hearing impaired persons have access to telephone service in the most effective and efficient manner. The evidence presented at the public hearings, however, did not convince the Commission that requiring all telephones to be hearing aid compatible is the most feasible way of achieving

this goal. Also, the CRTC noted that alternatives to the imposition of technical standards could be implemented, such as modifications to the design of hearing aids themselves and modifications to the design of and rates for portable accoustic couplers. The latter permits the amplification of the voice signal received at the handset receiver and acts in a manner similar to the volume control amplifying handset which is provided free or for a nominal charge by the majority of the telephone companies.

● (1630)

In addition, Mr. Speaker, the Commission noted that Bell Canada reiterated its commitment during the public hearing to continue to provide telephones on a lease basis which are equipped with a flux coil, the additional feature which is favoured by the hearing impaired associations. The British Columbia Telephone Company had made a commitment to continue to provide, upon request, amplifying handsets to residence subscribers at no charge and to business subscribers for a nominal monthly charge.

Based on all these considerations, the Commission decided not to require that all telephones meet technical standards which ensure hearing aid compatibility. However, in so deciding the Commission also encouraged the Terminal Attachment Program Advisory Committee to explore additional means by which the access of hearing impaired persons to telephone service can be improved.

Subsequent to the release of Telecom Decision CRTC 82-14, the Public Interest Advocacy Centre presented a petition to the Governor in Council requesting the CRTC Decision 82-14 be varied to require the CRTC to issue an order to the effect that, within 90 days, all telephones authorized to be attached to a public telephone network be compatible with hearing aids. The Centre is acting on behalf of four associations representing the hearing impaired—the Canadian Hearing Society, the Canadian Co-ordinating Council on Deafness, the Hard of Hearing Club of Ottawa and the Canadian Hard of Hearing Association.

Representatives of the hearing impaired are concerned that the technical standards approved by the CRTC do not require manufacturers to make their telephones compatible with hearing aid devices and are of the view that an additional component, a flux coil, should be mandatory in telephone receivers to ensure their compatibility with certain hearing aids. Also, the associations feel that this component should be treated as a basic part of the telephone network, the cost of which all users share in order to preserve universality of service.

The Governor in Council will, Mr. Speaker, be dealing with this matter very shortly. As I said at the outset, I support the idea that disabled Canadians should have access to the mainstream activities which characterize Canadian life. I am sure that every reasonable Canadian accepts that concept.

As for compatibility of telephones and hearing aids, there is considerable work going on in Canada and in fact all over the world. The Comité consultatif international télégraphique et téléphonique, the international organization concerned with devising and preparing recommendations for international telecommunications standards, practices and procedures, is currently studying the question of developing an international standard for the coupling of hearing aids and telephones. This is complicated by a number of factors.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. I have been watching the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) reading word for word his intervention. I wonder whether it is appropriate that there be some originality somewhere if he feels so deeply as he does about this matter.

The Acting Speaker (Mr. Blaker): The point raised by the Hon. Member for Esquimalt-Saanich (Mr. Munro) is completely in order. It is a point of order because the rules of the House require that Hon. Members should be able to make use of notes, but in that sense it does not include the possibility that a speech may be read entirely. The purpose is simply to encourage debate rather than accept set speeches.

On the other hand, I have a great deal of sympathy for the Hon. Member for Thunder Bay-Nipigon (Mr. Masters). A number of Members throughout the House on both sides do read speeches. But when the point is drawn to the Chair's attention, I think it is the responsibility of the Chair to remind Hon. Members that they should, if possible, attempt to avoid reading speeches verbatim.

Mr. Masters: Mr. Speaker, I quite agree with the point of order. It is not my normal practice to use notes. I usually do not use them except on the rare occasion when one is presenting items that are technical. I think this item does require some clarification in the technical sense of what is going on and of what the inhibitions are in providing the hard of hearing couplings which the Hon. Member has suggested should be mandatory through legislation.

While I am certainly sympathetic, as I have said in the read speech—and I grant the Hon. Member that I have been reading verbatim—I accept the principle of trying to provide that kind of service to the hearing impaired. Like other Members in this House I, too, have intimate knowledge of the difficulties that the hard of hearing have inflicted upon them.

I had almost come to the conclusion of my read remarks on the subject. However, I do believe that from time to time—and this is one of those times—when we have the crossing of jurisdictions, when we have various regulatory bodies that come into play, when we are dealing with a situation that technically is controlled directly by the CRTC and all of those companies that we control in a regulatory sense by the CRTC, they have in fact lived up to the letter of the intent of the Hon. Member's motion.

I do take very serious note of the Hon. Member's representation. I hope that by trying to bring about an orderly procession of facts and figures and the history of what has been happening, I will be forgiven for reading my speech. I hope it has helped—perhaps it has not enlivened debate—to have information available to all Members of the House in a

comprehensive manner on such an important subject that we can digest and work with.

Finally, because I think I will be abusing the time of the House if I go on much further, I do compliment the Hon. Member for bringing forward this matter this afternoon. I would like to reiterate that it is my commitment, along with the rest of the Members of Parliament, to ensure services to the disabled not only as they are now in an improved situation but that the whole process be accelerated so that all handicapped people will participate more fully in the mainstream of life.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, as I was saying in addressing Bill C-675 earlier this day, it is not every day that I get up to endorse the essence of a Bill or a motion proposed by one of my colleagues in the New Democratic Party. Today I get to do it twice.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): The Hon. Member for Hamilton Mountain (Mr. Deans) will never understand this. I want to speak in support of the principle of the motion moved by the Hon. Member for the Beaches (Mr. Young). This is a totally non-partisan issue and that does bring to mind the work done by our late colleague, the Hon. Walter Dinsdale. I want to pay tribute to him on behalf of all Members of this House because of his work of love. Indeed, his entire life was dedicated to those Canadians who suffer from handicaps and disabilities.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): That work is now being carried on by my colleague the Hon. Member for Oxford (Mr. Halliday), and my colleague the Hon. Member for Waterloo (Mr. McLean), who has replaced the late Mr. Dinsdale on the committee.

I was looking into a little bit of the background earlier today on the hearing impaired, and I was surprised to learn that hearing loss is the most common form of disability, that 1.5 million Canadians have some degree of hearing impairment, that 200,000 Canadians are profoundly deaf and 550,000 have difficulties hearing in both ears. A quarter of a million people wear hearing aids and an equal number of individuals could use them. Current demographic trends suggest that more individuals will be using them as the population grows older. I apologise for using notes on these statistics, but they are startling and I wanted to make sure that I was correct.

● (1640)

With the permission of Hon. Members, I would like to digress for a moment to illustrate how important the problem of the hearing impaired has become. In terms of one particular project in my riding, a lady by the name of Jacqueline Harbour has started a school for hearing-ear dogs. The problem of the hearing impaired in Canada is as significant as, if not more so, those with visual difficulties. They can be treated in much the same way as the blind who are provided with seeing-eye dogs. I will refer to the work of Mrs. Harbour in greater detail on a future occasion, but it is really incredible to see the dog actually taking the place of the human ear and alert the hearing impaired to the telephone ringing, the doorbell sounding or anything of this nature around the home. This project deserves national attention, and I will be giving it that attention at the earliest opportunity.

In this particular motion we are talking specifically about telephones. The progress report of the Special Committee on the Disabled and the Handicapped issued in June, 1982 made three basic yet very important recommendations. Recommendation No. 56 read:

> Reduce telephone rates for hearing impaired persons who need special TDD (teletypewriter) equipment.

Recommendation No. 57 read:

> Special telephone equipment for disabled persons be provided under basic monthly charge.

Recommendation No. 58 read:

> Equip federal offices with special telephone equipment for disabled persons.

These recommendations were made to enhance the accessibility of the hearing impaired to general communications. They would also enhance the already valuable role played by these Canadians and would be in accordance with the Charter of Rights that was passed by the House.

However, there is a larger international situation of which the committee should be aware if and when it begins to deal with the issue, and I hope it is soon. The United States adopted accessibility standards—90 per cent of telephone receivers in that country are compatible. We do not have a large number of U.S. manufactured phone sets in the Canadian marketplace, but in all probability they would have a telecoil.

CRTC Decision No. 82-14 to allow business and home subscribers to purchase their own equipment has opened up the market. As a result we are receiving imports from Japan, Korea, Italy, Singapore, Poland and Sweden. Needless to say, these units may not be compatible. If we impose this new standard, it may be seen as a non-tariff trade barrier and we may be open to retaliation. If we want to explore international markets for our technology, we must cultivate these trade barriers. However, there is an excellent argument that we should have standards in place as we do for cars, medical devices and so on.

There may be some interim solutions which could be proposed to the non-compatible phone units being sold in Bell Canada territory where, incidentally, two-thirds of the hearing impaired reside. For example, we could put labels on these units indicating that they are not compatible or they do not work with a T-switch on hearing aids. That was suggested by the Canadian Hearing Society. Perhaps these temporary solutions could be considered while legislation requiring these units to be compatible is being discussed and studied.

The problem faced by my predecessor and I in this role as critic for communications, when discussing modifications that

should be made and additions that should be considered by Bell Canada, was that they increase the cost to the consumer and place a bigger financial burden upon Bell Canada. I can sympathize with that point of view, but we are dealing with something which I think transcends the matter of cost to consumers. We are dealing with a person's hearing ability. That is something which is critical to all of us. A few more dollars being spent by the consumer to aid the hearing impaired is unarguable. If that is what a Commons committee looking further into this matter recommends, then Bell Canada and the people with normal hearing should be more than willing to give consideration to a slight additional cost if it were really to assist the hearing impaired.

In connection with Motion No. 91, of course we endorse the principle of enhancing opportunities for the hearing impaired. It is in line with the commitment the House has made to the "Obstacles" report and with the Charter of Rights. The question is how we best enhance opportunities for the hearing impaired.

There are several areas at which the committee could look. First, it could look at ensuring if the equipment of provincial telephone companies is compatible, such as B.C. Tel and Sask Tel. As members of the committee we should figure out a way to ensure that non-Bell telephone systems can be altered so that they are hearing aid compatible. Bell Canada has made a commitment to continue to ensure that its receivers are compatible. Given its commitment, we should try to work out a similar arrangement with provincial telephone companies.

Second, it could look at labelling. When I was consumer affairs critic for this Party for about three years, I learned that we would never be able to see the name of a product if all labels recommended by various commissions and committees were stuck all over it in both official languages, in imperial and metric. We should look at putting labels on telephones that are compatible with hearing aids for people who can see perfectly well. They would take precedence over many other labels of which I can think. We should be putting labels on all telephones that are compatible with hearing aids so that when hearing impaired persons buy telephones they will know that they can use them. That sounds reasonable. We should look at labelling public telephones. When we think of the number of public telephones in the country, that in itself will be a major but very necessary undertaking.

The Committee could also look at the idea of international standards so that some day we will be sure that technology will meet the need of the hearing impaired. Canada could take the role at the international level given the expertise of Bell Canada in this area. We have done it before and Bell's expertise in the area could be most useful internationally.

Then the committee could look at the extent to which the mobility of the hearing impaired is deterred in the workplace and how best to prevent it. There are many hundreds of thousands of productive individuals whose ability is impaired as a result of their hearing deficiency. This is something we as Members of Parliament should be looking at to correct.

• (1650)

The right of access to telecommunications by hearing impaired individuals is a very important issue. It is a non-partisan issue. As technology increases, it is only right that the largest disabled group in Canada be guaranteed equal accessibility. It is in that spirit that I endorse the motion by the Hon. Member for Beaches.

As that Hon. Member said earlier, the subject matter of this Bill, as technical, detailed and important as it is to the hearing impaired of this country, shoud be sent to the appropriate standing committee for detailed study and the calling of witnesses. Members on all sides of the House could be made aware not only of what Bell Canada and the provincial non-Bell companies can do now, but might be able to do in the future as technology increases. I would like to hear suggestions from the Canadian Hearing Society and other associations which have ideas to present to the committee based on the recommendations of this motion.

I am sure this Government would want to listen to the report of the disabled and to pay very close attention to the thrust of that report. I hope that Government Members recognize the obligation we have to Canada's hearing impaired and allow the Standing Committee on Communications and Culture to give this motion in the name of the Hon. Member for Beaches further examination. Therefore I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That the motion be withdrawn and that the subject matter thereof be referred to the Standing Committee on Communications and Culture.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I wish to take this opportunity to speak to Motion No. 91 with regard to aid for the hearing impaired. I want to say first that we agree with the honourable intentions of the Hon. Member for Beaches (Mr. Young) in presenting this motion. We know of his work on the Committee on the Disabled and Handicapped which came out with a far-reaching report concerning all handicapped and disabled persons. The report was entitled "Obstacles". Therefore, we know of his honourable intentions.

The motion presented to the House fails to take into consideration much of the work and many of the areas of progress undertaken by the Department of Communications in dealing with this very important subject matter. In the next few minutes I would like to share with the House some of these areas which the Department of Communications has already undertaken. Many of the steps taken thus far came about as a result of recommendations in the "Obstacles" report to which I referred earlier. Before speaking to those recommendations, I remind the House that the Department of Communications has for a number of years been vitally concerned in promoting telecommunication services for the disabled.

In recent years a number of activities designed to improve such services has been sponsored by the Department. I will have to refer to my notes to get the exact dates. As early as 1976 the Department commissioned research which was carried out between 1976 and 1978 by St. Paul University in Ottawa and which aimed at identifying the basic telecommunication needs of the disabled and the handicapped. Following this research at St. Paul's, a separate study was sponsored in 1979 at Queen's University to determine the telecommunications needs of the hearing impaired. Just this year the Department published the report of a study undertaken by Dr. Elaine Pressman of the University of Ottawa and the Children's Hospital of Eastern Ontario on the communication and telecommunication needs of the speech impaired. The Department, moreover, recently awarded a university research contract to Memorial University of Newfoundland to study the telecommunication needs of the cerebral palsied. I mention these past research studies that have been taken by the Department in order further to emphasize the fact that the Department has not been standing idly by, ignoring this very pressing need.

One of the problems that I have with this motion is that it does not recognize the fact that the Minister and the Department of Communications have indeed taken some very positive steps to try and alleviate this current concern.

There are numerous other examples which I could mention of initiatives on the part of the Department of Communications and the Minister that have been directed at improving the accessibility of the disabled to telecommunication services. I can speak personally on this because I was part of the first meeting. One of the recommendations in the "Obstacles" report referred to the setting up of a special advisory committee to advise the Minister of Communications on behalf of the disabled community, not just the hearing impaired but all handicapped, so that the Department would be able to provide better services for all handicapped people.

The first such meeting of this advisory committee which the Minister set up was held last June. I was privy to being part of that meeting. At that meeting were not only representatives of the hearing impaired but those with other physical handicaps; in other words, all areas. I would like to report that this advisory committee is presently at work with the Department of Communications in providing some stimulus and advice as to how the Department can further initiate improvements that will help handicapped people of all natures to have more access to telecommunication needs.

It is not just a matter of dealing with the hearing impaired; I must reiterate that the Department has looked at the entire question. We all know that there has been much concern regarding the hearing impaired when it comes to watching and listening to television. As a result of that, we have the close captioned hearing organization set up. That is well under way. Many of the broadcasting services at work in Canada have made use of the captioning services for the hearing impaired. It is certainly the intention of this Member, the Minister of Communications and the Department to see that further expanded. This not only involves the public network, the CBC, but I must also congratulate CTV, Global Telecommunications of Ontario and some of the private broadcasting outlets for at least establishing the foundation upon which this can be further developed.

• (1700)

There is much under way at present that will help the hearing impaired and others in the handicapped community. The year 1983 is World Communication Year and is a year, Mr. Speaker, of sharing technology with underserved nations. This is something of which we can be proud as far as communications in Canada is concerned because the Canadian communications industry is certainly leading the way in this area. As a matter of fact, there are some very important conferences on an international level still to come up before the year is out at which the Department of Communications will play a very important role not only in further developing hearing devices and hearing aids to help the hearing impaired in Canada but also throughout the world.

While the Hon. Member for Beaches is certainly honourable in his intent in presenting Motion No. 91, as I said earlier, it does not take into account much of the work and research and progress that has already been accomplished in this very important area. For that reason, Mr. Speaker, I feel that we cannot—

[*Translation*]

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

Shall all orders listed under Private Members' Public Bills preceding order No. 33 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

REGISTERED CHARITIES ACT

MEASURE TO ESTABLISH

The House resumed from June 5, 1981, consideration of the motion of Mr. McLean that Bill C-233, to encourage the role of the voluntary sector in Canadian society, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Hon. James A. McGrath (St. John's East): Mr. Speaker, on October 1 of this year the National Anti-Poverty Association released figures indicating that by definition, using an acceptable measurement, four million people in Canada were living

below the poverty line. That, Sir, is one out of every six of us in this land of plenty and this land of opportunity.

Today we heard in the House a question directed to the Government expressing concern about another group of disadvantaged Canadians, the approximately one million Canadians in the country who have less than a seventh grade education and for whom the employment incentive and job-creation programs of the Government are of little or no benefit. According to the present policy of the Government, these people are the responsibility of the Provinces.

On Friday of this week, unemployment statistics for the month of September will be released. I do not think it would be going out on a limb to predict that there will be virtually no change in the level of unemployment in the country. Indeed, there may even be a slight increase. We know that the labour force figures which will be released in a few days' time will show that there are approximately a million and a half Canadians who are unemployed. If we count the hidden unemployed, we can bring that figure up to almost two million unemployed Canadians.

We know that included in that million and a half officially unemployed Canadians are approximately one-half million young people between the ages of 15 and 25 and approximately 600,000 women. These are the two groups that have been hardest hit by the recession. Indeed, these are the groups that are preoccupying us as we express our concerns in the House. The Bill introduced by my colleague, the Hon. Member for Waterloo (Mr. McLean), goes a long way toward addressing the concerns of the poor and those who have been hardest hit by the unemployment situation in the country.

I congratulate my colleague, the Hon. Member for Waterloo, not only for bringing in this Bill, which will enable the voluntary sector to play an even more important role in addressing the problems of the unemployed, but for the job that he has done in the House by articulating so eloquently the problems facing the voluntary sector of the country which has traditionally played an important role by looking after the needs of the less fortunate among us.

I do not mean to be critical in a partisan way, but I suppose almost inadvertently we have undermined the role of the voluntary sector through our desire to address in a dramatic and expeditious way the business of job creation. Our make-work programs have had the effect in many instances of undermining the work of voluntary organizations in the country. We should gear our employment programs toward complementing and assisting the work of the voluntary sector.

This Bill will assist the voluntary sector through the implementation of the National Voluntary Organizations Committee which would be provided certain tax breaks. In essence, the give and take proposal would enable charitable agencies to avail themselves of the same tax position as political parties with respect to donations so that the voluntary sector as a whole will finally have the necessary funding channelled to it to realize its proven potential for job creation.

What is the potential of the voluntary sector in terms of job creation? We have heard evidence, Mr. Speaker, presented to the Standing Committee on Labour, Manpower and Immigration from members of organizations such as the Canadian Council on Social Development. We have heard from officials of the national voluntary organizations, such as the YMCA, the YWCA and the National Anti-Poverty Organization. These officials told the committee that the voluntary sector would be capable of producing three to four times as many jobs as the Government through its make-work programs if the money was channelled in some way through the voluntary sector. This is one way for us to assist the voluntary sector to achieve that potential. We should give it the same income tax breaks as are given to the political parties of the nation. Surely that is not too much to ask.

We should assist the voluntary sector. We should provide it with encouragement because it is in a position to help the less fortunate of our nation. It is in the best position to help the poorest of the poor and to help the most uneducated among us who really have little or no opportunity to enter the trade colleges of the country because of the low grade of their primary education. It is the sector that is best capable of providing that kind of assistance and I believe the Government would be well served by allowing this Bill to go to a committee of the House.

I would therefore move, Mr. Speaker:

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

"Bill C-233, An Act to encourage the role of the voluntary sector in Canadian society, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Finance, Trade and Economic Affairs.

That amendment is seconded by the Hon. Member for Waterloo (Mr. McLean).

• (1710)

The Acting Speaker (Mr. Corbin): I should inform the Hon. Member for St. John's East (Mr. McGrath) that the Hon. Member for Waterloo cannot move the motion being proposed since he is already the mover of the main motion.

Mr. McGrath: Mr. Speaker, perhaps you would permit me to gauge the mood of the House. There may be a Member of the Government who might be disposed to second my motion.

Mr. Fisher: I will.

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

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I do not intend to talk this motion out. However, I should like to get a few thoughts on the record and I think some of my colleagues across the way want to add their throughts. We have until six o'clock before the motion would expire and if we are careful and do not go past the deadline, we can all get our thoughts on the record and then pass the subject matter to the Finance Committee.

May I commend the Hon. Member for Ottawa Centre (Mr. Evans) the Chairman of that Committee, who has for some time now aggressively sought this kind of subject matter for the Committee's consideration. The Finance Committee has done a very good job over the past two years in considering tax legislation, banking and a variety of subjects and has passed its opinions on to the Government. It has become a sort of tradition started by the former Minister of Finance, the present Secretary of State for External Affairs (Mr. MacEachen), who last year wanted the Finance Committee to comment on tax matters. Some very controversial legislation was sent to the Finance Committee in the summer of 1982 when we had two or three months of discussion and reported to the Minister. Some of the Committee's recommendations were then incorporated in Bill C-139.

There has been a lot of activity of that sort and all of us who are members of the Finance Committee are proud of our contribution. It has worked as parliamentary committees should and much of the credit does to the Hon. Member for Ottawa Centre, the Chairman.

The subject matter of the Bill, charities, is the subject matter of the discussion paper issued by the Department of Finance entitled "Charities in the Canadian Tax System". I refer Hon. Members to that paper which has captured the attention of charities and foundations across the country. I understand there was an August 15 deadline for submissions to the Department on that paper but submissions are still coming in at the rate of 40 or 50 per week. They are being accepted and studied despite the deadline. There will be more consultation between the Department and the private sector before any recommendations go on to the Minister. The reference of this material to the Finance Committee will complement the work that the Department of Finance has been doing on its own.

I have reflected on the experience I have had with charitable organizations in my riding, Mr. Speaker. When I first heard about this Bill it occurred to me that Mississauga charities were probably typical of those that operate all across the country. Thousands of people are involved in a variety of activities, from community enrichment to hobby and sports groups. They do not rely on big handouts from Government but on the ingenuity and generosity of participating citizens. Some of them are ready to charge the beneficiaries of their activities a small user fee.

There is a school lunch program in my city which affect thousands of families. Mothers from across Mississauga go to the schools and help in the supervision of children over the lunch hour, trying to upgrade their nutritional standards at the same time. They take occasional small grants from Government agencies but are proud of the fact that they have a self-supporting volunteer organization. They recruit senior citizens and I think they are about to go to the New Horizons' program to see if there are ways to encourage and fund the activities of seniors to complement their own work in the schools at lunch hour. The schools that take part in the program are grateful for it and the people who run it take pride in their self-sufficiency and independence.

In Mississauga we hold an annual Citizen of the Year dinner. The people nominated and the person selected are voted for and supported by volunteer groups in Mississauga. Over 200 people come to the dinner and the proceeds go to a selected group within the city. The award is named after an outstanding citizen, the late Gordon Shipp, who was a great community builder as well as a leader and volunteer. The family, under the leadership of Harold Shipp, continues the tradition and supports the Citizen of the Year dinner. The people nominated work in hospitals, with crippled children, school associations, trade unions and business associations. This year the winner was Mr. David Doncaster and I am sure Hon. Members would like me to extend my congratulations to him. He is a well rounded community spirited man whose contributions have made our community stronger. The people involved in the award do not rely on Government help. They do not want it. They rely on their own ingenuity and I compliment them for it.

An Hon. Member referred to Government grants and Government aid programs. In Mississauga these programs work very, very well. For example, the New Horizons program was used by the Senior Asian Multicultural Association under the leadership of Mr. J. D. Mohan. Every year it gives an award for human rights and community development to people who show leadership in those areas. It is a nice occasion when a bus driver, a postman, the mayor or any other person active in the community who contributes to human rights and community development is recognized.

The New Horizons program also helped a group of senior citizens in the Ivan Franko Home. That is one of the non-profit homes built by the outstanding Ukrainian community in my city. It has a few extra acres of land which have been turned into a farm. The New Horizons program was used to buy gardening and farming equipment. Residents in the home now grow their own food and are becoming more and more self-sufficient through their efforts. They have a nice hobby in the garden and they have returns for their efforts. There are beehives and orchards and a variety of vegetable plots which the residents maintain. That is something which has made that corner of Mississauga very pleasant. I understand that the home will be relying on a Summer Canada grant next year to hire a few students to maintain the orchard and to continue this farming operation.

● (1720)

The Summer Canada program with students in Mississauga worked very well. For example, this year I received two letters which I feel are worth noting. The first letter was from the Canadian National Institute for the Blind. Mr. Victor Irvine, District Administrator, wrote to me on September 13, and I would like to quote one paragraph:

> We, at the CNIB, have been pleased to provide the vehicle for the employment of sincere students and to facilitate meaningful programs to visually impaired children.

As well, Mr. Speaker, on August 26 I heard from Lorri Smith and Barb Brandow of the Boys and Girls Club of Peel. I would like to quote from their letter:

I would like to thank you very much for your help and support with The Boys and Girls Club of Peel Summer Adventure Day Camp. It was very important that these children had some opportunity for summer recreation. With your support that was made possible.

The project was a great success and we hope it will be possible to run it again next year.

Summer Canada, in my city, helped people as well in places like the San Salvador Centre where three students worked out a slide presentation on the immigrant experience in our city. Those slides will be distributed to service clubs, schools and churches and will help its residents to understand some of the emotional upheaval which new people in Mississauga sometimes feel.

On the job creation side, Mr. Speaker, the United Way, which, of course, is currently in the middle of its fund raising drive, has just received $70,000 from the Canada-Ontario Employment Development Program, COED. It is going to use that money to hire four people who will then improve its fund raising and community group liaison work. As well, people at the San Salvador Centre are developing a new community centre which will become the home for Serbian people in Mississauga. Again, that community centre is being built by volunteers in partnership with the Government.

In the Canada Works area last year, two non-profit community newspapers, the *Valley Echo* in the centre of Mississauga and the *Meadowvale World* in the community of Meadowvale each hired a person who has helped to build up the newspapers. These are non-profit monthly newspapers which pass on important neighbourhood information to local residents. It is the kind of information which can only really be communicated through this sort of community paper. Each of these newspapers hired a person who has contributed greatly to the advertising revenues of the nespapers and to their internal administration. I was very pleased to be able to recommend both those organizations for these grants.

The Peel Multicultural Council is hard at work on a citizenship program. The Malton Community Council and the Mississauga Canadian-Italian Association are helping to build up immigrant aid services in those two important parts of our city.

I have mentioned all of these organizations, Mr. Speaker, as I believe that Government and volunteers work hand in hand best in this way. When these kinds of specific grants are used they help people accomplish given tasks, specific tasks, without creating undue dependence upon Government. The very nature of the work of a volunteer is to stay independent from Government, to use extra energy without having to rely on the public sector. I feel these grants, whether they be New Horizons, Summer Canada, COED or the Canada Works, are helping people to build up the quality of life in our city. They are not the fundamental financing, not the lifeline of the group, but they are important seed money which launches specific and important projects for each organization.

The grants also help these groups avoid a dependency on Government. They are available, of course, for parliamentary scrutiny. They are available for community examination in our city. We here in Ottawa on the Government side have to answer why we are spending money in this fashion, so these grants satisfy the requirements of a responsible Government. For the groups which receive them, grants are available in predictable amounts and there are predictable methods of application. For the people in Government they are predictable as well because we can control or dedicate specific amounts of money towards each of these programs. These grants are not open-ended. They do not add willy-nilly to Government spending. They add specific, concrete amounts each year to Government spending. The community benefit, of course, comes in the form of accomplishments in each group which many times results in extra employment.

It is my view, Mr. Speaker, that any time we are going to offer assistance to charities—and I feel it is important to do that—we must remember the question of dependence on Government agencies. We do not want our volunteer groups to become too deeply involved in Government financing and then find the only way they can stay alive is through repeated injections of grants. I do not believe the community wants that.

When I approve a grant in my own area to a specific group, I make sure it knows it is only going to last for a year. It is not there for an unending period of time in the future; it is there for a specific period of time. I do not feel we want groups to be built up to rely solely on federal Government largesse. We want groups which will take the opportunity provided by these grants to build up specific projects or special programs without becoming dependent upon us. In my city, that is what people seem to respond to. They seem to like that approach. People seem to agree that a specific targeted spending of grants is an appropriate way to support worth-while activities and to develop some employment.

When we are looking at this issue, it is my hope that we will not ignore all the good ideas which the Hon. Member for Waterloo (Mr. McLean) has raised. He has proposed that a variety of Government facilities should be made available to volunteers, whether they be in charities, sports leagues or any other voluntary agency. However, I would be concerned that we would be constantly making these facilities available and creating a dependence on Government which neither the Government nor the people really want.

As we study this issue, I would like to take a look at that question of dependency. I am very proud of being associated with the community groups and volunteer agencies in my city. I feel they really improve the quality of life there. I would like to take this opportunity, in this brief address, to extend my congratulations to the men and women who have worked so hard and who freely and generously have dedicated their time to their neighbours and to their city.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I will take only about five or six minutes to speak on the principle of this Bill. I will begin by congratulating the Hon. Member for Waterloo (Mr. McLean) on addressing this very important problem. I would also like to take this opportunity to say that I could not disagree more with almost everything which the Hon. Member for Mississauga North (Mr.

Fisher) has said in the contradictory remarks he has made on this very important topic. We have heard from the community bulletin board of the Hon. Member for Missisauga North and I did not think that was the intention of this particular piece of legislation.

The 1960s and 1970s were the golden age of Government programs. If there is anything we should have learned from that golden age of Government programs it is that Governments fail. Contrary to what the Hon. Member for Mississauga North said, the problem with Government programs is that you cannot depend on them, rather than that you can. It depends upon the caprice of the Government. On the one hand, the Hon. Member for Mississauga North says one can depend on them. On the other hand, he says that the problem with these community agencies is that they should not depend on Government grants. The Hon. Member does not have it straight. The problem with Government programs, I say again, is that you cannot always depend on them.

It is ironic, Mr. Speaker, that Government programs grew at the time of greatest prosperity. It was in the mid-60s to the 1970s that Government programs grew. Is it not ironic that it is during the times of recession that the Government programs fail? The Government programs pull back, and the people who need help the most get the least during these times when they ought to be able to depend on them. Therefore, it is a time like that when the voluntary agencies and charitable organizations are most necessary. They should not have to depend on the caprice of the federal Government to feed them.

• (1730)

I cannot understand the audacity of the Hon. Member for Mississauga North in listing such organizations as New Horizons and Canada Works as voluntary agencies, when in fact they are Government grant programs, just the thing that we think ought to be avoided.

First, I would say that we need to encourage voluntary agencies and charitable organizations because they are most capable of reaching the most needy. They are the ones that are out there in the community, meeting the people where the needs are the greatest. All one must do is look at the agenda of people's law school, trying to help those who cannot help themselves because they do not have the mechanism. Government cannot do it.

Second, Government is not the cheapest way of doing it. Lest people think that I will attack Canadian Government programs, I want to give an illustration by way of our neighbours to the south, the United States. It is no accident that the highest per capita income in the United States is in the community surrounding Washington, D.C. Who lives in those communities? They are the highly paid administrators of Government programs. I think I have my history right when I say that those Government programs sprang up during the years of Lyndon Johnson, and rightly thereafter, with his war on poverty. He did wage a war on poverty. It was a poverty of Government administrators, because they are well paid, thank you very much. Government agencies are simply not very cheap.

If one wants to have the work done well, and if one wants to have it done economically, one must turn to the voluntary agencies, to these self-help organizations. That is why the Hon. Member for Waterloo has been promoting in this House a very good program called the "Give and Take". We use that same principle for political parties. We seem to think it is good for political parties to be able to get a tax reduction so that they can operate in an accountable way. If it is good for political parties, why should it not be good for charitable organizations and self-help agencies, the voluntary organizations? As the Hon. Member for Waterloo can attest, the "Give and Take" program has been shown to be a more accountable, cheaper way of funding agencies than the grant system. Why should the Government not take the best way of doing it and do it through the "Give and Take" program?

Finally, I want to mention a point raised by the Hon. Member for Mississauge North. He complimented, by heaping encomiums on the Hon. Member for Ottawa Centre (Mr. Evans), the way the Bill would be dealt with in committee.

Mr. McGrath: Would you repeat that?

Mr. Friesen: Encomiums, yes; it is a great Latinized English word!

Mr. Munro (Esquimalt-Saanich): Tell us what it is!

Mr. McGrath: Spell it!

Mr. Friesen: He heaped these praises, these great praises.

Now that I have taken 30 seconds to define the word, may I have 30 seconds more in which to say what I wanted to say? He heaped too much praise—I know the Hon. Member for Ottawa Centre can take a lot of compliments, but even he had a hard time handling these—saying that the Bill would be dealt with expeditiously in the committee. I want to say to the Hon. Member for Mississauga North that almost to the day four years ago I presented a motion to the House that was unanimously passed dealing with tax breaks for the parents of handicapped children. It passed on to the Finance Department. That motion has not as yet been dealt with by the Department of Finance. We have had an Obstacles Committee submitting two reports, but it has not yet dealt with the motion. Regardless of how efficient and interested the Hon. Member for Ottawa Centre is concerning the work of this particular committee, and the necessity that he may see in dealing with the report, I want to see some action before I believe all of those encomiums that he has heaped on the Hon. Member.

Mr. McGrath: I am not sure that that is parliamentary language!

Mr. Friesen: Again, I want to close by complimenting the Hon. Member for Waterloo on the work that he has done and by saying that this Bill turns the attention of the Government in the right direction and, hopefully, will encourage the Government to see the value of voluntary agencies so that these

agencies can do their work unmolested by Government whim or caprice, in a way which will have dependable financing. The people who are interested in these agencies will give to them, if only the Government will encourage them to do that through the "Give and Take" program.

Miss Pauline Jewett (New Westminster-Coquitlam): Something must be happening this afternoon, Mr. Speaker. This is the fourth or fifth occasion today when all the Parties in this House have agreed on something.

Mr. Huntington: There is an election coming up.

Miss Jewett: I am getting terribly worried about it. I agree, as does my Party, that the subject of the Bill should go to the Committee on Finance, Trade and Economic Affairs rather than the one that was originally mentioned, the Committee on External Affairs and National Defence, although that Committee, come to think of it, will probably change if the reorganization Bill ever goes through, because trade will presumably come out of it. In any event, we do agree and are pleased that the Hon. Member for Waterloo (Mr. McLean) introduced the Bill, but for different reasons.

I have been listening to all the comments on the Bill so far, and people are supporting its subject matter going to committee for rather different reasons. The Hon. Member for Mississauga North (Mr. Fisher) supports its going so he will have a chance to make another speech about everything the Government does in his constituency through Canada Works or Summer Works or whatever.

Mr. Fisher: Don't be cynical.

Miss Jewett: Well, the Hon. Member may be cynical. That seems to be the main reason he wanted to speak to the Bill this afternoon and wants it to go to the Committee.

The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), on the other hand, wants it to go to the Committee in order that we can have the Government removed from intervention in society where he believes that voluntary organizations can do the job just as well.

Mr. Friesen: Or better.

Miss Jewett: The Hon. Member for St. John's East (Mr. McGrath), on the other hand, was the one with whom I found the closest affinity as far as his remarks were concerned.

Mr. Friesen: Watch yourself!

Miss Jewett: However, he did point out that we are now in a society of 1.5 million officially unemployed people. We have countless hundreds of thousands living below the poverty line. The implication of all his remarks was certainly not that the voluntary sector could look after all those people. It cannot. Therefore, I think we would all have to emphasize the need for a very comprehensive and shared approach, perhaps one might say, but certainly with governments having to take the initiative; a very comprehensive approach to the problems of unemployment and poverty.

Back to the Hon. Member for Surrey-White Rock-North Delta for a moment.

Mr. Friesen: Leave me alone.

Miss Jewett: I could not honestly agree when he said that there was nothing in the Bill that brought the Government into the scene as far as the voluntary sector was concerned. As I read it, it is suggesting that the Commission to be established will bring the Government in—this is found in Clause 6—in the sense that the Government will provide the voluntary sector with use of Government communications facilities such as telephone lines and computer time in off-peak periods, special rates or unique designation on charter and excursion flights and rail travel within Canada, special postal rates for informational materials and publications, and the use of unused premises or meeting rooms, all of which seem to me to be very admirable.

• (1740)

As the Hon. Member for St. John's East said, perhaps the most significant thing the commission will do is have contributions to voluntary organizations treated the same as political contributions are now treated. I am sure no one would deny that these all concern Government involvement.

The voluntary sector is perhaps hampered to some extent in its work by some of the so-called short-term employment programs in which the present Government is indulging. I believe that is the case.

I also wanted to comment on what I believe to be a remarkable growth in one part of the voluntary sector that perhaps has more people contributing to it than has been the case up to now. I am speaking of the voluntary sector in fields like international development, peace and disarmament. There are a number of areas in which many people are becoming extremely involved in setting up voluntary organizations. While CUSO has existed for some time, churches, other groups and non-governmental organizations are becoming increasingly involved in Third World problems.

An organization in my constituency called Public Education for Peace is a voluntary group dedicated to the idea of greater education on issues of arms control and disarmament. I believe this is a very hopeful development when volunteers are becoming increasingly involved and volunteer organizations are becoming more involved in our relationships particularly with Third World countries. I believe this involvement has been even greater than at any other time in Canada's recent history.

I hope it does not detract from what we contribute to the many excellent domestic, charitable and educational organizations. Indeed, I would hope, since Canadians are showing an equal concern over these matters which I have just mentioned, that the Government would be even more encouraged to bring positive and explicit proposals to the committee for ways to assist domestic and internationally oriented voluntary and charitable organizations. I hope the Hon. Member for Surrey-White Rock-North Delta is wrong when he states that he does not believe the Government will do this.

Let me reiterate that a major assistance to these organizations would be to allow contributions to them to be deducted in a similar manner to contributions made in the democratic political process.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I just want to take a moment to say that a small step forward is about to be taken in the House this afternoon before six o'clock. It is a small step on behalf of non-governmental and voluntary organizations which play a crucial part in the life of our country and creation of our society which is enriched by the participation of so many individuals who express their active concern for the lives of their neighbours and others in our country.

I believe I should review the contents of this Bill which is about to be referred to the committee. It is an Act to encourage the role of the voluntary sector in Canadian society. This Bill, which would establish a commission to examine the various aspects of the voluntary sector in our society, essentially says that the commission shall make recommendations on the need for legislation or any other action that may be required to encourage greater financial contributions through registered charities.

This addresses the basic issue that the Hon. Member for Waterloo (Mr. McLean) has brought before the House in this Bill, and indeed that I brought before the House three years ago in an effort to improve the financial situation of charities and voluntary agencies, given their serious difficulties due to inflation and great competition from the work sector. We are being asked to consider helping the voluntary sector that already provides 175,000 jobs, which is more than the construction industry. They have an annual wage bill of $1.7 billion and total revenues of $5.6 billion. That amounts to fully 3 per cent of the Gross National Product.

The jobs that have been created in the voluntary sector are labour-intensive by nature, giving work to disadvantaged groups such as women, youth and part-timers. The voluntary sector can create one full-time position at a cost equal to one-third of that required for the federal Government to create a similar position. The Government must take these statistics into account during these hard economic times.

When the Minister of Finance (Mr. Lalonde) brought down his budget last April he removed the $100 standard deduction in an effort to increase the revenues of the Government. He said he was giving the voluntary agencies half of what they asked for and denied the other half. The full proposal was called the give-and-take proposal in which the $100 standard deduction would be eliminated in return for a 50 per cent tax credit on what was given.

While this is not the proper time to argue the substance of the case, I want to say that the non-governmental organizations now have an opportunity to come before the appropriate parliamentary committee which will be examining this Bill and make their case before that committee that they have been denied before.

When Members of the House, including myself, tried to make the case that full implementation of give-and-take would actually save the Government money, the Government's spokesman at that time quoted statistics that were dredged up from the Finance Department and said that, to the contrary, it would cost the Government money. There is a dispute at the moment about whether the give-and-take proposal in its entirety will cost the Government or benefit it. It is my submission and that of the national voluntary organizations committee that the implementation of the give-and-take proposal in its entirety will benefit the Government financially.

I now challenge the non-governmental organizations that will be reading the account of today's debate and will take some heart for what is about to happen in a few moments, to get their facts together, update their statistics and make representations to the committee so that it can then turn to the Finance officials with figures to prove them right or wrong to us as Members of Parliament.

When the Finance Department is then challenged before the committee to refute the argument that has been made time and again by the non-governmental organizations and the voluntary sector, I believe we will see some progress. It is, however, one thing to make proposals in the House and for a committee to approve them. As the Hon. Member said, a proposal could be before the House for three years without being fully implemented. Nevertheless, the rising pressure from the voluntary sector—47,000 registered charities could benefit from this—could put a lot of pressure on the Government once the facts are clearly determined. I am now pleading with the voluntary sector to make the appropriate representation before the committee.

Mr. Walter McLean (Waterloo): Mr. Speaker, I first want to acknowledge and thank the Parliamentary Secretary and my colleague from St-John's East (Mr. McGrath) for their collaboration and suggestion that this matter be referred now to the Standing Committee on Finance, Trade and Economic Affairs for further study. I believe this is at least a measure of hope to the voluntary sector in Canada which has been looking for some action in this area for some 15 years.

• (1750)

I want in the moments left before we take action on this Bill to make an observation on the comment of the Parliamentary Secretary about the response from the charitable organizations to the discussion paper put forward by the Minister of Finance (Mr. Lalonde). He will know that the Department had been deluged and that these was a clear misunderstanding on the part of the authors of the paper as to the difference between charitable organizations and charitable foundations. Surely it would have been appropriate before ever altering such a paper to begin to talk with the people concerned.

Now that we have dealt with it as the cart before the horse, we are now beginning to move back to the point where normal people would suggest that you hear from the people affected and begin somehow to design a procedure that will be of some help to them. We look forward to their discussion and to the

many proposals alluded to by my colleagues in terms of the definition of a charity, tax incentives and the operations that will be of help.

I have in mind that this discussion has been going on since the Government in the 1970s commissioned the "People in Action" report through to consultation in 1981 when the then Secretary of State drew together the national voluntary agencies. In the last year the present Secretary of State (Mr. Joyal) promised a task force. This was shot down in the budget by the Minister of Finance. Maybe now that we are moving from the Department of the Secretary of State into the Department of Finance we will begin to have this matter addressed in a serious way.

Since I introduced this matter on June 5, 1981 I have been pursuing the issue in committee as critic for the Secretary of State, and in this House. Everywhere people say: "Yes, it is a motherhood issue, but it might cost us". The interesting matter is that the Government affirms that it has not been prepared to set up any Cabinet committee or vehicle to co-ordinate somehow all of the effective policies on the voluntary sector. I have been advocating the creation of a Cabinet committee through which all policies and program proposals before the Government will be cleared in terms of their contributions and impacts in relation to the whole voluntary sector.

In concluding this debate, may I remind the House and those who may be following our discussions today of the importance of rehearsing again what is the impact on this sector. The financial impact is only slowly dawning on many of us.

In a study released by the Secretary of State in January of this year entitled "Some Financial and Economic Dimensions of Registered Charities and Volunteer Activity in Canada", by David Ross, the impact is fully outlined. This paper surely ought to be before the Committee when it reviews the recommendations not only of the Finance Department's discussion paper on charities and foundations but as a context for deciding whether there is a cost benefit. In his report Mr. Ross talks about the revenue and finances of charitable organizations. He notes:

> The total revenue received from all sources by the 39,965 registered charities was $5.84 billion in 1980 (hospitals and teaching institutions were excluded in the financial survey). In comparative terms, this amount is equal to 11 per cent of federal government revenues.

Mr. Ross goes on to talk about the number of paid workers. He states:

> —it is concluded an equivalent of about 142,000 full-time positions are generated in the charitable sector.

Then he talks about the number of volunteer workers:

> —about 2.7 million Canadians donated an average 2.9 hours per week to organized volunteer work. This represents 15 per cent of the working-age population, and varies between 11 per cent and 27 per cent among the Provinces.

He then deals with the expenditures of charitable organizations in terms of the economy of the nation. He writes:

> One of the largest expenditure items is represented by wages and salaries—amounting to one-third of total expenses. Also comprising a one-third share are direct charitable disbursements (aid) to individuals and groups both at home and abroad. Administrative, conference, meeting and communication expenses, and expenditures to produce goods and services for sale, constitute the other one-third share.

When Mr. Ross focuses on the economic value of volunteer work, he says:

> The figure has been placed at $2.0 billion, which is equivalent to 1.3 per cent of all wages and salaries paid to Canadian workers.

In summing it all up under the heading "The Economic Contribution of Registered Charities and Volunteer Workers", he writes:

> Combining the economic contributions of registered charities and volunteer workers gives an estimate of the economic contribution of the "voluntary" sector. The value of this contribution is estimated at $4.5 billion, or 1.7 per cent of gross national product.

Surely these facts laid before the Standing Committee on Finance, Trade and Economic Affairs are an indication that after 15 years of intentions concerning giving encouragement to this sector at a time when we are seeking economic growth and seeking to maintain a qualitative standard of life in a nation, at the same time bringing our costs into reality with today's financial climate, it is a most appropriate subject. I look to other Members in the House to encourage the presence of voluntary agency representatives to present the case more fully than we can and, therefore, encourage positive action by this Government and by this House.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): It has been moved by Mr. McGrath, seconded by Mr. Fisher:

> That the motion be amended by deleting all of the words after the word "that" and substituting the following therefor:
>
> "Bill C-233, an Act to encourage the role of the voluntary sector in Canadian society, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Finance, Trade and Economic Affairs.

Is it the pleasure of the House to adopt the said amendment?

Some Hon. Members: Agreed.

Amendment agreed to.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the said motion, as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Corbin): Accordingly, the order is discharged, the Bill is withdrawn and the subject matter

thereof is referred to the Standing Committee on Finance, Trade and Finance Affairs.

Order discharged and Bill withdrawn.

The Acting Speaker (Mr. Corbin): Is there a disposition to call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It being six o'clock, the House stands adjourned until tomorrow at 11 a.m., pursuant to the provisions of Standing Order 2(1).

At 5.57 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 6, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Tuesday, October 4, 1983 consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 33 (Mr. Mazankowski).

The Acting Speaker (Mr. Corbin): The Chair sees the Hon. Member for Red Deer (Mr. Towers) rising but it is the Chair's understanding that he has used his allotted time.

Mr. Axworthy: Mr. Speaker, I rise on a point of order. Could the House tell us when, in fact, the Speaker would be addressing the question of the procedural debates, which was offered to take place this morning?

Mr. Mazankowski: Mr. Speaker, if I recall correctly, I believe the Speaker indicated that she would be entertaining arguments this afternoon. I presume now, in light of the special debate that will be taking place this afternoon, it may occur after that.

The Acting Speaker (Mr. Corbin): That is my understanding as well.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise in support of Motion No. 33 moved by the Hon. Member for Vegreville (Mr. Mazankowski) which is now before the House. The purpose of this amendment is to make a change to Clause 17 of the legislation. Clause 17 deals with the duties and functions of the Administrator. In Clause 17(1)(d) as it is now worded, the Administrator would have the power to "promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers".

I would note this clause as presently worded would not give the Administrator the power to require or to order the companies to ensure the movement of grain in the most efficient possible manner. It would merely ensure that such arrangements between the various railways would be promoted. The purpose of this amendment would be to include the words "and shall require", in Clause 17(d), thereby ensuring that the Administrator would in fact have the power to order where necessary—and, of course, it would not always be necessary—the railway companies to exchange cars in the most efficient possible manner.

• (1110)

We in this Party have argued that there is in fact no need for a Grain Transportation Agency and that the Canadian Wheat Board should be empowered to carry on in the manner in which it has performed its functions in the past. I am pleased to note that the Hon. Member for Yorkton-Melville (Mr. Nystrom) was, as usual, very eloquent in his support of the Canadian Wheat Board. Naturally we are also concerned that, because of our position on the Grain Transportation Agency, the Administrator may already have too much power under this Act.

The purpose of this amendment is to recognize that as long as we are to have a Grain Transportation Agency and an Administrator with powers to perform under the Act and to assist the Grain Transportation Agency, one of the essential powers should be the power to require the efficient use of railway cars. No matter what public agency ultimately has control over the transportation of grain, whether it be the Wheat Board—and it is our view that it should be the Wheat Board—the Canadian Grains Commission, the Canadian Grain Transportation Agency as proposed in the Bill or whatever, it should have the power to direct the railroads to exchange cars to promote efficiency.

There should be far more interchange between CP and CN in order to get these two companies working together for shorter hauls and quicker delivery of grain. Ultimately we in this Party support the integration of the railway system in Canada. We believe it is about time the railway transportation system should progressively be brought under the ownership of the people of Canada. In its present form this Bill would ensure a bonanza to the shareholders of CP, but it would ensure tremendous losses to Canadian farmers. It is for that reason that we have called for the Bill to be split and for there to be a speedy upgrading of rail facilities as well as a return of the coal lands to the Province of British Columbia. In so far as this Bill would impoverish farmers and benefit the shareholders of CP, obviously we are totally opposed to it.

In terms of the amendment itself, at the present time the Crow rate allegedly involves tremendous losses to the railway companies; they cry great crocodile tears at how much money they are losing and they hang on to loaded cars of grain for

movement to export positions even though they might be moved over another line much more efficiently. This would cut the distances, this would cut the costs, and it would add to the over-all efficiency of the movement of grain. If, at a time when movers of grain claim to be losing money, they are holding on to hopper cars of grain, if that is happening already, just imagine what would happen under the provisions of this legislation with the tremendous revenues which could potentially accrue to CP Rail for moving grain. What it is going to do naturally is try to hold on to that grain as long as possible. While this might benefit the shareholders of CP Rail, it would be to the detriment of the efficient movement of grain in Canada.

I have received many representations of concern not only from the Prairies but indeed from my own constituency. There are not many farmers living in Burnaby, but there are many retired farmers and people who are concerned about their friends and relatives in Saskatchewan and elsewhere in the Prairies. It is in that spirit of co-operation that I speak to this particular amendment. The amendment would ensure that in my area, in the Port of Vancouver which includes Burnaby, grain would be moved far more efficiently. As I have indicated, there is already a bottleneck in the Port of Vancouver. A recent study conducted by Travacon Research entitled "Vancouver Rail Access Study, Phase I Report" indicates very clearly that there are already bottlenecks in the Port of Vancouver.

● (1115)

I have noted on a number of occasions that there have been problems in my constituency in terms of the efficient movement of CP, CN and Burlington Northern, all three of which traverse the boundaries of my constituency. In my view, this report provides very eloquent testimony for the need for this amendment. If indeed the Administrator is to have powers under this Act, surely one of the most essential powers should be the power to ensure the efficient movement of grain and, where necessary, it will be exchanged from one company to another. This study forecasts very serious bottlenecks in the movement of grain and other commodities throughout the rail system, particularly in the Port of Vancouver.

I note in this Bill that there is not one penny which would go toward the upgrading of the Port of Vancouver, which of course includes Burnaby. This amendment would go a very small but important distance. I am pleased that the Hon. Member for Vegreville has put it forward to ensure a more efficient rail system in this country.

I mentioned that under the present system the railways are holding on to their cars. I wish to quote from Mr. Justice Emmett Hall, the co-ordinator of the Crow Coalition, a truly outstanding Canadian, one who has served this country well. What more eminent authority could there be on the Crow than Mr. Justice Hall? At a meeting of the Transport Committee in Regina, Saskatchewan on August 9, 1983, he said:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branch lines.

I do not have to remind this House how the Liberal Government is attempting to get rid of branch line after branch line in this country, but that is another speech for another time. On the question of efficiency, he said:

> I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang on to that commodity to the delivery points, come hell or high water.

That is under the existing statutory rates. If they are holding on to grain now, imagine the extent to which they would be doing that in a very inefficient and unproductive manner under the new Crow rates.

I have received a letter from a constituent, Mrs. Joyce Hansford of Spruce Street in Burnaby, and it is important that this letter be read into the record. What she has to say is directly relevant to the amendment before us today in terms of the efficient movement of grain, particularly in the Burnaby-Port of Vancouver area. She writes:

Dear Mr. Robinson:

> Further to our conversation regarding the proposed Crow freight rate where it pertains to the Vancouver waterfront, I cannot but emphasize the concern my whole family feels at the further threat to our livelihood by this proposed legislation over the years. We have had three generations working on the waterfront at one time.
>
> Right now we have nine people directly concerned with this industry and I might point out that I am aware of families having more numbers than we have involved, not to mention friends.
>
> If this container business goes to Seattle—

The implications of this amendment are that it could very well do so if it is defeated.

> —(who incidentally have more container cranes than our two large and one small crane, plus one crane in the process of being erected), this will result in a waste of money! We even have one dock that has been condemned as unsafe and as far as can be determined no plans for its repair.

I emphasize that under this Bill not a penny would go toward upgrading the facilities in the Port of Vancouver.

> This port has been the most productive, both in tonnage and profit and also the most neglected. I realize that last year this port took over its own autonomy. Are they now throwing this to the wolves?

The Acting Speaker (Mr. Corbin): Order. I really question the relevance of the Hon. Member's remarks to the specific amendment now before the House. At the report stage in the House of Commons, remarks must apply in strict fashion to the amendment. Hon. Members should not stray away from the point in all directions. I appreciate the validity of the Hon. Member's points in a general way, but I would invite him to speak specifically to the amendment now before the House.

● (1120)

Mr. Robinson (Burnaby): Mr. Speaker, I have tried not to stray in the course of my remarks and certainly I will in fact, in drawing this letter to a conclusion, show how it is directly relevant to the amendment which is before the House.

As my constituent concluded:

> We feel quite bitter that now we are going to subsidize a foreign port again at the expense of unemployment in our own port.
>
> I must ask our Government to please reconsider this legislation before they—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but I must inform him that his time has expired.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity to enter this debate on this very historic piece of legislation which is before us today.

Mr. Benjamin: Black historic.

Mr. Keeper: Yes, it certainly is a historic mistake, as my colleague has indicated by his interjection.

We are dealing with an amendment introduced by the Hon. Member for Vegreville (Mr. Mazankowski) who is a Member of the Conservative Party. We in this Party, Mr. Speaker, are delighted and only too happy to support this amendment. It is good to know that even the Conservatives can come up with positive—

Mr. Benjamin: A good socialist amendment.

Mr. Keeper: They come up with useful socialist suggestions from time to time. It is good to see Members of the Conservative Party endorse the regulation of the free enterprise economy as this amendment proposes, Mr. Speaker, but to be a little more serious, I do welcome the initiative on behalf of the Conservative Party in this matter because it is a good amendment. It reminds one of the fact that while Members of the Conservative Party at the beginning of the Crow debate did not seem to understand the full historic significance of the debate before the House, they have recently come around and offered their support to the general thrust and direction of our critique of this legislation. Therefore, we are only too happy to support them when they come up with a positive, useful and constructive amendment.

This amendment seeks to give authority to the Commissioner of the Grain Transportation Agency to order the railways to act in an efficient manner. At the present time the Commissioner of this Agency does not have that authority. There appears to be evidence that such authority is required. In other words, the railways do not always act in an efficient manner when it comes to the transportation of grain. That is one very important, underlying assumption in this particular amendment. It is particularly important because efficiency underlies the whole notion of a free enterprise economy.

Mr. Nystrom: Efficiency?

Mr. Keeper: Yes, efficiency is the philosophical underpinning of a free enterprise economy. It is this philosophy that is being applied to the farmers in an attempt to justify the change in the Crow rate. It has been indicated that the yardstick that much be used to measure how much of the cost of grain transportation the farmer must pay is the market place. That is another basic assumption underlying the free enterprise economy and is just as basic to that philosophy as is the notion of efficiency.

The point is, Mr. Speaker, that things do not always work according to the theoretical models of economists or free enterprise ideologues. It is necessary from time to time to intervene in a direct way through public authority in the marketplace. That is what this amendment will do. It provides for us to move into the transportation sector of the economy and take a look at the social reality, which is that the railways are demonstrably inefficient in the transportation of grain. They come to us and say: "We need higher rates for the transportation of grain; it is costing us too much to transport it". If they were thoroughly efficient perhaps they would not have to come to us on bended knee and ask us to raise the rate charged to farmers for the transportation of grain.

• (1125)

The evidence that the railways are not always efficient in the transportation of grain comes from Mr. Justice Hall, a respected authority in this country in the area of grain transportation and a man of well known integrity. He took note of the fact that the railways often hang on to loaded cars of grain even though the other train company could move it to the ports for export in a more efficient manner. What is being said in this connection is that if you were the CPR and had 1,000 full cars of grain, you might let it sit there even while the CNR could take it to port. That is the height of inefficiency.

This positive amendment indicates that where the railroads insist on acting in an inefficient and wasteful manner, that naturally drives up costs and leads to a demand for increased freight rates for the farmers, who have nothing to do with this inefficiency. The amendment calls for authority to be given to a public agency to direct the railways to act in an efficient manner.

I hope the Government will accept the amendment. I understand that it is reluctant to do so, although I do not understand why. Is it because it is a positive suggestion coming from this side of the House? Is it because it is afraid to give direction to the railways even when there is a clear evidence that it is necessary?

When the railways come to the Government and ask for changes in legislation, changes in policy or for increased revenues for themselves, the Government listens with both ears. When Parliamentarians come to the Government and point out clear inefficiencies in the transportation of grain, the clear and documented need for a public authority to direct the railways to act in an efficient manner to reduce waste and costs, the Government turns a deaf ear, not only to the New Democratic Party but to the combined Conservative-NDP Opposition and to the farmers. This is insensitive, arrogant and stupid. I must say once again that I welcome this amendment because it gives some direction to the railways where it is demonstrably necessary.

There are other areas in which the railways need direction, as is shown by their actions. The call for passage of the Crow legislation says, in effect, that if we only let this Crow Bill slide through the House, there will be increased investment in the country and more jobs. Those are magic words, of course. We all know that investment is going on anyway and that, from the Manitoba point of view, it is maldistributed. There is

enormous investment in British Columbia, for example, but little or no investment in Manitoba—indeed, no investment in Manitoba. We could use the Government directing the railway—

Mr. Flis: Mr. Speaker, I rise on a point of order. I think the Hon. Member was doing well and was ready to sit down until the Hon. Member for Regina West (Mr. Benjamin) whispered in his ear "Go on, go on". Clearly we see filibustering here, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order, please. I thank the Hon. Parliamentary Secretary for raising the point of order but I do not think he should question the right of the Hon. Member to continue his remarks within his allotted time. Let us be clear about that.

• (1130)

However, the Parliamentary Secretary did raise the matter of relevancy and, as the Chair has pointed out, it is not an easy rule to apply. In cases of doubt, the Chair would prefer to give the Hon. Member who has the floor the benefit of the doubt. I must repeat again, however, that under our standard practices, at report stage in the House of Commons remarks must relate directly to the amendment before the House. Hon. Members should not stray far and wide and discuss the general content of the Bill but should as much as possible confine their remarks to the specific amendment.

I do not feel I can be any clearer. I appreciate it is not an easy rule for the Chair to apply. I appreciate also that Hon. Members may accidentally stray from the motion before the House. I do suggest however, that we are all keepers of the rules and practices of the House of Commons. I appeal to Hon. Members to respect those rules.

The Hon. Member for Winnipeg-St. James (Mr. Keeper) will be given an additional minute.

Mr. Keeper: Thank you, Mr. Speaker. I welcome the invitation to be a keeper of the rules. I will attempt, Mr. Speaker, to demonstrate to my hon. colleagues the direct relevance of my comments with regard to this amendment.

This is an amendment which was introduced by the Conservative Party and which is supported by our Party. We are calling upon the Liberal Government to adopt this very positive amendment. We want the Government to see that this amendment can also be the Liberal way of approaching railways. I mention that because my earlier comments were moving toward the whole matter of investment in railway location in Winnipeg. That connects with this amendment because of the fact that a couple of federal elections ago the matter of railway location and investment in railways in Winnipeg was a central matter debated in Winnipeg.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I had no intention of rising until the Parliamentary Secretary rose. I do believe he needs more information. I wanted to rise primarily to commend the Hon. Member for Vegreville (Mr. Mazankowski) of the Conservative Party. It is not very often I feel I can rise in the House and commend a Conservative for being so progressive. The Hon. Member for Vegreville is following in the good red Tory footsteps of "Red Ray", the Hon. Member for Saskatoon West (Mr. Hnatyshyn), and I am very pleased—

Mr. Hnatyshyn: You are going to ruin my reputation!

Mr. Nystrom: —because "Red Ray" is one of the more progressive Members of that Party. He would support this amendment, which is a democratic socialist type of amendment, which gives the public, through the Administrator, the ultimate say in controlling the two railways, making sure that the priority is the public good, not the private good of the CPR. I believe that to be very important because the railways are there to provide a service. They are there to represent the people of this country. They are not there primarily for the shareholders of the CPR. I feel that is very important.

What this amendment does is that it gives the power to the Administrator of the Grain Transportation Agency the right to require different reciprocal and other arrangements between the two railways in the movement of grain. That is very important because the record of the CPR in western Canada, when it comes to service, is not a very proud record indeed, Mr. Speaker. Having grown up on a farm in Saskatchewan, with my whole family being involved in farming in one way or another for many years, I grew up, I suppose, with a natural instinct to be suspicious of the CPR because the CPR is usually shafting the farmers.

I remember a story about the CPR which the Hon. Member for Regina West (Mr. Benjamin) told me a long time ago. It is a story I also heard as a kid back on the farm. I think it really summarizes this amendment. It is the story of an old farmer who came home one day, Mr. Speaker, and found that a hailstorm had wiped out his wheat. He went into the house and found that lightning had struck his home, his wife had run off with the hired hand and the Income Tax Department was after him. The farmer went outside and looked up to the heavens. He shook his fist and he shouted, "The goddam CPR!"

The Acting Speaker (Mr. Corbin): Order. I would adivse the Hon. Member to be careful with his choice of words, even in his stories. I also do not see what that story has to do with the amendment before the House.

An Hon. Member: He thought you wanted to hear it.

Mr. Nystrom: Mr. Speaker, maybe I should cease and desist from quoting the Hon. Member for Regina West. It just gets me into trouble. However, Mr. Speaker, I feel that little story summarizes the very good reason why the Hon. Member for Vegreville has put Motion No. 33 on the Order Paper today. It is because the CPR has not dealt very fairly with the interests of the farmers in western Canada historically. I am sure the Hon. Member for Bow River (Mr. Taylor) would say the same

thing. I know the same thing has happened in his riding as well. The railways are more interested in the railways than they are in the public good.

When it comes to this motion today, Mr. Speaker, I feel it is probably very relevant to look at the tremendous power of the CPR because it is one of the most powerful companies in this country. When we are looking at this amendment we must realize and point out to the Government that it is necessary to give the Administrator this power because on the other side of the table sits a very powerful corporation, one of the most powerful corporations in our country.

An Hon. Member: In the world.

Mr. Nystrom: In the world, I suppose. This corporation is not just involved in railroading with Canadian Pacific Limited as the chief company. It is also involved in all kinds of other businesses as well, including hotels, mining, transportation and shipping. I would just like to mention to you, Mr. Speaker, and particularly to Government Members, some of the subsidiaries of the CPR, which I think will point out to you why it is such a powerful company and why it is so important that Motion No. 33 be carried by this House. This amendment would give farmers, through their Transportation Committee, a little more power in dealing with the CPR.

Canadian Pacific Limited is a company which controls a number of the following companies: Canadian Pacific Investments, CPR, CP Air, Cascade Pipelines, CP Telecommunications, CP Bermuda, CP Shipping, Smith Transport, CP Transport, CP Express and CP Rail. That, Mr. Speaker, gives you an idea of the tremendous corporate power which the CPR has. It gives you an idea—

The Acting Speaker (Mr. Corbin): Order. I suspect that the Chair is going to have a difficult time this morning in attempting to convince Hon. Members that their remarks must be relevant. In examining the specific clause which the amendment seeks to change—I do hope my remarks are not interpreted as the Chair wanting to participate in the debate—I cannot see the connection between the powers of the Administrator and control over subsidiaries and what have you. I would invite the Hon. Member, if there is a link, to demonstrate it as rapidly as possible.

Mr. Nystrom: I am referring, Mr. Speaker, with respect and deference, to Motion No. 33 which the Hon. Member for Vegreville has submitted. It is a motion which would give the Administrator the real power to control the CPR, to direct the CNR, to allocate boxcars and make all kinds of arrangements which would be of benefit to the farmers.

● (1140)

Clause 17(d) would read that the Minister has the power to:

—promote, and shall require, if necessary, reciprocal and other arrangements—

What the Hon. Member for Vegreville wants to do is to require them, if necessary, to make reciprocal and other arrangements. He wants the word "require" to be inserted because that would give the Administrator the power to control the CPR and CNR regarding arranging the cars on the various lines.

We have a very good example of this in my riding. The Port of Churchill is very important and there is a CN line which goes there and often there is grain on CP lines, which are not that far away, which should be going to the Port of Churchill and is not because we do not necessarily have the power to direct the CPR. For your information, Mr. Speaker, I was putting on the record a little bit of evidence which shows the House how very poweful the CPR is. It is an extremely big and powerful company but I will not list all the subsidiaries because there are 45 or 50, or perhaps even more. That shows you there is absolutely immense power resting in the hands of the CPR. I will respect what you said and not go into it any further.

Another point is that over the years we have tended to subsidize massively the CPR. We have used your tax money, Mr. Speaker, the tax money of your parents, friends, indeed the friends of everyone in this House, to subsidize massively the CPR. In return we have basically said to them that they do what they think is best, run the railway the way they want to without regard to what is happening to the services for Canadians. In fact, often the CPR profits are about the same as the taxpayers' subsidy.

To show you the power these boys have, Mr. Speaker, in 1967 the total federal subsidy to the CPR was $45 million and the CPR profit was some $33 million. In 1968—that is the first year both you and I were here, Mr. Speaker—this House voted them subsidies of some $40 million. Do you know what their profit was? It was $43 million in 1968. I am sure that if you were aware of that, Mr. Speaker, we would not have done the same thing in 1969. But in that year we again voted the CPR a subsidy of $35 million and its profits were $31.4 million.

I can go beyond that. I can go right to 1981 or 1982 and show you how we have given blank cheques to the CPR and it has spent the money virtually as it saw fit. There are many other models which could be followed. We had a very distinguished freelance—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired.

Some Hon. Members: Continue.

The Acting Speaker (Mr. Corbin): Is the Hon. Member seeking to have his time extended?

Some Hon. Members: Yes.

The Acting Speaker (Mr. Corbin): Is there unanimous consent—

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): I regret that there is not unanimous consent.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, how inconsiderate of the Government Members not to give unanimous consent to my colleague.

Mr. Benjamin: They are not allowed to get up.

Mr. Sargeant: Mr. Speaker, you will be pleased to know that my comments are going to be completely germane to the motion before us today.

I must first say that I am a little perplexed. Before I came into the House this morning someone tried to tell me that the Conservatives were not speaking on behalf of their own amendment. I really could not believe that; I found it too much to accept. The Conservatives I know are far too principled and too supportive of the Hon. Member for Vegreville (Mr. Mazankowski) to not speak on behalf of his motion. So I checked the record before I came in this morning and I found that so far in the debate on this motion they have been as supportive of their own motion as have Members of our caucus. So far they have matched us one for one, even though they outnumber us three to one. So I really want to know how committed they are in their support of the Crowsnest Pass rates.

Mr. Forrestall: Over 42 per cent of your caucus did not vote the other day. Answer that one.

Mr. Sargeant: Mr. Speaker, as has been said by other Members of my caucus, we are supporting this amendment. It is not a bad amendment. Even though we have opposed the creation of the Grain Transportation Authority separate from the Canadian Wheat Board, we do support this amendment as it will empower the Administrator to require CN and CP to co-ordinate in an efficient and cost-effective way the delivery of prairie grain to port. The railways do not do that now. That works to the detriment not only of prairie farmers, but also to the detriment of ports like Churchill in my home Province.

This summer, when Mr. Justice Emmett Hall appeared before the Standing Committee on Transport in Regina, he told Committee members—that it is a pervasive railway philosophy to hang on to a commodity once it gets hold of it, come hell or high water, until it reaches its ultimate delivery point. He was not making some kind of back-handed criticism of the poor state of the rail system. No, he was passing on information received from senior railway officials.

Our grain delivery system is fraught with costly and inefficient back-hauls. It does not matter if the grain grown in one region of the Prairie would get to port faster if the railways exchanged carloads of grain from, say, CN to the CP line. What is important to the railways is that they keep that carload of grain on their own system, period. The railways are in a good position in Canada. They do pretty well for themselves, as was pointed out just a few moments ago by my friend from Yorkton-Melville (Mr. Nystrom). They are subsidized to the tune of millions of dollars by the federal Government. Yet in return they are not required to make sure they are able to co-ordinate between them an efficient system of grain delivery.

The competition between CN and CP for grain delivery does not help grain producers or the country, it only helps the railways. It seems to me that since they are public utilities, they should be treated as such and be accountable to the Government of Canada as such. As my colleague from Regina West said on Tuesday, the railways are a natural monopoly. In that situation competition has no place. If it were logical to have competing railways, it would make just as much sense to have competing highways and sewer and water systems, or competing hydro or telephone systems. We all know that does not make sense, and by extension it does not make sense for competition to continue to exist between CN and CP.

This Bill, if passed, will mean that the railways will be paid a handsome subsidy for some time to come. It does not matter whether it is paid directly to the railways or the farmers, or some mix of the two. Ultimately they will get the cash, which will guarantee not only their long-run variable costs and out of pocket expenses like maintenance and depreciation, but it also guarantees them a 20 per cent to 25 per cent return on investment. That is not bad. I know a lot of farmers in my constituency and in my Province who would jump at the chance to get that kind of return on their investment. Yet in spite of the continued generosity of the Canadian taxpayers to the railways, will they reciprocate by co-ordinating their operations for the most efficient, cost effective means of delivering grain to port? Will they enter into a reciprocal agreement using one another's lines and equipment?

Mr. Benjamin: Not voluntarily.

Mr. Sargeant: Will they exchange grain traffic from one line to another? I think the answer is clearly no. As Clause 16 reads now, the Administrator of the Agency will be empowered to promote reciprocal and other arrangements between the railway companies to facilitate efficient and reliable movement of grain. Well, whoever that Administrator may be, should this Bill pass he or she can promote and promote until they are blue in the face, but the railway companies will continue their artificial competition in grain transportation.

The railways, Mr. Speaker, have used their stable of lawyers and accountants to present a case that they are hurting under the Crow rate. If that is the case, it seems to me they would lose more money the further they hauled the grain. Therefore I ask, if the CNR picks up a load of grain in southern Saskatchewan and the closest way to port in Vancouver would be to ship it through Calgary, why does the CNR not do that? Why do they move it north to Edmonton and then through their own lines on a route that must be hundreds of miles longer and more expensive? If I was losing money as a result of hauling goods further when it could have been done cheaper, I would do my utmost to get that grain to port by the shortest possible route. If that meant passing it on to my competition, so much the better. The competition would do the same for me if it were like minded.

• (1150)

However, this is not the situation with the railways. I believe that undermines their case that they are losing money on the Crow rate. But setting that aside for the moment, if the railways are so unwilling to co-ordinate their grain delivery under a pricing system which they believe is losing money, what will they do when the revenues provided for moving grain under Bill C-155 start to roll in? They will hang on to those carloads of grain even more tenaciously. I think that would be a shame, not only for the prairie farmers but for the whole country. It would mean that tax dollars continue to support an inefficient grain delivery system only because we failed to give the Administrator the power to require co-operation between CN and CP on grain transportation.

If this amendment is accepted, we will be taking an important step to correct a long-standing problem in our grain transportation system. It will be more difficult for the railway companies to thwart the efforts of the Wheat Board to marshal large volumes of grain for export by refusing to enter into reciprocal arrangements to take traffic on one another's track. We will prevent the railways from shipping grain over needlessly long distances to the detriment of ports like Churchill only because the railways believe that once the grain is on the CP line it stays on the CP line.

In short, we will be going a long way toward creating that efficient delivery system that the Government talks long and hard about. Thefore, I think there is absolutely no choice but for this House to accept this motion before us today.

Mr. Rod Murphy (Churchill): Mr. Speaker, I thought perhaps one of the Conservatives would stand and speak this morning.

Mr. Benjamin: No, they are tired.

Mr. Murphy: Although this is a Conservative motion, I wish to make a few comments on it. I also wish to express support for the motion and I hope that the Conservatives will speak to their own motion.

The effect on this motion is to give the Grain Transportation Agency Administrator the authority to require the railways to enter into an interchange agreement permitting cars from either company to go on one another's lines. That agreement is very important to the efficient running of Canada's railway system.

My colleagues for Yorkton-Melville (Mr. Nystrom) and Selkirk-Interlake (Mr. Sargeant) have already pointed out that the Port of Churchill consistently suffers from Canadian Pacific's reluctance and refusal to let grains from their areas into the Port of Churchill. They refuse to do so even though places like Saskatoon, Humboldt and Yorkton are closer to the Port of Churchill to which grains can be moved more efficiently and cheaply than to the present terminal of Thunder Bay.

Canadian Pacific would allow that grain to go to the nearest port if it had any concern for the farmers, the efficiency and welfare of this country. However, that grain has always gone elsewhere with the exception of one year.

We have heard many people say in this debate that the railways are losing money in the shipment of grain. If they in fact lose money for every mile that the grain is hauled, why do they refuse to allow the grain to go on their competitor's line? Why would they haul that grain farther distances to port instead of going to the nearest port?

For that reason I sincerely believe that many Canadians as well as many Members in the House are being sold a bill of goods with this legislation. If the railways were really concerned about saving money, they would allow the grain to travel on the shorter routes of their competitor. As the Hon. Member for Selkirk-Interlake pointed out, they would only be too glad to see their competitors take this paper loss. However, that is not the case because there is only one occasion when CP allowed the grain on its line to go on the CN line into the Port of Churchill.

The transportation critic for the NDP has often raised this concern in the House and I have raised it with the Minister, CN and CP. However, they all continually refuse to address these concerns and work out an agreement.

I am in favour of this amendment because I believe it is necessary. As Mr. Justice Hall pointed out this summer, if the railways were really concerned about efficiency they would take the initiative to allow interchanges in recognition of the fact that our grain must go to the nearest port, and that would increase the efficiency of the whole system.

My only criticism of the amendment introduced by the Hon. Member for Vegreville (Mr. Mazankowski) is that it does not automatically require the railway companies to send grain to the nearest port. It simply states that the Administrator—whether a friend of the Liberals or Tories, whichever is in power—may require that the grain be transported to the nearest port or that an interchange agreement be arranged.

While we support the amendment because it is a step in the right direction, it is not good enough. If we are really sincere about having our grain moved to market in the cheapest and most efficient way, a factor which this Bill does not address, the railways would be automatically required to do so. We would not allow corporate considerations to hinder that movement. We would be concerned about the money going into the farmers' pockets rather than charging him more to ship his grain to ports which are further away.

Therefore I support this amendment and hope Government Members who have had a chance to think about it will change the vote which they cast in committee and indeed support this amendment.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also rise to support the amendment proposed by the Hon. Member for Vegreville (Mr. Mazankowski). Motion No. 33 before us would indeed improve the Bill if only to put some teeth in the clause. It would benefit producers since it would maximize their return. It would force the railways to exchange grain car for grain car.

Members of the House will be aware that we are not generally in favour of the creation of the Grain Transportation Agency since it is our belief that it simply adds another layer of bureaucracy. We do not want an Administrator whose powers will encroach on that of the Wheat Board. We would prefer that the Whest Board be given further powers to force the railways to co-operate with each other. If we are to be denied that, definitely the amendment before us would improve the role the Grain Administrator will be performing, and as such we have to support this amendment.

● (1200)

I think it is important when discussing this Bill to reflect briefly on the attitudes the railways have in the shipping of statutory grains particularly, but I think it is true of the shipping of all commodities. The railway philosophy is to hold on to the commodity come hell or high water, to hold on to it as long as possible, because in that way they maximize their return.

There are many examples. Mr. Justice Emmett Hall this summer in his testimony in Regina said that the CN sends grain west to Calgary and then north to Edmonton, around 200 miles, and then from Edmonton out to Vancouver. On the other hand, the CPR sends grain west to Edmonton, south to Calgary and then along its line to Vancouver. For all of us who have followed the ins and outs of the Crow debate, the words of Mr. Justice Emmett Hall that "Train loads of grain are passing like ships in the night" will long be remembered.

Is this efficiency? No. Whom does it end up costing? The farmers, the producers and the taxpayers of the country, they pay for this inefficiency. Whom does it benefit? It benefits the railroads. Surely it is not too much to ask this House to agree to an amendment which would stop this illogical business as far as the taxpayers are concerned.

It raises some other interesting questions, questions that some of my colleagues have pointed out. For instance, if the railroads do lose money hauling statutory grains, why do they attempt to hold on to those grains as long as possible? I suspect the railroads are not losing money but making money hauling statutory grains. The Hon. Member for Regina West (Mr. Benjamin) made a very important point. He said that if this Bill passes the railroads will get a 20 per cent guaranteed return on investment. It will be even more in their vested interest to hold on to the grains as long as possible and to encourage the inefficiencies in the system as much as possible in order to get a greater reward for themselves. As I pointed out earlier, the farmers and the taxpayers are the ones who will end up paying the railroads even more.

What the amendment before us today will do is at least begin to cut out some of that. It will force the railroads to become more efficient and to act in a more co-operative manner. I do recognize that this runs counter to some of the philosophy in the free enterprise system. In the free enterprise system competition dictates that you have no truck or trade with your rival. CN should have nothing to do with CP and vice-versa. The problem is, as I have already mentioned, that the consumers, the producers—the Canadian people—are the ones who get hurt.

The time has come to make the case that railroads in Canada should be treated like a public utility. We do not have two different power lines running parallel to each other. We do not have two different water mains running parallel to each other or two different telephone lines running parallel to each other—

Mr. Flis: That is not relevant.

Mr. de Jong: —because that does not make sense. It is recognized that ultimately the consumer of those services is the one who has to pay for their duplication.

The same case surely is made with our railways, which are so vital to the economic, social and cultural interests of Canada. The railroads should be considered as a public utility. Heaven knows, we have paid enough for them. The time has come to rationalize the system so that you do not have this insane duplication of services that we find time after time in our railroad system. At least the amendment before us moved by the Hon. Member for Vegreville will cut out some of that insane competition.

I was interested in the remarks some of our Conservative colleagues have made. They have been good remarks. When the Hon. Member for Vegreville introduced his amendment, he said that Bill C-155 as a whole was written as a very favourable mechanism to the railroads. The major beneficiary in the whole Bill is the railroads. He also said that the producers are the ones forgotten in the whole exercise. Indeed, I am happy to hear that Members of the Conservative Party are voicing those opinions. I think it is an accurate description and an accurate analysis of this Bill. I hope we will be receiving their support for some of the other amendments that we will be proposing that will make certain this Bill is of benefit to the producers and not to the railroads and their vested interests.

It is obvious from the few catcalls and comments from Members opposite that Government Members have not been convinced of the worthiness of Motion No. 33. I would suggest this necessitates more speakers by the Opposition to describe fully their arguments and thus penetrate the thinking of Members opposite. I urge some of our Conservative colleagues to make these points over and over again. Believe you me, gentlemen, it is necessary to repeat your points in order to convince Government Members across the way.

I invite more speakers from the Official Opposition to make their points and to make them forcefully. This amendment in Motion No. 33 is a good amendment, Mr. Speaker. For heaven's sake, Hon. Members, don't just sit there and not say anything about this good amendment. Stand up and make the case and help us to convince Government Members of the worthiness of your amendment.

Some Hon. Members: Hear, hear!

Mr. de Jong: I also invite some Government Members to stand up and give some rational reasons and arguments why we should not pass this amendment. Surely this is a debating forum. For Government Members to say nothing and to sit quietly and vote like a bunch of robots is a travesty of the purpose of this House and our parliamentary tradition. Surely, Mr. Speaker, they have some obligation.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. The Hon. Member, who does not know very much about this Bill obviously, is now taking it upon himself to reflect upon the motives of other Members in this House. That is surely not part of the rules of debate in this House.

Mr. Benjamin: Don't be so touchy, Maurice.

Mr. de Jong: Mr. Speaker, I certainly was not referring to the Hon. Member. The Hon. Member for Northumberland-Miramichi (Mr. Dionne) has given his thoughts and opinions on this amendment, and I congratulate him for that. I certainly do not want to imply that he has wrong motives, certainly not that Member. But I do invite some of the other Government Members who will be voting on this amendment to stand up and explain to this House and to Canadians why they will vote that way. Surely this amendment is a rational one; it requires rational debate. The least we can expect from Government Members are some rational reasons why we should be opposing this amendment. Silence is not debate. Silence is not rational argument. Government Members owe it to the public of Canada to give something more than silence.

Some Hon. Members: Hear, hear!

• (1210)

Mr. Blais: Mr. Speaker, I rise simply to point out that in all the blathering from the Hon. Member who just took his seat, he did not discuss the merits of the particular amendment either.

Mr. Benjamin: You just came in. Where have you been?

Mr. de Jong: Mr. Speaker, I rise on a point of order—

The Acting Speaker (Mr. Corbin): Order, please. I hope we will not indulge in that kind of bootlegging of comments on other Members' speeches. That is deliberate debate. If the Hon. Minister wishes to make a contribution, he should seek the floor and make one, not rise under the guise of a point of order.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Regina East (Mr. de Jong) rising on the same point of order? If so, I must caution him because there is no point of order. Perhaps he is seeking the floor on a different point of order.

Mr. de Jong: Mr. Speaker, all I wanted to say was exactly what you said, and I will sit down.

Mr. Hnatyshyn: He is a good Minister of National Defence; every time he comes into the House he starts a war!

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I rise on a point of order. Perhaps you could seek the unanimous consent of the House to allow the Minister of National Defence (Mr. Blais) to share his wisdom on the amendment before us.

Some Hon. Members: Agreed.

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

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I suspect the Hon. Minister has shared all his thoughts on this Bill with us.

Some Hon. Members: Hear, hear!

Mr. Blais: That is the best one yet.

Mr. Riis: I am very pleased to have the opportunity to say a few words on what I consider to be a first-rate amendment which will enable the Grain Transportation Administrator to do what is necessary in order to obtain the most efficient production from the railway system of Canada. When I see words in an amendment such as "promote, and shall require, if necessary, reciprocal and other arrangements", I see the essence of a motive which can only be applauded. If there is anything we can do as a House of Commons in improving this legislation to ensure a more efficient movement of commodities across the country via our rail transportation system, it behooves each Member of the House to stand when possible to speak in favour of such legislation and certainly to support it when it comes time to vote.

I heard Government Members suggest that the existing National Transportation Act and the Railway Act were sufficient guarantees to allow the Canadian Transport Commission to enforce regulations to ensure maximum efficiency of Canada's railroads. This is something which must be questioned. This is certainly not the case. At the Crow rate hearings, Justice Emmett Hall indicated that railroads hung on the loaded cars of grain for movement to export position even though movement over another line would cut the distance and therefore decrease the cost to the producer. Justice Emmett Hall understands what is going on with the Canadian railway system. He is well aware of a variety of areas where the system is being abused, and, I want to emphasize, being abused by railway companies to maximize their returns. Nevertheless, this slows the movement of grain to our port facilities.

I had a particular experience in my constituency this past summer which brought the need for this new power to my attention. As a result of a terrible storm in the Rogers Pass area of British Columbia, both the Trans-Canada Highway and the CPR mainline were washed out and the traffic over the CPR mainline was disrupted for many days. Had the transportation czar in Canada had the authority and power to do so, he could have stepped in very quickly and enabled CPR to take advantage of the CNR line which also runs through the

Rocky Mountain corridor and on to western ports. He could have encouraged the transfer of rail cars from the southern line into the more norhtern route and could have allowed for a maximum flow.

As a result of this terrible rainstorm and wash-out, undue hardships were faced by many small businesses and ordinary Canadians. The transportation Administrator would have been able to act swiftly in such a situation and immediately order CNR to allow CPR to use its track so as to keep the vital grain transportation links open and to ensure that prairie farmers would have their grain delivered to West Coast ports. We have had first-hand experience in my constituency with the need for greater regulatory powers. I believe the amendment is a good start, I believe it is a good amendment, and we in the New Democratic Party are pleased to support it.

When we see example after example of the CPR taking a longer route than necessary, we always recognize the inherent danger of leaving private interests such as CPR with the responsibility of furthering the public good. Time after time in industry after industry when there is a conflict between public good and private gain, it is private gain that wins. Private interests are only interested in the public welfare when it fills their own private coffers. It is not necessary to throw aspersions at the private sector. After all, it is the mandate under which it operates. Its major motive is to obtain the maximum amount of profit for its shareholders.

We are talking about an integral transportation system which is necessary to move grain and other commodities from various areas of Canada to its coastal ports. Therefore I believe very strongly that increased regulatory power as proposed in this amendment with the words "promote, and shall require, if necessary, reciprocal and other arrangements" is something that we as Members of the House of Commons, with the public good at heart, must support.

As previous speakers have indicated, we must encourage Government Members to give some consideration to this particular amendment. If they are not interested or do not see the wisdom of providing this additional regulatory power to the Grain Transportation Administrator, I ask them to stand in their places and explain to us as Opposition Members and to the people of Canada why this amendment is an inappropriate one, why this amendment is not in the best interests of Canadians, and why this amendment is especially not in the best interests of Canadian grain growers. Hon. Members opposite have a responsibility, particularly those Ministers who are directly responsible to the agricultural sector, to rise and say why the amendment is inappropriate or why it is not in the best interests of Canadian farmers or of the public good.

With those words I will rest my case and look forward to hearing an opposite viewpoint presented by Government Members, if in fact they can establish any logical opposition to this first-class amendment.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am very pleased to take part again in the Crow debate and particularly to address the issue of the amendment before us, Motion No. 33. As we all know, this is a Conservative amendment but I am pleased to speak on it as a New Democrat.

• (1220)

Our Party is supporting the amendment very strongly. I might note that the NDP have put up 14 speakers on this motion while the Conservatives have only put up ten. The Conservatives should put up three Members for every one of ours. It is we who are really speaking to the motion, fighting for it, asking the Government what is wrong with it and why it is not addressing this issue. We are asking why the Government is not speaking and listening to the voices of reason. We are asking why the Government is not prepared to accept such a sensible amendment.

Mr. Hnatyshyn: It is the old question of quality versus quantity.

Ms. McDonald: The amendment before us is very precise. The clause reads:

> The Administrator may—
>
> (d) promote reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers.

The significance of this amendment is that we need greater efficiency in the grain handling system. That is something that I am very happy to speak to as a New Democrat. I am concerned about seeing a much more efficient economic system operating. I speak as one who defends the farmer and the producer, wanting to see them get reasonable returns. I am not so concerned about defending the profits of CPR.

In order to improve the efficiency of the grain handling system, we want more interchange between the CP and CN systems, the two major systems in this country. They must work together if our farmers are to be well served. The railways must work together on shorter hauls. It is extremely appalling to me as an environmentalist, as somebody who is very much committed to energy conservation, to see the enormous waste in the transportation system. It is not only the rail system which is extremely wasteful in this way: we also see this in other modes of transportation, such as ships and planes. There is no excuse for not having greater efficiency in the rail system.

We have to be very careful of our resources. We must use them wisely. We are dealing with non-renewable resources which were given to us through no credit of our own. We are using them very rapidly. We should use as little as possible. This means using our transportation system in the most efficient way possible. Both CP and CN have track that would be better utilized by interconnection with the other system. Unfortunately, it is only in exceptional circumstances that we see these interchanges which promote efficiency and conserve energy. I am sure all Members could cite examples close to their own constituencies about the inefficiencies which occur.

This amendment is a step toward greater efficiency. We of course would like to see a much more comprehensive, inte-

grated system. However, that is a subject for debate on another day. We should at least take the first step toward efficiency with the amendment now before us, Motion No. 33.

We argue that the Grain Transportation Agency has been given excessive powers. The Administrator has too much power in the sense that his powers could encroach upon the authority of the Canadian Wheat Board. However, that is the situation. We would have done it differently if we were in government. However, we are not; we are in opposition. We have to see how we can make the system the most efficient through amendments which can be put in place, given the context that it is beyond our control to make change. That is why we support this amendment. No matter what public agency has control over the transportation of grain, whether it be the Wheat Board, the Canadian Grains Commission, the Grain Transportation Agency or whatever, there must be the ability to direct the railways to exchange cars in order to promote efficiency.

Mr. Justice Hall is well known as a fighter against the Crow rate changes and is a knowledgeable person on the whole question of transportation. He made some interesting remarks on this. He really gets to the heart of the difficulty before us. I quote from his testimony:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branch-lines. That would have been very efficient from their stand-point. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang onto that commodity to the delivery points, come hell or high water. That works out this way and this is what we found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean too much to members from the east, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.

That is an example of an extremely wasteful procedure. It costs money and it is inefficient for the whole economy. It wastes energy. This is the kind of thing that has been going on. I again quote Mr. Justice Emmett Hall:

> CP with the Hardisty line, which is another line going through Edmonton all that CPR grain went to Edmonton, but there is no line from Edmonton into Vancouver—so it went south to go to Vancouver. Trainloads of grain were passing each other like ships in the night between Calgary and Edmonton.

There we have examples regarding both CN and CP. Both were offenders in hanging on to the commodity they had. They were not concerned about efficiency in the system. They were not concerned about the farmer, only about getting a buck by keeping the commodity under their control.

An interesting exchange came up in the Transport Committee hearings in Regina with Mr. Justice Emmett Hall and a Member of Parliament. Referring to the railways he said:

> If they continue to do business the way they are doing it now, and that is as though they both existed in a separate country and did not co-operate, I do not suppose there is very much we can do. But if the railways could come to a situation where the principle of transportation would be to the nearest port by the shortest route, you could increase the capacity very substantially.

Increasing the capacity is important. There have been hold-ups, which means people do not get their money when they should. Unfortunate situations have occurred as a result of these hold-ups. The Member of Parliament then asked:

> This may be a bit of a naive question, but how do you get the railways to do that under the present system; under what we have?

Mr. Justice Hall replied:

> I do not think it is by enriching them at the farmers' expense.

I heartily agree. Let me give a couple more examples of inefficiency, of wasteful use of energy. I wish to quote my colleague who has been leading our struggle regarding the Crow rate. He said:

> The administrator is going to have a heck of a time getting co-operation. It was tough enough before, but under this new regime, and with the guarantees of variable costs plus in the rate system, the railroads would be damn fools to agree to move grains off their lines onto somebody else's line any sooner than they absolutely had to. They would be damn fools to do it—
>
> CN would be smarter to draw grain from far south of Hudson Bay and all the way down the Gravelbourg, and get their maximum variable costs plus, rather than rely on grain coming on CP tracks from Yorkton to Hudson Bay. Either one of the railways would be crazy to go into any kind of reciprocal arrangement, at least up to the point where they get their maximum variable costs plus contributions to constant cost.

The railways are in it to make a buck. We have seen this with both CN and CP. They do not care very much about the producer. Only if they are forced into making these arrangements will it be suitable for the producers and we will have efficiency. They do not do it willingly.

● (1230)

It is extremely important, Mr. Speaker, that they be forced to do that, and that is the reason for the amendment that is before us today. That is the reason we are all concerned that the Government is not listening but is quite happy to let the railways go along making a buck and turning some of that money back to the Government by way of campaign contributions. The Government is not concerned about the energy conservation or efficiency aspects of the matter or about serving the farmers. We think it is about time the Government listen to reason and support the amendment before us today.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have been listening with some interest to the Hon. Members of the NDP who have made a lot of noise about whether Members of our Party are speaking or not. I want to point out that there have been some excellent speeches made by Members on this side on this amendment. As well, the point was really made at committee where the only Member of the NDP present most of the time was the "Lone Ranger". We in this Party had a full complement of Members present throughout the hearings and committee reports.

It is very interesting to note that the NDP has been constantly opposed to the idea of the Grain Co-ordinator. Even at the time we were setting that Co-ordinator up, the Hon. Member for Regina West (Mr. Benjamin) and his colleagues were totally opposed to setting up the Co-ordinator. The Government has decided that it will provide for an Administrator and we have rewritten the clauses of the Bill over and

over again to put provisions in place so that the Bill does not only benefit the railways but also benefits the producers. We feel that this Bill should protect the producers when the railways are moving grain, rather than protect the railways.

The Hon. Member for Regina West said in committee that the amendment we are proposing is simply window dressing. He made this comment on page 128:81 of Transport Issue No. 128. Now he rises in the House and says that this is a very good amendment. We appreciate that because it is an excellent amendment. It will give this clause some teeth.

I listened to Members of the NDP while one after another of them rose, and I found that they had a lot of difficulty understanding exactly what this amendment really means. They talked about the concept of the railways holding on to their cars. That really is not what we are trying to do by this amendment. We are trying to say that the railways ought to allow CN cars to run on CP lines pulled by CP engines, but in fact the rate would still go to the originator of the car. The problem is which company gets the rate. If the railway hauls something at a loss, it still wants however many dollars that are left. That railway company is not prepared to give that money to a competitor.

I heard many comments to the effect that this concept would create some difficulty with the free enterprise system and that we ought in some way to put these two railways together as a public utility. The Hon. Member for Regina East (Mr. de Jong) said that we would not have two power lines running side by side and I wondered if he had found that in his Province the CP ran in the southern part of the Province and the CN in the northern part, and that the problems arise in that small area in the middle.

We in Alberta have that same difficulty. In fact, CN cars were running one way and CP cars were running the other way on the same line. This instigated some negotiations between the two railways in an attempt to run cars on each other's lines. They found that, in effect, it balanced out and that there was no loss in revenue on this line at all. When the Prince Rupert terminal was being built, this difficulty came into question in a very serious manner because the line to Prince Rupert was a CN line, yet there was the necessity to move CP grain from the south to that terminal. Much time was spent in an attempt to have the two railways come together in an agreement.

When we read this Bill, we found that the Co-ordinator or Administrator really had no power to say that, if it is in the interest of the producer to maximize his returns, then that ought to be done. We ought not just to promote it; the power ought to be there to require it, particularly since we are putting forward so many hundreds of millions of dollars in subsidies. We should not put this money forward to serve only the interest of the railways but also to serve the interest of the producers. That is why there ought to be some teeth in this proposal.

The clauses that we are talking about, Mr. Speaker, are Clauses 17 and 18 of the Bill, and particularly Clause 17. In committee many amendments were accepted that were proposed by this Party in an attempt to strengthen that clause. The reason for those amendments is that we felt these clauses were too lenient to the railways, so we inserted in Subclause (b) and Subclause (d) of Clause 17 the word "reliability". In Subclause (d) we inserted the words "and reliable" and the words "for the purpose of maximizing returns to producers". We rewrote the whole of Subclause (2) in another attempt to air our concern for maximizing returns to producers.

We are now attempting to add the words "and shall require", which we attempted to add in committee but were turned down by the Government. We are now trying to make the same very strong argument that we made very effectively in committee in the hope that the Government will see the light and add those words. The Administrator in the past has operated very effectively by seeing to it that cars were placed in areas where producers could get the maximum benefit from those cars, and he ought to have the powers to do so again if the railways do not come to an agreement on exchange lines.

I must say again that we are not in any sense trying to give a CN car to CP but simply want to see the exchange of cars running on the line that is so necessary in the areas of the Prince Rupert terminal, the Churchill terminal and in some of those areas in the Provinces where the lines come together in the middle of the Province.

In most cases where reasonable, the railways have come to agreements. There certainly can be in the future areas where the Co-ordinator or the Administrator, in the best interests of the producers, would want to have the power that we are proposing here that will allow him to require the railroads to come together.

I remember when we first began to set up the position of Co-ordinator some four years ago that the same problem resulted in the delivery of what at that time was called rapeseed to the West Coast. I suppose the same was the case in Thunder Bay as well. In that case, it was not the railway companies but was each grain company that requested that its car of rapeseed be delivered to its facility in the port. When the train was picking up the commodity across the Prairies, it would pick up a Saskatchewan Wheat Pool car, a Pioneer car, a Cargill car and a United Grain Growers' car. These cars would perhaps be situated side by side on the train as it moved to the port. We found that a train of some 100 cars arriving in the port might require some 50 switches in order to get each car going to the proper facility when the same product was in each car. They simply would not exchange cars to move them into the facility. That was a very time-consuming practice which resulted in cars not getting back to the Prairies as quickly as they ought to.

After much discussion and after bringing this matter to the public sphere, we worked out an arrangement to pool cars which increased the turnaround capacity. You can see, Mr. Speaker, that if we would have the ability to give the Administrator those powers, then if the companies had not agreed voluntary and it was in the best interests of the producers that that agreement be reached, the Administrator, with that best

interest at heart, would have the teeth to put this agreement in place.

• (1240)

We are very concerned that when you give this kind of money to the railways—who have not performed that well in the past on public subsidies—the Bill sought to contain clauses with teeth that will ensure the maximum performance by the railways to get grain to port in the best interests of the producer.

Mr. Neil Young (Beaches): Mr. Speaker, I was rather interested in the remarks of the Hon. Member for Wetaskiwin (Mr. Schellenberger) who implied that we in the NDP did not support this particular amendment. I think the Hon. Member misunderstood what the Hon. Member for Regina West (Mr. Benjamin) has been saying all along. If he wishes to check the record, he will find that the Hon. Member for Regina West said: "This amendment is some more window dressing on behalf of the Conservative Party and I will not use any stronger words. However, I can support the amendment, for all the good it will do." That is exactly what the Hon. Member for Regina West said.

It is refreshing to find that finally the Conservative Party speaks in support of its own amendment. This morning the NDP has put up nine speakers to the Conservatives' one in support of the amendment. This makes one wonder whether that Party has had a change of heart again with respect to the impact of the Crow rate and what it will do to the farming community in the country and to consumers generally, as I pointed out in earlier remarks on the Bill.

What the spokesperson for the Progressive Conservative Party called for several weeks ago was, in effect, a hoist on any amendments to the Crowsnest Pass rate. According to press reports, this stirred up a hornet's nest in political circles in Ottawa at that time because it appeared that the Conservative Party had changed its mind again and was saying, in effect, that because of the political difficulties in the country and because of popular support for the existing Crowsnest Pass rate, particularly in the prairie Provinces, it had decided that statements made by the official spokesman for a hoist of three years was being read as support for the Crowsnest Pass rate.

I do not know what happened between the time that statement was made and September 29, 1983, when it was reported in the *Western Producer* that the Conservative Party had decided it was not the better part of wisdom to follow that course and was arguing that it was going to drop the proposal. Perhaps that is the reason it has put up only one speaker today in support of the amendment.

As I understand it, the amendment to Clause 17(d) proposed by the Conservative Party would enhance the authority of the Grain Transportation Agency, through an Administrator, over the railroads and specifically would give him the power to direct them to exchange carloads of grain where such exchanges would improve the efficiency of moving grain to export positions.

As the Hon. Member for Regina West has already pointed out and as I pointed out the other day, while we would argue that there is no need for the Grain Transportation Agency and that the Administrator already has too much power in the sense that his powers encroach upon the authority of the Canadian Wheat Board, this is a good amendment and we support it. No matter what public agency has control over the transportation of grain, be it the Wheat Board, the Canadian Grains Commission, the Grain Transportation Agency or whatever, it should have the ability to direct the railroads to exchange cars so as to promote efficiency. As Mr. Justice Hall noted, even at the existing Crow rate the railroads hang on to loaded cars of grain for movement to export positions even though the other line could move them to port over a more direct line, cutting the distance, costs and adding to the efficiency of the system.

In his testimony before the Transport Committee in Regina on August 9, 1983, Mr. Justice Hall said:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branch-lines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang onto that commodity to the delivery points, come hell or high water. That works out this way and this is what we found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean too much to members from the east, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.
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> CP with the Hardisty line, which is another line going through Edmonton . . . all that CPR grain went to Edmonton, but there is no line from Edmonton into Vancouver—so it went south to go to Vancouver. Trainloads of grain were passing each other like ships in the night between Calgary and Edmonton.
>
> I do not know what else we did on the commission, but we shamed the railways into entering into an agreement to exchange cars—car for car—not exchanging traffic but car for car. That agreement, I think, still subsists. I think it can be abrogated on 30 days' notice. That is about the situation.

If you have ever seen an example of inefficiency, Mr. Speaker, it would seem to me that would be it. I think what Mr. Justice Hall was attesting to was that all of these measures tend to undermine the assertion of the railroads that they lose money every time they move a carload of grain. If that were so, presumably they would lose more money for each additional mile they haul it and then would do everything possible to get rid of it and stick their competition with the loss.

With the lush revenues from moving grain under Bill C-155, this tendency to hang on to loaded grain cars as long as possible so that the money will roll in as the cars roll over the road will be exaggerated. Without the authority the amendment would give vested in the hands of a public agency, you can be sure there would be little, if any, exchange of carloads of grain between the railroads for the sake of efficiency. Again I quote a few words from the testimony of Mr. Justice Emmett Hall at that Transport Committee hearing in Regina on August 9. Mr. Justice Hall, in dealing with that question, said:

● (1250)

If they continue to do business the way they are doing it now, and that is as though they both existed in a separate country and did not co-operate, I do not suppose there is very much we can do. But if the railways could come to a situation where the principle of transportation would be to the nearest port by the shortest route, you could increase the capacity very substantially.

Perhaps that goes to the crux of the question. I suppose the existing Crow rate is not so very bad in comparison with the inefficiencies in the railway industry in this country. Perhaps this is an area to which this House could address itself in greater detail than it has over the past weeks and months. I am quite sure that once this has been done, the House and the Government would take a different view of the existing Crowsnest Pass rate.

I understand my time has expired, Mr. Speaker, so I will conclude my remarks.

Mr. Dan Heap (Spadina): Mr. Speaker, the amendment before us proposes to change Clause 17(d) at page 8 by removing the words "promote reciprocal and other arrangements" and inserting instead "and shall require, if necessary, reciprocal and other arrangements". That seems like a very reasonable amendment. While it may be a little surprising to find the Tory Party advocating greater Government control of private enterprise, as in this case, that Party does have the option of going backwards and forwards at the same time. It is built right into the name "Progressive Conservative". That Party can switch back and forth very easily and say yes or no, or yes and no, without any embarrassment, but I hope it stays with this particular amendment because it does seem reasonable.

Presumably, the argument against this amendment would be that the railroads may already do this voluntarily. In fact, we understand they had an agreement to do this voluntarily. The problem is partly that the agreement is subject to cancellation on a month's notice and partly that there is no way for the interested public to monitor the performance of this agreement, nor in any sense to enforce the agreement to provide any compliance with the agreement. That is the nub of the question.

That is why it is so interesting to find the Conservatives pressed to admit that private enterprise would not be willing. That is the implication of the amendment. It must be compelled and required, because it would not be willing to do this in an efficient way on a voluntary basis. It clearly has the means to do it. The examples which were placed before the committee by Mr. Justice Emmett Hall were, of course, examples based on the record and practices of the railroads. The railroads know full well what inefficiency there was in conducting their business as they did.

As has been pointed out by the Hon. Member for Beaches (Mr. Young), the railroad contradicts itself in complaining about the cost of hauling grain when it chooses to haul it for hundreds of miles unnecessarily. Obviously, the railroads are not essentially interested in efficient production. If inefficient operation will make money for them, then let there be inefficient operation. That is their philosophy. Anyone who uses the rail service between Ottawa and Toronto is well aware that the railroad has no overriding sense of obligation to efficiency. It does not mind whether the train comes in late or not.

An Hon. Member: That is VIA Rail.

Mr. Heap: It is VIA Rail which, of course, is really only a function of the railroads and must take the railroads as it finds them. It must take the rolling stock as it finds it and must pay for worn out rolling stock as it finds it.

The Acting Speaker (Mr. Corbin): Order. I must caution the Hon. Member, as I have other Hon. Members, that he is straying somewhat from the amendment before the House.

Mr. Benjamin: I rise on a point of order, Mr. Speaker. With all respect, Sir, surely examples of railways inefficiency, whether in the use of tracks or rolling stock, relate to the very points made in the amendment. The inefficiencies are caused by not having reciprocal agreements which could be required, if necessary. The same kind of reciprocal agreement needs to be required in many other places, including the line mentioned by my hon. friend. It relates to the point of the argument in this amendment.

Mr. Dionne (Northumberland-Miramichi): I rise on a point of order, Mr. Speaker. I point out to you and Hon. Members in this House that the title of this Bill is:

An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

I am not aware that VIA Rail in Ontario moves a heck of a lot of grain.

The Acting Speaker (Mr. Corbin): Order. I will give the Hon. Member, of course, the benefit of the doubt. However, I thought he was straying somewhat from the amendment before the House in his last remarks.

Mr. Heap: Thank you very much, Mr. Speaker. I do want to explain that while I accept your direction and will not pursue that particular detail further, I was trying to speak as an easterner who is aware of the over-all conduct of the railroads we are dealing with, which includes what is, in effect, their creature, VIA Rail. Of course, if I keep on being interrupted by Hon. Members I might get confused again and stray off the subject. If Hon. Members want this, they can continue in their present conduct.

I believe there could be another important value in—

Mr. Blais: Talk about the jobs which your filibuster is costing Toronto.

Mr. Heap: Even the Cabinet now wishes to get into the act, Mr. Speaker. I do not know if the Minister will speak to this amendment. I hope he will. Since the Minister opposite seems to want to comment, I hope he will have an opportunity to do so this afternoon.

The point I was trying to make, Mr. Speaker, is that if the public Administrator had this power to require—not just to

promote—this kind of co-operation between these two railroads for the sake of efficiency, there would probably be a spin-off benefit as well. He would probably be in a position to give the public more complete information about what the practices are of the railroads. That might even open up the question of what is the real cost of shipping grain since the railroad has been caught implicitly contradicting itself as to the actual cost in relation to efficiency.

I would hope that this amendment would be adopted, that the Administrator would use his power to ensure the efficient handling of grain and monitor the practices of the railroad, so that the records would show whether the railroad has been handling grain efficiently in the past. I believe this would be very interesting because the debate about the Crow rate, which is the main subject of this Bill, of course, is likely to continue for some time. The same interests which want to increase the rate will still want to increase it even after this Bill has been defeated.

Therefore, Mr. Speaker, I am hoping that this amendment will be adopted. If not in its present form, then it is conceivable, as I said before in this debate, that there might be some compromise arrangement available whereby the essence of the amendment could be adopted.

I see my time has expired, Mr. Speaker.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN BROADCASTING CORPORATION

EXCLUSION OF PETERBOROUGH FROM TORONTO FOOTBALL COVERAGE

Mr. Bill Domm (Peterborough): The Crown corporation, CBC, has made a decision to exclude Peterborough from television coverage of the Toronto Argonauts' Canadian Football League game on Sunday, October 9. Peterborough is clearly outside the 75 mile black-out radius. As a result of this I have learned that the CRTC is entirely at fault because it neglected to add the 75-mile exclusion clause to a contract with Classic Communications of Richmond Hill, Ontario, which fully intend to broadcast the game via telecasts picked up from CHEX Television station in Peterborough, Ontario.

Therefore, the CBC has made the arbitrary decision of disallowing Sunday's broadcast by CHEX and its affiliates on the basis of an error by CRTC in drawing up a licence with a Richmond Hill cable TV company. What this means is that thousands of football fans in the east central Ontario region will be denied the privilege of viewing the game, a deplorable situation which is further compounded by the loss of thousands of dollars of advertising revenue.

I strongly urge the Minister of Communications (Mr. Fox) to intercede immediately on behalf of football fans and force the CRTC to get its records straight and not deny football fans viewing rights because of a contractual error by the CRTC, a regulatory agency of the Ministry of Communications.

* * *

[*Translation*]

EMPLOYMENT

ACHIEVEMENTS OF BOMBARDIER COMPANY

Mr. Jean Lapierre (Shefford): Madam Speaker, I would like to draw the attention of the House today to the fact that a major contract has been awarded to a Quebec company in my riding, and I am referring to Bombardier, which in its twenty-fifth year has succeeded in breaking into a market ignored until now by Canadian companies, namely, military vehicles. Madam Speaker, about twelve months ago, Bombardier was awarded a contract worth nearly $140 million which created a lot of jobs in the Eastern Townships, 1,875, to be exact, and yesterday, another contract worth $68 million was announced, which means an additional 1,000 jobs in Quebec. The product, a 4-wheel drive jeep, will have 50 per cent Canadian content during the first year and 60 per cent the second. I think this is an incredible achievement for a Quebec company, and it is due to its ability to draw on its own technical expertise, to know where the market is and to diversify production. After starting 25 years ago as a snowmobile manufacturer, Bombardier was able to find new markets, and I think that thanks to the expertise of its workers and management, this company which we can really call our own has a great future.

* * *

[*English*]

LOUIS RIEL

PLEA FOR POSTHUMOUS PARDON

Mr. Bill Yurko (Edmonton East): Madam Speaker, this House acted yesterday with unanimous consent to correct an historic injustice. Perhaps the Senate might also act in a similar manner.

The House acted to assist the Government of Manitoba to reinstate the constitutional rights of Manitobans so provided in the Manitoba Act of 1870. The Parliament of 1890 could have prevented that injustice through the use of the federal constitu-

tional powers of reservation and disallowance. But the Parliament of 1890 did not act. Yesterday's action, to be followed by speeches by the three Party Leaders today, is a noble act. It is correcting a wrong. Perhaps the House could find within itself the will and generosity of spirit to correct another injustice committed in 1885.

This House could and should act unanimously by passing Bill C-691 or, by separate resolution, to grant a posthumous pardon to the father of the Manitoba Act of 1870, Louis David Riel, who was hung for the crime of treason against the central Government in 1885. A pardon would not only be an act of forgiveness for Riel, whose cause was just but whose methods were criminal, but it would also serve to remove an ugly blot of bias from the Canadian system of justice. It would also be forgiveness for the Government of 1885 which played politics with an unstable man's life, and a negligent Parliament which did not even sit to consider the matter—

Madam Speaker: Order, please. The Hon. Member's time has expired.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—HISTORY OF VIOLENCE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the Prime Minister (Mr. Trudeau) stated Tuesday that we must stop treating the Soviets as killers. I believe it is an absolute disgrace that the PM-NDP alliance has such strong sympathies for the Communist movement.

In 1968 the Red Army invaded Czechoslovakia, suppressing that country. Through the 1970s the Soviets instigated violence in African countries, using Cuban proxies to enthrone and keep in power oppressive Marxist regimes. In 1979 they invaded Afghanistan, where some 100,000 troops have been slaughtering entire tribes and gassing innocent civilians. During the first 30 years of the Soviet dictatorship the latest estimate of the number killed by the Communists is 83,000,000, and most recently the Soviet Union massacred 269 innocent passengers and crew aboard Korean Airlines Flight 007.

How can we treat them as anything but murderers? The Soviets have no respect for the human rights of their own citizens, much less of the citizens of other countries. For the PM-NDP alliance to sympathize, almost condoning the actions of these human slayers, is almost as repulsive as the revolting acts of the Soviets themselves.

* * *

PROVINCIAL AFFAIRS

LIQUOR ADVERTISING IN SASKATCHEWAN

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, the Province of Saskatchewan, breaking a 58-year old tradition on October 1, began allowing liquor, wine and beer advertising on radio, television, and in the print media. I am concerned that this has not been done in the interests of the people of Saskatchewan.

I was puzzled when I first learned that a private television station from Toronto had contributed $5,000 to the Progressive Conservative Party of Saskatchewan in 1982, until I found that the station was CFTO, owned by Baton Broadcasting, which is in turn owned by the Bassett family of Toronto. It is no coincidence that Baton Broadcasting is also the owner of CFQC Radio and Television in Saskatoon. It just so happens that CFQC contributed $2,500 of its own money, and the CFQC vice-president and station manager is also chairman of the beer and wine committee of the Saskatchewan Association of Broadcasters, who have been instrumental in lobbying the provincial Tories to change the 58-year old ban.

I would like to add, Madam Speaker, that in 1982 the brewers and distillers of Canada gave a total of $51,000 to the Conservative Party of Saskatchewan, which is more than they contributed in the same year to the Conservative Party of Canada. The buying off of the Tory Government in Saskatchewan is an affront to the trust the people of Saskatchewan have placed in their Government, and I find a great deal of disgust in this whole idea.

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HOUSE OF COMMONS

RECITATION OF PRAYERS

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise today to talk about a very important part of the business of this House, a ritual that is not well known by many people in Canada. I refer to the practice of being led in prayer in private by the Speaker.

As Members know, the prayers are recited each day preceding the beginning of the day's business, with as many Members as possible in attendance, as well as pages and officials of Parliament. True, not all of us can be present, but I believe many try to take in the prayer session as often as possible. It seems to me that the commencement of this important ritual has been delayed every day this week. The delay has been caused because both opposition Parties have, for one reason or another, chosen not to be in the House or their seats for the prayer period. It should be noted that immediately after the prayer period, miraculously, Members file to the benches in goodly number.

I make these comments only to underline the fact that we do begin our daily activities with prayer, and that this might be an appropriate time and place to remind us that this is a practice worth preserving on all sides of this House. I believe we all benefit from prayer. It seems to me that if many can appear in their seats following prayers, there is no reason for them not to be in their places in time for the daily prayer.

FARM CREDIT CORPORATION

CALL FOR ESTABLISHMENT OF AGRI-BOND PROGRAM

Mr. Lee Clark (Brandon-Souris): Madam Speaker, since the Government has repeatedly refused to provide the Farm Credit Corporation with sufficient funds to honour the many loan applications of Canada's struggling farmers, it must at the very least implement an agri-bond program immediately. In fact the Hon. Minister of Agriculture (Mr. Whelan) said at one time that he personally supported the concept of agri-bonds to finance more credit for farmers at reduced rates. But he said that in March of 1982. If is now more than a year later and Canadian farmers are going bankrupt in record numbers while the Government drags its feet. Need I remind the Government that close to 300 farmers, including 35 in my home Province of Manitoba, have gone bankrupt so far this year?

● (1410)

To make the agri-bond program work, we suggest that the Government offer tax exemptions or reductions to encourage farmers and others to loan their savings to the FCC and the agri-bond program, with a capital gains tax waiver if the taxable portion is invested for not less than five years.

The Minister of Agriculture has said that he generally supports the idea. Farmers certainly support it, and we in the Progressive Conservative Party have long supported it. All that remains is for the Cabinet to make it a priority. Canadian farmers do not need any more of the Government's empty words. They need action.

* * *

NUCLEAR ARMAMENTS

MULTIPLE WARHEAD MISSILES

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, a MIRVd missile is one with multiple independent re-entry vehicles, or warheads. Each warhead is capable of attacking a separate target. For example, one MX Missile with ten warheads could destroy ten Soviet cities.

A U.S. Congressional budget office study indicated that the U.S. will be getting rid of 143 Titan and Minuteman III mark 12 missiles, with a total of 343 warheads, between 1983 and 1988.

Under the build-down proposal of President Reagan, when two missiles would be destroyed and one missile would be added, there would be a net loss of 72 missiles—sounds good! The 343 warheads contained on the Titan and Minuteman missiles would be replaced by 710 warheads on the MX, for a net gain of 367 silo-busting warheads. Some build-down!

There have been on both sides all kinds of meaningless offers, especially when the super powers are replacing used, old and obsolete weapons like the Titan or the S.S. 4s and 5s, and 11s to impress the world that they are both serious about nuclear disarmament. It is time that the middle powers convey

S.O. 21

in the strongest possible terms the idea that this kind of spurious bargaining is unacceptable and does nothing but allow for a never-ending dangerous increase in nuclear weaponry.

* * *

[*Translation*]

AGRICULTURE

NECESSITY TO HELP FARMERS

Hon. Roch La Salle (Joliette): Madam Speaker, last summer, the Farm Credit Corporation asked our permission to borrow $600 million on the financial markets, but the Minister of Finance refused to authorize more than $250 million. I may add that many farmers have benefited from the temporary 4 and 5 per cent interest rate programs, but this was only for a two-year period, starting November, 1981. Madam Speaker, you will therefore understand the emphasis on the desirability of Government assistance to farmers, when we are discussing farm loans.

Madam Speaker, I deplore the lack of interest shown by the Minister of Agriculture and the entire Government for the problems and difficulties with which many farmers will be faced starting this year, when the temporary programs are about to expire and these farmers will have to go back to interest rates of 16¾ per cent. Madam Speaker, in the circumstances, I trust my representation to the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Lalonde) will help them understand the importance of this matter, and that they will show more compassion for farmers and a better understanding of the importance of the survival of agriculture in Canada.

* * *

[*English*]

STATUS OF WOMEN

TENTH ANNIVERSARY OF MURDOCH CASE

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, October 2 marks the tenth anniversary of one of the most infamous cases in Canadian judicial history, the Murdoch case.

Ten years ago the Supreme Court of Canada denied justice to a women who, as well as doing all of the housework and child care, did the haying, raking, mowing, branding and vaccinating cattle, and drove the tractor. Her husband argued that this was what an ordinary rancher's wife did and that accordingly she was entitled to none of the property accumulated by the couple's joint labour, but held in the husband's name. Shamefully, with the exception of Mr. Justice Laskin, the Supreme Court of Canada agreed.

As a result of this appalling case of judicial sexism, Canada's wives thronged to the women's movement. After concert-

ed lobbying, both federal and provincial, substantial improvements were made in family property laws. However, full equality has yet to the achieved, and even good statutory provisions have been interpreted in a backward way. The Leatherdale case, as recently as last year, is an example of how the Ontario Family Law Reform Act has been narrowly interpreted.

Marriage in Canada is now recognized, at least in theory, as an economic partnership of equals. Yet farm wives still seek legal recognition as partners with their husbands on the family farm. The federal Government has yet to ensure pension splitting for federal public servants, judges, the Armed Forces and Crown corporations. Appointments to the Bench do not yet reflect the equal partnership and contributions of Canadian women to Canadian society. We have a lot left to do.

ORAL QUESTION PERIOD

[*English*]

FINANCE

CAPITAL GAINS TAX AMENDMENTS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. On October 1 he decided to let certain people who are investing in shares, or "puts and calls" in the marketplace, wheeling and dealing, or speculating, to have complete indexation on their capital gains and the right to write off their capital losses. Does he expect the House to pass legislation amending the Income Tax Act that gives special people special advantages but does nothing for the ordinary small business people, farmers, fishermen, and those who have a cottage or who invest in something like a coin collection? Why should those special people who wheel and deal in the marketplace have those advantages?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am very surprised at the Hon. Member's comments. He knows perfectly well that as far as capital gains are concerned, we have very substantial provisions to help farmers. We have, for instance, exempted private residences, which are not subject to capital gains. When the Hon. Member talks about farmers and home-owners, these people already benefit from exemptions where capital gains are concerned. As for shareholders, I made it clear in my budget that it was extremely important to increase in Canada the rate of Canadian participation in ownership of our industry, and that is done mostly through capital shares. The measures I have announced have received general support across the country. If the Progressive Conservative Party wishes to vote against this particular provision in the Bill, it can go right ahead, and at least we will know where the Party stands. However, as far as the legislation on indexing securities is concerned, the Hon. Member knows perfectly well that the tax on capital gains will be maintained, but only on the actual gains made, in that case.

[*English*]

TREATMENT OF STOCK PURCHASERS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, if the Minister really intends to help sound, solid investment, why does this Bill allow relief for those wheelers and dealers who trade in "puts and calls", since they are essentially speculators who have nothing to do with investment because there is no investment in that? Why does he not just withdraw the proposal and allow proper allowance for capital gains or inflation gains to those who invest in real business or new business? Why does he not do something for ordinary Canadians, in the interest of jobs and the creation of new investment? Why does he not want to do something for them—

Madam Speaker: Order. The Hon. Member seems to be repeating the question.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I answered the Hon. Member's question in my first reply, but perhaps I may add that in terms of the legislation that was announced and the program that has been in effect since October 1, these provisions apply to anyone who buys shares, whatever their purpose may be. My hon. colleague is well aware that under the market system we have in Canada and other industrialized countries in the free world, the stock market is the principal source of financing for businesses. Once more, I wonder what the Progressive Conservative Party is trying to do here, because I must say it is rather unusual to hear this kind of talk from the mouth of a Conservative spokesman.

[*English*]

APPLICATION OF TAX TO SPECULATORS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister knows that we on this side have always been in favour of at least indexation of capital gains, if not abolishment. We have always been in favour of honest treatment of people by the tax department. How does the Minister justify this preferred treatment for a select group of investors while not looking after those people who really work, invest, and create in this country? Why does he want to favour that select group and not let the real creators and job builders in this country have the same kind of fairness that he proposes for these speculators?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am simply amazed at the Hon. Member's third question on this subject. It seems to be even worse than the first two. Canadians who invest in corporations by buying stocks contribute to the functioning of the Canadian economy. It is

essential, if you want to have a market economy and a free economy, that you have an active equity market. I indicated in my budget, following representations from all kinds of groups across the country, that it was important for Canadians to become purchasers of equity and that Canadians should invest more in the industrial development of Canada. It is real investment when you buy shares, just the same as when you loan money or make other investments.

I want to remind my hon. friend that we have taken particular care of the situation of the farmers and particular care of the situation of the home owners by exempting farms and households from capital gains in circumstances that are specified in the legislation.

As far as the particular proposal is concerned, as I have indicated, the ISIP system is one that was developed after extensive consultation, and which received the broadest possible support across the nation.

CASH FLOW SITUATION OF COMPANIES

Mr. Bill Kempling (Burlington): Madam Speaker, my question is also for the Minister of Finance. Most of the business survivors of the recession have cash flow problems. Their earned surplus and capital accounts have been reduced to dangerous levels. If there is even the slightest bump in the recovery of the economy, many of these recession survivors could go under. Inasmuch as the Government is looking to the private sector to reduce the level of unemployment by adding to its work force, is the Minister planning a taxation solution to aid the cash flow problem of these struggling companies, and will he bring in his solutions in an amendment to the Income Tax Act in the immediate future?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would invite my hon. friend to read the April budget in which this question has been repeatedly and consistently addressed. The net result is that the debt-equity ratio of companies across the country has improved quite considerably in the last several months, thanks to the measures that were announced in the budget and thanks to the steps that have already been taken by various corporations on the basis of that budget. I invite my hon. friend to acquaint himself with the many provisions contained in the budget on this very issue. I want to assure him that the Bill itself should be introduced soon in the House, and I hope the Bill will get the Hon. Member's wholehearted support in spite of the opposition of his seatmate. I am glad to see my hon. friend has better and broader vision than his seatmate.

Mr. Kempling: Working one against the other won't work, Marc.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

CAPITAL COST ALLOWANCE

Mr. Bill Kempling (Burlington): Madam Speaker, my supplementary question is also for the Minister of Finance. I have read the budget and all the provisions in it. It just does not help the cash flow problem being experienced by many businesses in Canada. The former Minister of Finance in his November, 1981, budget put in place new capital cost allowance rules that have severely damaged the cash flow and the profitability of most businesses. Inasmuch as productivity and profit go hand in hand, and many businesses have put off the purchase of new productive machinery and processors because of the capital cost allowance rules, is the Minister reviewing this matter, and will he bring in an amendment to the Income Tax Act in the immediate future to address this problem?

Hon. Marc Lalonde (Minister of Finance): Indeed, Madam Speaker, I have addressed this very question in the budget by providing the possibility of taking losses three years backward and seven years forward. That provision again has been acclaimed by the business community as being one of considerable help in their current situation.

Mr. Kempling: You have to lose money to get it. Is that it?

Mr. Lalonde: In addition, I would refer my hon. friend to the various provisions in the budget which, obviously, time in the Question Period does not allow me to enumerate.

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THE ECONOMY

JOB-CREATION PROGRAMS—BUSINESS COUNCIL'S ADVICE

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, not only is there a cash flow problem for the Canadian business sector, but there is a cash flow problem for the average Canadian citizen.

Some Hon. Members: Hear, hear!

Mr. Riis: My question is for the Minister of Finance. A letter written yesterday by the Business Council on National Issues urges the Government to extend its present policies to depress workers' incomes even further, and asks the Government to restrain itself from taking any further job-creation measures.

Will the Minister of Finance stand in this House of Commons today and tell Canadians that he is going to ignore that kind of advice and that he has identified the number one problem in this country as job creation? As far as the letter from the Business Council on National Issues is concerned, will he tell them where to take that letter, or tell them he is going to ignore that letter?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the priority problem as far as I am concerned is the growth of the economy and the creation of more jobs. That is going to remain our priority, my priority as Minister of Finance, and

the priority of this Government over the next year. I am very pleased to assure the Hon. Member about that.

EFFECT OF UNEMPLOYMENT ON PEOPLE

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, in terms of that response, we have seen the results of the Government's economic policies. We know that there are two million Canadians out of work, who are told repeatedly that to expect work is being unrealistic. We have a generation of young Canadians who are being told that they might never find meaningful work. We are finding people who have to retire ten years early. To say that being age 55 and out of work, you are better off dead, is also being heard. We have had three days of rioting and demonstrations in the Gaspé area. Is this the kind of policy that we can expect now and in the future, that is, fighting the problems of Canada's economy on the backs of Canadian workers, as the Minister has been doing for the last three years?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would remind my hon. friend that he seems to be looking at Canada only. In the last while we have had thirty million people unemployed in the OECD countries. That is a world-wide problem. Things have been improving lately. I am glad to see they have improved more rapidly since last November in Canada than in almost any other industrial country.

This has meant, for instance, that we have created 328,000 new jobs between last November and last July. It has meant that we have reduced inflation more than any other country. It has meant that we have been creating jobs just as fast as any other industrial country, and we intend to continue doing so, making our economy grow as fast as we can possibly make it grow, and thereby reduce unemployment. Our unemployment level is high, and it is a source of concern. But it would be misleading to let people believe that somehow Canada can isolate itself from the world context in which we live, and that tomorrow anybody could cut unemployment by half. We will have to address this question consistently and do everything we can together.

Mr. Riis: Madam Speaker, I make no apologies for looking at Canada. I am aware that we have two million out of work. All indications now suggest that figure will likely remain at that level for a number of years. It is very nice for the Minister of Finance to stand up in his position and listen to the National Business Council advise Canadians from high salaried positions that the rest of Canada simply has to stand back and wait.

REQUEST THAT MINISTER SET FULL EMPLOYMENT TARGET

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, other countries have set targets for their unemployment levels. They have identified full employment targets. Japan is one, West Germany is one, and Switzerland is one. Why does Canada not do the same thing and set some targets so we can start moving unemployment levels down, and implement some strategies to accomplish that, rather than simply accepting the status quo and saying to two million Canadians, "That is the price you have to pay"?

Madam Speaker: Order, please.

Mr. Nielsen: Yes or no, Marc.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I take the question of the Hon. Member very seriously. We have indeed expressed our concern about the unemployment situation. We have not only expressed our concern but we have dealt with it and led a strong attack on unemployment. The last budget included the provision of $4.8 billion in expenditures having to do with stimulus to the private sector, having to do with public expenditure. In addition, only in this year we are spending over $1.5 billion directly in terms of direct job creation. Our target is to reduce unemployment in Canada as fast and as much as we can. Our target is to create the largest possible number of jobs. In that sense we are all for full employment but we realize you cannot have it the next morning. It is easy to make a speech about it, but we have to take steps to achieve it. This Government has not only spoken and made speeches about it, but we have been acting on it as well.

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• (1430)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMONWEALTH MINISTERS OF HEALTH

Madam Speaker: I would like to draw the attention of the House to the distinguished presence in our gallery of the Minister of Health of the countries of the Commonwealth, who are attending a conference in Ottawa.

Some Hon. Members: Hear, hear!

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[*Translation*]

EMPLOYMENT

EFFECT OF BOMBARDIER CONTRACT ON JOB CREATION

Mr. Jean Lapierre (Shefford): Madam Speaker, my question is directed to the Minister of Supply and Services. In a somewhat laconic press release issued yesterday, his colleague the Minister of National Defence announced that the Quebec-based Bombardier Corporation had been awarded a $68-million contract. Could the minister indicate to the House what will be the impact of this decision on the employment and economic situations in Quebec? At the same time, could the minister indicate whether there is any connection between this contract and the Volkswagen file about which so much more has been written than about this $68-million contract?

Hon. Charles Lapointe (Minister of Supply and Services): Madam Speaker, I am grateful to the Hon. Member for his question. It is a fact that my colleague the Minister of National Defence and I announced yesterday that the Bombardier Corporation had been awarded a contract of about $65 million to provide Jeep-type light utility trucks to the Canadian Armed Forces. This contract will create directly 312 jobs at the Bombardier plant, and indirectly a thousand or so more throughout Canada. As the Hon. Member is certainly aware, this contract is in addition to a $140-million contract also awarded to the Bombardier Corporation, to supply the Canadian Armed Forces with 2½-ton trucks, which has created directly 375 jobs at the plant and some 1,500 sub-contract jobs throughout Canada. The ILTIS technology which Bombardier acquired when Volkswagen set shop in Canada is finally bearing fruit, and as the Bombardier Corporation is marking this year its 25th Anniversary, Madam Speaker, we must rejoice that co-operation has existed and continues to exist between the Government of Canada and this major Quebec-based corporation.

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[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—CANADIAN OFFER TO MONITOR PEACE ARRANGEMENTS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in the absence of the Secretary of State for External Affairs I would like to direct my question to the Acting Prime Minister. The Minister of State for External Relations is reported today as stating that Canada would be willing to monitor any future peace or truce arrangement in Central America arranged by the Contadora group. Will the Minister tell the House in specific terms exactly what this role would entail, and whether this commitment followed discussions by the Minister of State or by the Minister himself with representatives of Honduras, El Salvador, and Costa Rica, as well as with the Contadora group and the Foreign Ministers of Nicaragua, Guatemala, and Cuba?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the position of the Canadian Government in relation to any peacekeeping corps in the area has been clear for some period of time. The position the Government has taken is that we are in support of the group of nations in the area that have been working toward peace. We do not see Canada as essentially playing a role in any peace corps in Central America, but we are prepared to consider it if requested.

The Hon. Member is concerned about the type of consultations that occurred before Canada established that position. I would take the portion of his question as notice for the Secretary of State for External Affairs to deal with upon his return to the House.

Mr. Munro (Esquimalt-Saanich): That does not exactly square with the reports, but I am glad to have the additional information.

REQUEST FOR PARLIAMENTARY DEBATE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, could the Minister assure the House that before any decision is taken the Government will allow Parliament, as it has in the past in the case of Cyprus and the Middle East, to debate any such monitoring role and to approve or withhold approval as circumstances warrant, before Canadians are sent to Central America? Could he give the House any information on the remark of the Minister of State that Canadians would act as "verification teams" to cover border areas, and would control the acquisition of foreign arms by the countries? Would he also let it be known whether there is any time limit placed upon the presence in that area of any Canadian groups?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I will bring the representations of the Hon. Member to the attention of the Secretary of State for External Affairs, but I want to emphasize again that the position of Canada is, and has been, that we are not seeking to play a role in any monitoring of peace in the area. We feel, as responsible members of this hemisphere, that if a request is made to us by the appropriate authorities for an appropriate type of participation, we should carefully consider that question.

ROLE OF PARLIAMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also directed to the Minister of State for International Trade. As this could be a dangerous and costly operation for Canadians to engage in, would the Minister assure the House that before any agreement is entered into, even if it is in response to a request, as he suggested, that the matter will be brought before the House for approval or disapproval before any Canadians are asked to engage in what the Minister has been suggesting?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member can be assured that the usual procedures and the appropriate ones for the Government will be followed by the Secretary of State for External Affairs and other Ministers who would be involved.

MINISTER'S STATEMENT ON CANADIAN OBLIGATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is directed to the Minister of State for International Trade who just put his finger on why we feel so uncertain about what the Government may be doing. Is he aware of what the Minister of State for External Relations said, namely, that eventually Canada will have to pay the price for its involvement and interest in the talks, and that Canada has an obligation to support the group's efforts? Is he aware of

that? In short, what did the Minister mean that Canada has to pay a price?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I want to make it quite clear that the Hon. Member is putting the cart away in front of the horse. What the Minister said is exactly what was said in the House repeatedly on previous occasions by the Secretary of State for External Affairs, that if Canada is asked to participate, we will give the matter serious consideration. He went on to recognize the responsibility of Canada in relation to the role we have traditionally played, or the way in which we have been prepared to react to requests that contribute toward world peace in the past. I am confident that the Hon. Member opposite would be in full support of the principle that Canada continue to play the traditional role in working for peace that it has in the past.

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INCOME TAX

REASSESSMENT OF ARTISTS' TAX RETURNS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister of National Revenue. He will know that his departmental officials have followed, in recent months, a very aggressive policy of reassessing income tax returns of artists, not just for the current taxation year but for three or four years back. In the view of the artists, the officials are treating them as if they were manufacturers, which they are not. Artists feel very strongly that, if that policy continues, the production and creation of innovative and creative art will simply dry up. Will the Minister give consideration to putting a hold on that kind of interpretation or that kind of policy, at least until he can work out a system which is fair to artists?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): First, Madam Speaker, I should like to reassure Hon. Members and tell them that we have no special programs to audit the income tax returns of artists in particular. I might remind the House that the general provisions of the Income Tax Act may be used by taxpayers whose situation is similar to that of an artist when they file their income tax returns. There are various ways of figuring out their income, just as there are special ways of figuring out expenses which may be deductible. Those general provisions of the Income Tax Act have been quite adequate so far with respect to the income tax returns of artists, and unless the Minister of Finance is shown that they ought to be changed, they will remain in force.

• (1440)

[*English*]

EXPENSES OF PART-TIME ARTISTS

Mr. David Orlikow (Winnipeg North): Madam Speaker, the Minister surely knows that there are no new laws, but that the interpretations now being used in his Department have created an entirely new situation for full-time artists. I direct his attention to another group of artists who earn a lesser part of their income from the sale of art but work full-time as teachers and so on. They are not permitted to deduct expenses which they incur in producing their art, when calculating their income tax. Will the Minister give consideration to that aspect of the way in which his Department is assessing artists?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): In the first part of my answer, Madam Speaker, I referred to the general provisions related to the interpretation of the Income Tax Act for people whose situation is similar to that of an artist. Under those provisions, a taxpayer may claim general expenses to maintain a work place, a studio and a place to sell works of art. There are as well very specific provisions for an artist who must incur special expenses to produce a work of art, and those expenses must be deducted from the selling price of that work of art.

The Hon. Member is wondering whether a special treatment might not be given to a group of artists whose art work is not the main source of income. I must say that it is difficult to make a general rule for such particular cases. However, on the basis of the facts submitted to us, we look into the situation of the artist and we try to be as lenient as possible in our interpretation of the Income Tax Act in those particular cases.

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[*English*]

PUBLIC SERVICE

PAYMENT OF HOSPITAL INSURANCE PREMIUMS—GOVERNMENT'S SHARE

Mr. Hal Herbert (Vaudreuil): Madam Speaker, my question is for the President of the Treasury Board who is the Minister responsible for the federal Public Service. The subject is hospital insurance premiums. Is the Minister prepared to discontinue the federal Government's tacit support for the payment of these premiums by its payment, in the Province of Ontario and other Provinces, of part of the contributions of the federal public servants and, if his attitude is to discontinue this tacit support of this obnoxious form of taxation, will he compensate the public servants by folding that amount of money into the existing pay scales?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I will be happy to take the Hon. Member's question under consideration.

MEDICAL CARE

HOSPITAL AND MEDICAL PREMIUMS—GOVERNMENT POSITION

Hon. Jake Epp (Provencher): Madam Speaker, I wish to direct my question to the Minister of National Health and Welfare. The Minister has been making a number of statements relative to the present controversy in the health care field. Does the Minister regard hospital and medical premiums as part of the extra billing controversy?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am pleased to receive the first question on Medicare, a month after Parliament has reopened, from my friend on the other side. I compliment him on having been made the medicare critic. I therefore know he is interested, and I appreciate that.

On the question of premiums, it is a practice in three Provinces. I have always said that, in terms of equity, premiums are a very regressive form of taxation. Unfortunately the Constitution does not permit us to take action in the coming Canada Health Act. As I said, in the case of Alberta, where thousands of people are cut off from having their doctor's visits paid by Medicare, if that Province had gone the route of justice and general taxation, it would not be in the mess it is.

SITUATION IN YUKON

Hon. Jake Epp (Provencher): Madam Speaker, if the Minister says this is a regressive form of taxation, I agree. Can the Minister explain why she levies hospital premiums in federal hospitals under her care, namely, in the Yukon, up to $318 per family per year?

Hon. Monique Bégin (Minister of National Health and Welfare): I don't, Madam Speaker.

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ABORIGINAL RIGHTS

NATIVE SYSTEM OF JUSTICE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Justice. In a speech to an audience of native people in western Canada two days ago, the Minister said, and I quote:

> I think that we are now finally beginning to realize that the native peoples of Canada have the right to expect a system of justice that reflects elements of their own cultural heritage—

He went on to say that the Government is busy working on a plan to codify the Indian law and to establish special courts, confirming the suspicion that Indian people have, that the Government is not really interested in consultation but is once again off on a tangent, putting in place a blueprint that is disrespectful of the legitimate aspirations which Indians have for themselves. Why has the Minister chosen this time to confuse the issue, just days before a parliamentary committee, which has met in 60 locations in Canada over the past year, will be reporting to the House on these very questions?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the Hon. Member has considerably embellished the statement that I made last week. It is true that the Government is concerned about attempting to ensure that the law that is applied to our Indian citizens as far as possible adequately reflects their cultural heritage. In fact a conference will be held in Saskatchewan next week, of which my Department is a partial sponsor, to look at this question. It is a native peoples' conference. We have been having the fullest possible consultation with native peoples on this issue. The native peoples' group to whom is made that statement last week welcomed it. I will welcome the report which the parliamentary committee will be presenting.

POSSIBILITY OF SELF-GOVERNMENT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, the Minister, through his executive assistant, also speculated on the right of aboriginal peoples to some form of self-determination, although it is reported in the press that he was very careful to mention "self-government" rather than using the term "band government", which was his choice. Will the Minister assure us today that no decisions will be made with regard to the establishment of any form of band government, or any new system of justice, before the parliamentary committee has the opportunity to lay its report before the House and for the native people to react to the report? That is crucially important.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, questions involving Indian government are very much to the fore in the constitutional discussions which are going on between the Government of Canada and the native peoples and which will also, of course, very soon involve the provincial Governments. We are having a meeting of officials in several weeks. We are having a meeting of responsible Ministers early next month. These are all questions which are on the public record. Nothing is being done secretly or behind the scenes. It is all being conducted so far as possible in public, certainly with full consultation both with the native groups and the provincial Governments.

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ENERGY

ONTARIO AND QUEBEC PROPOSALS TO ESTABLISH HYDROGEN INSTITUTES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister will know that the Government of the Province of Ontario, in co-operation with the University of Toronto, established an Institute for Hydrogen Studies in 1981, and that they have asked for federal co-operation and assistance. He will also know that it now seems likely that the federal

Government will be supporting a similar institution in Quebec. Will the Minister ensure that the Ontario initiative receives a fair share of support? Also, does he know there is absolutely no federal funding at present?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the two propositions are completely different. I am aware of the request by the university and the Government of Ontario. The project he is referring to is being partially initiated in Quebec by the private sector and will be supported by two levels of government. They are not of the same nature at all.

SITE OF FACILITY IN QUEBEC

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, when will the Minister be announcing the site of the new facility in Quebec, perhaps in Shawinigan or some other place, and what level of federal funding can we expect to see for that facility?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, there has been no final decision on that. There is a group named Electrolysor Inc. and Hydro Quebec which will be in a majority position in the corporation. We will be giving some grants through the normal programs of the Government, but the final decision has not yet been reached.

* * *

● (1450)

EXTERNAL AFFAIRS

CENTRAL AMERICA—PROPOSAL TO MONITOR PEACE AGREEMENT

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Minister of State for International Trade and follows some of the earlier questions with respect to the statement made by the Minister's colleague in New York yesterday. His colleague said that Canada would be willing to send observers to Central America to monitor any future peace agreement arranged by the Contadora group. I am glad, by the way, that the Government has finally discovered Central America. Can the Minister assure us that such monitoring would be undertaken only after all foreign military forces and military bases have been removed from the region including, of course, American military forces and military bases in Honduras?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I think it is perfectly obvious to the Hon. Member that I cannot give her those assurances and, indeed, I would not want to do so. I think that the Hon. Member, upon reflection, will quickly agree that the conditions upon which Canada would agree, if asked to participate in the monitoring of peace in the region, would be dependent upon whether those conditions would contribute to the likelihood of peace and would prevent further bloodshed and loss of life. Indeed, I think it would be unwise for us to take any firm position publicly on the terms or conditions under which we would agree to participate in such a monitoring exercise.

Miss Jewett: Madam Speaker, I take it that it is therefore useless to ask a further question of the Minister, but in any event I will try.

PRESENCE OF FOREIGN FORCES IN AREA

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I would like to ask the Minister to think his position through again. If we are to participate in a monitoring role, would we not insist that all foreign forces, including American and Cuban, but particularly those forces in Honduras which are American, must be removed from the region before we would participate in such a monitoring activity? If he cannot answer, Madam Speaker, then a parliamentary debate really is in order.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, again if the Hon. Member takes time to think about it, she will realize that it has been difficult at certain times in the past months and years to know when foreign forces are present in some of those countries, and the extent to which they are present. Therefore, I think it might be unwise to set those hard and fast conditions. However, I believe that the Secretary of State for External Affairs would want to give careful consideration to any representations that the distinguished Hon. Member has made, and I will therefore pass her representations in that regard on to him for consideration. Again, I would certainly not be prepared to take any fixed position at this time.

* * *

CUSTOMS AND EXCISE

ESTABLISHMENT OF DUTY-FREE SHOPS IN ONTARIO

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of National Revenue. In view of the hundreds of jobs that could be created at border crossing points in Ontario by the establishment of duty-free shops, and given the clear indication that, after a delay of a year and a half, the Province of Ontario will not co-operate in the establishment of these shops unless they are effectively run by and for the benefit of the Liquor Control Board of Ontario, is the Government prepared to move ahead with this program under the constitutional authority it has for international trade? Will the government establish these duty-free shops at Ontario border crossing points, using private entrepreneurs, as has been done in other Provinces?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am pleased that the Hon. Member should have taken this opportunity to tell the House that we ought to

be concerned about the fact that one of the Provinces which has the highest number of border crossing points, namely Ontario, has yet to participate in the duty-free shops national program. The Hon. Member and his colleagues must remember that, under the existing legislation, provincial authorities are responsible for importing, stocking and marketing alcoholic beverages in Canada. It is unfortunate that the Province of Ontario has chosen to protect its state monopoly and thus thwart private enterprise which the Canadian Government wants to promote through its duty-free shops national program. I did meet with the Ontario Minister responsible for implementing this program, but I have not yet received a favourable answer from him. We will go ahead with a unilateral program to issue operating permits for such shops, but unfortunately the permit holders would not be authorized to sell alcoholic beverages. I therefore urge Hon. Members to make representations to the Ontario Government so that it might forget all about protecting its state monopoly and work hand in hand with the Canadian Government to help private enterprise launch the duty-free shops program.

[*English*]

SUGGESTED ROLE FOR PRIVATE SECTOR

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, in view of the criticism of the Ontario regulations, is the Government of Canada now prepared to relax some of its regulations and invite members of the private sector to apply for an opportunity to operate a duty-free store in other Provinces of Canada in which the climate may be more favourable?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member ought to know that New Brunswick already has such a store. Indeed, I attended the opening ceremonies of that shop with a Member who is well known in the House since he often occupies the Chair. As soon as we have made an evaluation of the experimental program, we will be ready to proceed with the expansion of the national program.

* * *

[*English*]

FISHERIES

FUTURE OF GEORGETOWN PLANT IN PRINCE EDWARD ISLAND

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries. The federal Government has announced a new development plan for the Nova Scotia fisheries which includes access to redfish in the Gulf of St. Lawrence. Can the Minister assure us that the trawler fleet capacity that is now lying dormant in the Gulf area, and especially the Georgetown plant in Prince Edward Island, will be reactivated in order to process Gulf stocks and provide much needed employment opportunities in that particular area?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would first like to remind the Hon. Member that no fishing allocations could be made on a bilateral basis between the Department and one single Province. All negotiations must involve all Provinces. That is why there has been no commitment made, although we have said that Nova Scotia, like all other Provinces, will be consulted on any allocation.

Second, I would be grateful to the Hon. Member if he would tell me whether or not he is in favour of allowing non-Gulf based vessels greater access. They actually already have access to redfish in the Gulf. Third, on the question of development land for the fisheries of Nova Scotia, yes, I have committed myself on that question, but as you can tell by the joint statement that Mr. Buchanan and myself have made public, it is well understood that the amount and the sharing ratio will have to be decided upon by Cabinet.

Mr. Crouse: Madam Speaker, the Minister must be aware that the Georgetown plant was closed by the action of his predecessor in office who denied Nickerson's the right to supply that plant with ships operating outside the Gulf. This is a matter that he will have to address since he has restructured Nickerson and National Sea.

POSITION OF INDEPENDENT COMPANIES

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my supplementary question is also directed to the Minister of Fisheries. In the restructuring agreements the Minister has committed himself to returning the fishery to the private sector as soon as it is economically viable. I hope I am paraphrasing him correctly. Since this will require existing independent companies to grow and strengthen their position in the industry, how can this be accomplished when they are faced with strong competition from this new Government backed enterprise?

● (1500)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, my hon. friend has asked several questions. On the question of Georgetown, the history, with which I am familiar, that was confirmed to me by the Minister of Fisheries of P.E.I. is that Nickerson committee to supply Georgetown with their trawlers. Then they moved their trawlers to Riverport and, when Riverport burned, they moved their trawlers to Canso. It is the company that failed in its commitments. It moved its trawlers from P.E.I. Now that we have managed to have this agreement with Nova Scotia, I can tell my hon. friend that already, through the representation of my colleague, the regional minister for P.E.I., we are looking very closely at the possibility of supplying fish through that newly structured company, to Georgetown. Whoever gets Canso I think will also have to look at the possibility of supplying fish to Georgetown. I am very surprised that, even though that new company is not yet structured, my hon. friend is criticizing its actions.

Official Languages

[*Translation*]

Madam Speaker: It being three o'clock, the House will now proceed with the order made on October 5, 1983.

* * *

[*English*]

OFFICIAL LANGUAGES

RESOLUTION ON FRENCH LANGUAGE RIGHTS IN MANITOBA

Right Hon. P. E. Trudeau (Prime Minister) moved:

Whereas a fundamental purpose of the Constitution of Canada is to protect the basic rights of all Canadians, including Aboriginal peoples, English-speaking and French-speaking minorities, religious, ethnic and other minority groups;

Whereas the Constitution contains provisions respecting the status and use of the English and French languages in Canada;

Whereas the *Manitoba Act, 1870* was enacted by the Parliament of Canada to establish the province of Manitoba and is part of the Constitution;

Whereas in 1870 Parliament provided special protection for the use of the English and French languages in Manitoba under section 23 of that Act;

Whereas the Supreme Court of Canada, on December 13, 1979, reaffirmed this constitutional protection under section 23 of the *Manitoba Act, 1870*;

Whereas the Constitution is the supreme law of Canada and is binding upon Parliament and the Legislatures of all provinces;

Whereas it is in the national interest that the language rights of the English-speaking and French-speaking minorities in Canada be respected and protected in a spirit of tolerance and civility, amity and generosity;

Whereas an agreement was reached on May 16, 1983 by the Government of Canada and the Government of Manitoba, with the participation of the Société Franco-Manitobaine, to modify the *Manitoba Act, 1870*, so that the Government and Legislative Assembly of Manitoba can fulfil effectively their constitutional obligations under section 23 of that Act;

Whereas it is in the national interest to support continued efforts by the Government and Legislative Assembly of Manitoba to fulfil effectively their constitutional obligations and protect the rights of the French-speaking minority of the province;

(1) the House endorses, on behalf of all Canadians, the essence of the agreement reached by the Government of Canada and the Government of Manitoba, with the participation of the Société Franco-Manitobaine, on May 16, 1983, to modify the *Manitoba Act, 1870*;

(2) the House invites the Government and Legislative Assembly of Manitoba to take action as expeditiously as possible in order to fulfill their constitutional obligations and protect effectively the rights of the French-speaking minority of the province.

He said: Madam Speaker, I feel truly privileged to participate in this debate. I should like to say, not without emotion, that it is perhaps the most important day of my life as a parliamentarian. For by the resolution which is before the House, we in this Chamber are called upon to do two things: first, to ensure that the Constitution will be obeyed; second, to right a wrong.

It is fundamental to our life as a free society, indeed to our existence as parliamentarians, that the Constitution be obeyed. The Constitution is the source of all authority in this land: it permits us to sit in this place and to make laws; it gives authority to the officers of the Crown to collect taxes or to ensure obedience to the criminal law; it is the source of the very authority by which the Queen reigns and holds office. If the Constitution is not obeyed, then indeed the human contract on which this free society exists is imperilled. As Hobbes said, life indeed would then be solitary, poor, nasty, brutish and short.

This resolution is of fundamental importance because, first, it is giving our support to that principle of obeying the Constitution. Second, I have said that by this resolution we will be attempting to right a historic wrong. I think that is not only a very noble privilege and duty which falls on us but it also is an encouragement to all those in this country, no matter how weak or small or poor they be, to know that the men and women sitting in this place are dedicated to that principle of setting wrongs right.

[*Translation*]

What is this resolution about, Madam Speaker? It is about a law enacted by the Parliament of Canada in 1870, a law that created the province of Manitoba. This law was introduced before the Parliament of Canada by the then Prime Minister, John A. Macdonald. It gave provincial rights to a territory that was part of our Canadian territories at the time. But above all, it gave legal status to the desire of the people of Manitoba, the majority of whom were French speaking at the time, that both languages, French and English, would be entrenched in the Constitution and given equal status in the legislature, the statutes and the courts.

Madam Speaker, as we all know, twenty years later, in 1890, the Manitoba legislature passed a law making English the only official language, the result being that subsequently, unilingualism became official in Manitoba, a situation that was to last for many decades.

Although experts on constitutional law maintained that the 1890 law was probably *ultra vires* in terms of the Constitution, it was not until the seventies that a Franco-Manitoban, Mr. Georges Forest, challenged the law of 1890 before the courts. And the Supreme Court of Canada, a tribunal established by the Parliament of Canada under the powers vested in Parliament by the Canadian Constitution, declared that the 1890 law establishing unilingualism was *ultra vires* and null and void, and consequently, that the 1870 guarantee for two official languages still stood.

I admire the Supreme Court for saddling politicians with this problem, since it is its role. The Supreme Court must tell us what the Constitution says. It must not worry about the political, social or economic problems that may arise as a result of a Supreme Court judgment on a legal matter arising from the Constitution. In fact, after the judgment in December 1979, governments in this country were faced with a dilemma. Because the 1890 law was unconstitutional, this might mean that all statutes passed by Manitoba, all its policies and practices, had no legal authority. That is the question now before the Supreme Court of Canada, and it is there because Mr. Bilodeau asked the Court for a ruling on the consequences of its 1979 judgment.

• (1510)

Madam Speaker, it was at this point that the political authorities became involved. First of all, I wish to say a few words in praise of the man who was Premier at the time, Mr. Sterling Lyon, who in 1979 was Premier of Manitoba. Mr. Lyon quickly acted to repeal the unlawful and unconstitutional Act of 1890. He went even further, and started by ensuring that a certain number of services in Manitoba would be available in French, on demand. Mr. Lyon's successor, Premier Howard Pawley, tried to find a way around the eventuality that the Supreme Court would rule that everything that had happened since 1890 in Manitoba was illegal, which could even be taken to mean that the Premier's own legislature was sitting unlawfully and had no authority. Madam Speaker, it is indeed important, that the Constitution is respected, as I said earlier, both for legislators and for judges.

At this point, an agreement was reached between the Government of Canada, represented by the Secretary of State and assisted by the Minister of Justice, and the Government of Manitoba and the Société franco-manitobaine. They tried to find, as was their duty as political authorities and responsible leaders, a way of resolving this problem and thus preventing the utter chaos that might ensue if a judgment were to invalidate some ninety years of legislation. They found a formula that lead to the agreement referred to in the resolution before the House today. This agreement had many advantages, one being that politicians and the community leaders were saying: It is up to us to try to solve these problems. We cannot go to the courts again. Let us try to find a solution. It was a little like what we ourselves did in the House two years ago when the Supreme Court gave us a nice problem to solve as a result of its judgment in September 1981. At the time, the political leaders of this House and the Canadian Provinces managed to find a solution to the problem, and although the going was at times a bit rough, as I think my colleague, the Minister of Energy, Mines and Resources (Mr. Chrétien), then Minister of Justice, will agree, we managed to find a solution that could be accepted by the vast majority of Canadians.

Similarly, the Pawley Government, our Government and the Franco-Manitobans drafted an agreement that had several advantages. First of all, under the agreement, Manitoba and the Parliament of Canada would be asked to adopt a constitutional amendment declaring all laws passed since 1890 to be valid, thus preventing legal chaos in this part of the country. Second, an agreement or constitutional amendment that would establish the legitimacy of the province and the Government of Manitoba would, as it were, reaffirm their constitutionality. Third, the agreement would release the province from the obligation, which it would have had pursuant to the Act of 1870, to translate the 4,500 statutes or laws still in existence that govern this province, substituting therefor an obligation to translate only the province's 400 principal statutes. The agreement would also enable the Government and Parliament of Canada to assist the Province of Manitoba financially in accomplishing this task. Finally, the agreement would give Franco-Manitobans a number of advantages insofar as they would be able to receive services in French, over and above the provisions of the Act of 1870.

[*English*]

That is the situation today, Madam Speaker. It is important to repeat for those who think that this is a new right which is being given to that small minority of French-speaking Canadians in Manitoba that this is not a new right. This is a right which was given to them in 1870, which was unconstitutionally withdrawn from them in 1890, and which was restored by the judgment of the Supreme Court of Canada in 1979. This is not a matter of giving new rights and privileges; this is a matter of re-establishing certain rights. And in return for not creating the chaos which would follow from the unconstitutionality of some 90 years of invalid laws, it said uncertain services will be delivered in French beyond those authorized and required by the law of 1870.

I believe it is a very important day for us in this Parliament, Madam Speaker, that the three Parties in this place have agreed that they will make this joint statement to say that no matter how old, how forgotten, and no matter how few people were protected by it, the Constitution must stand if, indeed, we are to continue to exist as a civilized society. Wrongs must be righted.

We cannot undo the past, Madam Speaker, and I am not one of those who is constantly trying to rewrite history and trying to seek redress for decades, perhaps generations, of injustices, real or imagined. However, we can be just in our time. The events in Manitoba are calling on us to do precisely that, to assist in the re-establishment of a situation of laws where, from today onward into the future, we will not repeat the mistakes of the past.

I am encouraged, Madam Speaker, that there is a disposition in this place to speak with one voice on that basic principle. I know it has been said, even in my own Province, by some political leaders—who it must be said do not believe in Canada, who perhaps have a vested interest in that only French be spoken in my Province and only English spoken elsewhere—that these are but a small minority, that they are all but lost. Why worry about them? Well, Madam Speaker, I think it is fundamental to our existence as a people and, indeed, to our survival as a nation that we say no matter how small the minority, if they have rights, those rights will be respected.

Some Hon. Members: Hear, hear!

• (1520)

Mr. Trudeau: Lest some think that we on this side are inventing some new principle or some new basic authority or policy to govern this country, I would ask the indulgence of the House to let me make two quotations from the debates which took place in 1890 when there was a resolution before the

Canadian Parliament to abolish the use of French in the Northwest Territories, and in effect that meant in all western Canada.

There was a resolution moved in the early months of 1890 by Dalton McCarthy, who proposed to abolish the official status of French in western Canada. In that debate Sir John A. Macdonald utters his famous declaration which still stands throughout the land, and I hope will stand during the many centuries that this country will exist. I quote:

I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other; I believe that it would be impossible if it were tried, and it would be foolish and wicked if it were possible.

So spake Sir John A. Macdonald on February 7, 1890.

Some Hon. Members: Hear, hear!

Mr. Trudeau: It was a great speech, Madam Speaker, but if I could be permitted to voice an opinion, I think the greatest speech in that debate was uttered a week later by Edward Blake, who had been leader of the Liberal Party and who sat beside Sir Wilfrid Laurier in the House. Blake—and I think we can keep in mind that he was perhaps one of the greatest legal minds that this country has known—on February 14, 1890 spoke as follows:

I am not of those who believe that our path is made plainer and straighter by the circumstances of different nationalities and of different creeds.

He saw the dangers, Madam Speaker, and the difficulties of a bilingual and multicultural society even in those days. Yet despite the difficulties and dangers he saw ahead, he declared, in words which do him honour, that the survival and development of French-speaking Canadians was "a victory for humanity". These are his own words, Madam Speaker:

—if, as the case is, it has imposed greater difficulties and more arduous efforts and toils on those who are engaged in making a nation of Canada, it yet, by that very circumstance, gave the chance for more exalted triumphs, gave an opening for the exhibition of still higher and deeper and broader feelings of justice and liberality and tolerance than are permitted to a wholly homogeneous people.

Blake concluded:

—I maintain that it is the duty of those who truly regard the progress and prosperity of Canada, who hope to see it advance in its path towards nationality, to defend the rights of the minorities in this regard, as by law and by convention and by national settlement established. I intend for my part to defend them just as warmly as if I were one of themselves; and I should regard myself dishonoured and disgraced if I were now to yield to the forces which press me to any other course.

That, Madam Speaker, is the spirit of Confederation which this resolution asks the House to endorse today. It is a spirit which goes to the very basis of our society and I am deeply encouraged by the unanimity with which this debate will be concluded, as well as by the spirit of co-operation and understanding which existed between the Leaders of the Parties of this House and which has led us to move this debate and second it, Madam Speaker.

I do believe that this country has entered a new period of understanding. I believe that if the events in Manitoba turn out in the way we hope and pray and in the way we have confidence that the majority of the people of Manitoba will understand, I have confidence that living in this country will be, for all those minorities and all those other people who are asking for greater measures of justice, a turning point in the life of our nation.

[*Translation*]

Our forefathers have built a country where life is not particularly easy but is based on tolerance and fraternity. Madam Speaker, we would be unworthy of them if we failed to do everything in our power to make this nation survive and prosper, this magnificent country that was founded on the principle of reciprocity, of cohabitation of cultures and the principle of minority rights.

[*English*]

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, I speak today on a resolution of consequence before this House. I do so with pride and in the genuine hope that our action will be helpful to our fellow Canadians in Manitoba as they search for an equitable solution to a problem which has troubled the soul of this nation for over 100 years.

[*Translation*]

The purpose of this resolution is one which has touched the soul of Canada for decades. When I was very young in Baie-Comeau, we were taught at the local school the sad story about some of our Francophone brothers outside of Quebec. Even at that young age, we knew that an injustice had been committed in Manitoba. We did not know why or how, but we knew that certain basic rules—which we Quebecers, Anglophones as well as Francophones, could benefit from—had been broken. A Francophone minority, which had enjoyed an historical protection of its language in Manitoba, was suddenly cut off—amputated—from this guarantee which was so vital. We knew also, Madam Speaker, without being able to really evaluate its consequences, the less than glorious role some of our Quebec leaders had played in the outcome of this very painful situation.

I do not want today to go over all of the steps, again make all of the accusations, recite all of the injustices. Still less do I intend to blame anybody, Madam Speaker. The facts are clear and speak for themselves.

Our collective evolution has determined that two peoples speaking English and French were united in a great national adventure. This unique situation has given birth to our Canadian citizenship. This very noble outcome has not been without failings, Madam Speaker. Neither has it been protected from constant assault by those who wish that we give it up for a less grandiose vision, a more limited country, a less generous mentality. There is even a Member of the PQ government who said that any such initiative to help the Francophone minority in Manitoba was stupid.

This resolution compels us to remember our overriding commitments in this country of almost limitless space, overflowing with great opportunities for the future. These commit-

ments comprise a respect for our linguistic and other minorities, a long-held desire to encourage their flowering, and the duty to protect the rights of our minorities—wherever they are.

Manitoba is going through a period of disturbance. In making this gesture today, I do not want to exacerbate the complexity of this situation. In the final analysis it is up to Manitobans themselves to decide. I hope that Manitoba's leaders, who I assume are acting in good faith, will work together in a spirit of generosity to ensure that Franco-Manitobans are treated with dignity and respect.

Thus we have today the occasion to state our position on this question here in the House of Commons. By this resolution before us, we are asked to make a gesture. The significance and the impact of this action relate first and foremost to profoundly human values, values which define to a large degree the kind of generosity of spirit typical of Canadian society.

It is with pride that I announce today, in the name of my colleagues in the Progressive Conservative Party, our unanimous support for the resolution which is before this House.

• (1530)

[*English*]

Years ago this House approved the principle of official bilingualism for Canada. Simply put, it means that English and French Canadians shall have equal rights and equal opportunities across Canada. It is a noble principle, one which is capable of enriching the life of this nation. By our stand today we reaffirm our commitment and that of our Party given earlier in this same House of Commons by outstanding and distinguished Canadians such as the Hon. Robert Stanfield and the Right Hon. Member for Yellowhead (Mr. Clark).

Bilingualism is a valued principle and an indispensable dimension of our national life. The program, however, must be implemented with fairness and with equity. It is diminished if it comes to be perceived by large numbers of Canadians as an instrument of division or an instrument of unfairness. Governments must always be alert to this possibility. Excessive zeal and regrettable statements by public officials have seriously hindered worthy programs in the past. We do not want that to happen here.

We are all children of our environments. We bring to given problems the judgment that has been shaped by the realities to which we have been exposed in our lives. In Canada, particularly in the area of language, these differ widely according to individuals and according to regions because of our sense of history. We must seek to understand these differences and consider them not as obstacles but as guides to the elaboration of sensible and realistic policies which will enhance rather than lessen the attractiveness of such policies in the minds of all Canadians. Sensitivity to people and the presumption of good faith should be the hallmarks of implementation. They will ensure for bilingualism a more durable character and more pervasive acceptance. In the larger sweep of history these qualities will have served the country better than a divisive gesture or an uncaring remark.

I want to say a word to the people of Manitoba. I am aware of the problems that have arisen in many of your communities. We do not seek today to make them more difficult. Sadness always results when there is division among us. Strong people take strong stands on major issues and have done so throughout our entire history.

Our days together as Canadians have not always been glorious but neither have they been without absolutely splendid accomplishment: For all our imperfections, we remain in Canada a country of promise and a people of hope. We have come through so much together against overwhelming odds that our citizenship has become a privileged symbol in our lives. Our respect for the rule of law, our unparallelled record in civil liberties, our sense of tolerance, our respect for our neighbour and his property have combined to make Canada an admired nation in the world.

The issue before us today is one that must be approached in a spirit of conciliation. This is a quality for which Manitobans are renowned. It does honour to them and to their Province. The issue before us today is also one of simple justice. There is no painless way to proceed. There is no blame to be apportioned. There are no motives to be impugned. There is only the sanctity of minority rights. There is no obligation more compelling and no duty more irresistible in Canada than to ensure that our minorities, linguistic and otherwise, live at all times in conditions of fairness and justice.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Manitoba Members of Parliament in our caucus, along with many Manitobans at home, have been deeply troubled by this issue. I have shared with them their moments of anguish but they have responded with courage and with respect. In a great unifying gesture to all of Canada they stand with me and our Party today in a historic and unforgettable endorsement of a fundamental tenet of this nation.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: My friend, Robert Cliche, was a great humanist who sought, at all times, conciliation, the right approach, respect for the common man whose rights have been abused. He often quoted Felix Antoine Savard who once wrote: "Happy are those men and those peoples who get along together".

I believe, Madam Speaker, that with this resolution we have helped the process of reconciliation which must take place in Manitoba.

● (1540)

[*English*]

Many years ago, Madam Speaker, in welcoming a group of immigrants to America, one of the most outstanding jurists in that country, in that great republic, described for his audience of freshly arrived immigrants—which is not inappropriate for us because this very House of Commons reflects the fact that we are a nation of minorities, we are a nation of immigrants and should be very proud of it—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —what he thought was most important at that time. However, I think he also, inadvertently no doubt, described what is best in our citizenship as well. Mr. Justice Hand referred to it as the "spirit of liberty." He told the group of immigrants that the spirit of liberty is the spirit that is not too sure that it is right. The spirit of liberty seeks to understand the minds of other men and other women. The spirit of liberty weighs their interests alongside its own without bias. The spirit of liberty knows that not even a sparrow falls to earth unheeded. The spirit of liberty, he said, is the spirit of Him, who near 2000 years ago taught mankind a lesson that it has never quite learned and never quite forgotten, that there may be a kingdom where the least shall be heard and considered side by side with the greatest. That is what this resolution is about today.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This resolution is about fairness. It is about decency. It is an invitation for co-operation and understanding. It speaks to the finest qualities in this nation.

I say to you on behalf of my entire Party on this or any great issue that affects this nation that we stand before you, Madam Speaker, united in the sunlight, ready to work for a better Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Edward Broadbent (Oshawa): Madam Speaker, in 1867 Canada was created when the rights of French-speaking and English-speaking Canadians were acknowledged. If that had not been the case there would have been no Canadian federation. These rights were originally recognized in Quebec and the Parliament of Canada, and without these crucial rights, Canada would not have continued to survive. The various crises we have experienced in the course of our history occurred largely because we failed to respect the letter and intent of this duality. Madam Speaker, history has shown that when the majority exercises its powers with tolerance and imagination, we obtain the cohesiveness that is essential to the unity of a country. On the other hand, when the majority of its leaders fails to respect this principle, conflict and injustice are the result. That is the situation we are faced with today.

[*English*]

We have to see the history of Manitoba itself in the context of this resolution. Manitoba Members who have studied the history of our country will recall that Manitoba was the first Province to join Confederation after 1867. It was not, I might underline here, the will of the Government in Ottawa that this Province should come into existence. Quite the contrary. The federal Government of the day wanted the whole of the Prairies to be ruled as a territory from Ottawa.

Manitobans felt differently. Led by Louis Riel, English and French-speaking Members of the Red River colony alike forced the federal Government by their own actions to take notice of the moral legitimacy of their claims to a government of their own.

It is this I want to emphasize today, Madam Speaker, that Manitobans set the trend for the historical development of western Canada by saying that they, indeed, should have a government of their own.

The new Province of Manitoba, established in 1870 by the Manitoba Act, reflected in law the reality of its population. By law, the English and French languages were put on an equal basis in the legislature and the courts. It was a good beginning.

[*Translation*]

Unfortunately, twenty years later, the Government of Manitoba no longer recognized those rights, the Franco-Manitobans were no longer in the majority and had become a minority group. We, the majority, must recognize these facts and the consequences resulting from the disappearance of those rights. Franco-Manitobans had become strangers in their own country. They no longer had access to public education in French. Franco-Manitoban teachers who taught the French language and culture to their pupils were threatened with dismissal. They could not be themselves in public.

[*English*]

I am pleased as a Canadian to be able to say that in recent times this sad period in our history has witnessed a new page. Modern Manitoba is in most respects a very different place indeed. Not only has there been a cultural renaissance by Franco-Manitobans with their school rights clearly established, but also the infusion of Canadians whose ancestors came from every part of the globe has made Manitoba one of the most diverse and interesting of our Provinces. The composition of modern Manitoba governments and institutions has borne witness to this change in the population. Recent court decisions have also reflected this new tolerance, this enrichening openness.

● (1550)

With the Supreme Court decidion of 1979 it became clear that the provincial Act of 1890 was not only morally offensive but also unconstitutional. It became clear that the rights of Franco-Manitobans must not only be restored in practice but also in law. It was in this context that the present Government of Manitoba, following in the footsteps of the Conservative Government which preceded it, began discussions with the

Société franco-manitobaine. The result of these discussions is the legislation now being considered by the Manitoba legislature which in essence is supported by today's resolution in the House.

When this process is completed and when it is passed by Parliament, as I am convinced it will be, as an amendment to the Manitoba Act, it will become part of the Constitution of Canada. I want to emphasize a few points about this important resolution in the Manitoba legislature. It not only conforms with the constitutional requirement established in 1870 that English and French have equal status in the legislature and courts of Manitoba, it also extends with constitutional guarantees many provincial services to Franco-Manitobans in their own language.

The second point I would like to stress—and I say this particularly as the Leader of a federal Party—is that the essentials of the resolution in the Manitoba legislature were the product of Manitobans. Although certain technical details were provided by the federal Government, it is of great importance for us in this Parliament to recognize that this resolution is a western Canadian solution to a western Canadian problem which affects us all.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The third point I would like to stress—and this is important given the very diverse nature of the country and the population of Manitoba—is that the resolution before the legislature of Manitoba has the support of the spokesmen for the Indian and Métis people of Manitoba. It has the support of virtually all organized ethnic groups in Manitoba and, it goes without saying, the support of the Government of Manitoba. In short, most of the leadership of those who constitute a majority in Manitoba are now fighting for the rights of the minority. It is very important for us to bear witness to this today.

Therefore, in this context I want to say that we in the rest of Canada owe the Government of Manitoba, Franco-Manitobans, Métis, Indians and the ethnic community of Manitoba, our appreciation for their initiative, our gratitude for their imagination, and our support for their leadership.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In conclusion, what we are doing today in unanimously supporting this resolution goes beyond support for the details of a particular Bill in a single Province on a given date. We are now acting in the spirit of those who created Canada in 1867, who out of necessity and by imagination created our fundamental duality. We are supporting a spirit of tolerance and a respect for diversity which should always be the hallmark of Canada and of Canadians. Never again should any Canadian say—

[*Translation*]

—I am a stranger in my own country.

[*English*]

And, with the kind of collective leadership demonstrated by all Canada's national Parties today, I am confident that in the future of our great land no Canadian ever again will have to say that.

Some Hon. Members: Hear, hear!

Madam Speaker: Pursuant to House Order of October 5, 1983, this resolution is deemed to have been passed unanimously.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, October 5, 1983, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, after the last hour everything seems rather anticlimatic, but I would direct the usual Thursday question to the Government House Leader and ask him what the business for the remainder of the week will be and to take us as far along as he can into next week.

Mr. Pinard: Madam Speaker, in the same kind of spirit we could add something to Bill C-155 and it could be disposed of very quickly, within the next few hours. But presuming that we will need time to talk about it, I want to confirm to the House that we will be dealing with Bill C-155 respecting the Crowsnest Pass freight rates today, tomorrow and Tuesday of next week. I will advise the House if there is any change, and so far as the business for next Thursday is concerned, in due course.

Mr. Nielsen: I thank the Government House Leader for that. I trust he is sufficiently recovered from his affliction to convene a House Leaders' meeting at an early date, subject to the way he feels physically, so that we might discuss other pressing matters which we have not done for over two weeks now and which have nothing to do with Bill C-155.

[*Translation*]

Mr. Pinard: Madam Speaker, I wish to thank the Hon. Member for his wishes for a speedy recovery. I can assure him that my health is quite good and was certainly not my reason for not having any meetings during the past two weeks. Actually, since many members had indicated a desire to speak to the Bill we are debating in the House, there was no need to have meetings in order to discuss business of the House for the

next few days. That is why I did not hold any meetings. A meeting was scheduled yesterday to discuss the resolution the House just adopted on the rights of Francophones in Manitoba, but, as my colleague will recall, we negotiated behind the curtains during question period and quickly reached an agreement without requiring a formal meeting with very positive results, as the House is aware.

I can assure the Hon. Member for Yukon (Mr. Nielsen) that if he would like a meeting to discuss other than short-term business of the House or if he wishes to discuss short-term business as well, he merely has to notify me and I can assure him that I am always available to see him, on very short notice. We on this side of the House are always willing to discuss short-term House business, but I assumed that for the time being, neither his Party nor the New Democratic Party were willing to discuss the duration of debate on Bill C-155, and since this is the only bill on the agenda and since it is our main priority before we consider proroguing, I did not think it would serve any purpose to have these meetings. However, if my colleague wants a meeting, we could have one at his earliest convenience.

● (1600)

[*English*]

Mr. Nielsen: Madam Speaker, I would like, at the Government House Leader's convenience, to have such a meeting, not particularly to discuss business in this Chamber, but other matters relating to the administration of the House and so on which have been piling up on my desk in the last two or three weeks.

[*Translation*]

Mr. Pinard: Madam Speaker, if my colleagues are willing, we shall decide on a time acceptable to all parties. Perhaps we could meet early next week, Tuesday or later, some time during the day, unless my colleague prefers a meeting this afternoon, but I know that we are to discuss the procedural aspect of the amendments, and I think it would be more useful, unless my hon. colleague indicates otherwise, to meet early next week.

[*English*]

Mr. Deans: Madam Speaker, I asked the Government House Leader some time ago and then asked the Acting House Leader some time in the last two weeks what has become of Bill C-653. Quite clearly the Bill seems to be lodged somewhere in committee. The Government House Leader indicated to me that he would check with the committee and perhaps the Minister of Agriculture (Mr. Whelan) to determine what the Government's intentions are with regard to this. I wonder whether he knows if something will be coming up in the reasonably foreseeable future.

[*Translation*]

Mr. Pinard: Madam Speaker, we avoid interfering in the business of committees, but the Minister I referred to the other day was the Minister of Consumer and Corporate Affairs (Mrs. Erola).

[*English*]

Mr. Nielsen: Madam Speaker, perhaps the House Leader of the NDP is unaware that that Bill is now before committee, that the committee is holding current meetings and witnesses were heard this morning. I imagine that when the committee finishes its work, it will be back very shortly.

[*Translation*]

Madam Speaker: Presentation of committee reports.

Mr. Tessier: Madam Speaker, I would like to ask the unanimous consent of the House for tabling an amended version of the Ninth Report of the Standing Committee on Miscellaneous Estimates, to replace the report tabled in the House on Thursday, September 29, 1983.

Madam Speaker: Does the House give its unanimous consent?

[*English*]

Mr. Nielsen: Madam Speaker, I have had an opportunity of discussing the matter with our critic, the Hon. Member for Don Valley West (Mr. Bosley), and we quite agree that it can be presented.

[*Translation*]

Madam Speaker: The Hon. Member has the unanimous consent of the House and may therefore proceed.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

PRESENTATION OF NINTH REPORT OF STANDING COMMITTEE AS AMENDED

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, I have the honour of tabling the Ninth Report of the Standing Committee on Miscellaneous Estimates, as amended.

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

[*English*]

PETITIONS

MR. FULTON—BROADCASTING ACT—AMENDMENT RESPECTING PORNOGRAPHY

Mr. Jim Fulton (Skeena): Madam Speaker, I have the honour today to present petitions from three communities in my constituency, Prince Rupert, Telegraph Hill and Kitimat. The petitioners are asking that their concerns regarding adult programming and the proliferation of pornography in various media be considered by this House and this Parliament as soon as possible, and that the Broadcasting Act be amended in the way proposed by the Hon. Member for Broadview-Greenwood (Ms. McDonald) on March 8 of this year.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, the following questions will be answered today: Nos. 4,678, 4,679 and 5,010.

[*Text*]

OFFICIAL LANGUAGES ACT

Question No. 4,678—**Mr. McKenzie:**

Does the Secretary of State intend to personally involve himself in the application of the Official Languages Act in Quebec, especially at Nordair, or does he consider that Quebec has only one official language?

Hon. Serge Joyal (Secretary of State): The question deals with the Secretary of State's personal involvement in applying the Official Languages Act in Quebec generally, and, more specifically, with respect to Nordair.

The Official Languages Act applies in all of the Canadian provinces, including the Province of Quebec, with respect to matters within federal jurisdiction and to subjects and entities to which the Act's provisions are expressly made to apply.

The Secretary of State is responsible for ensuring that those government services offered by his Department conform to the Official Languages Act and to federal bilingualism policy generally. His mandate also includes the encouragement and facilitation of the use of both official languages in operations of organizations and institutions in the private sector and in the non-federal public sector.

More specifically, with respect to Nordair, it should be noted that the Secretary of State is not responsible for ensuring that the provisions of the Official Languages Act are adhered to by Crown Corporations or subsidiaries of Crown Corporations such as Nordair, that are within the responsibility of the Minister of Transport. However, the Secretary of State would presume that, as a matter of policy and practice, Nordair would endeavour to provide its services to the travelling public in both official languages.

SALT USED ON ROADS

Question No. 4,679—**Mr. Reid (Kenora-Rainy River):**

1. Does the Department of the Environment have any record of the amount of salt used to keep roads clean in Canada on a yearly basis and, if not, for what reason?

2. To the knowledge of the Government, what is the amount of salt being used by municipal, regional, provincial and federal Governments to keep roads and sidewalks clean on an annual basis?

3. Has the Department done any research or sponsored any research on the effect of this salt on the freshwater resources of each region of Canada and upon the soil quality of each region of Canada?

4. Has the Department taken a position on the use of salt for the above purposes and has it determined the safe level for the disposal of salt into the environment and, if not, for what reason?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Environment and Statistics Canada as follows:

1. Environment Canada does not keep records on the amount of salt used annually in Canada for de-icing purposes. Research into de-icing practices has shown that the impact on the receiving environment is of a localized nature and may range in significance from nil to severe depending on several site-specific variables. In terms of environmental priorities, however, de-icing practice on highways and roads is not a significant national issue and does not justify the resources that would be necessary for collection and management of salt-use data.

2. Statistics Canada does not collect statistics on the amount of salt used by municipal, regional, provincial and federal Governments to keep roads and sidewalks clean on an annual basis.

3. Yes.

4. Because of the localized nature of the problem of the many site-specific variables that influence the definition of "safe" or "hazardous", concentrations of salt in snow melt, Environment Canada has not developed a national effluent objective for salt concentrations in point and non-point discharges to the environment.

PURCHASE OF BOOK "FLAUNTING IT" BY CANADA COUNCIL

Question No. 5,010—**Mr. Epp:**

1. Did the Canada Council distribute copies of the book "Flaunting It" and, if so, how many were distributed to (a) libraries (b) prisons (c) senior citizens' clubs (d) cultural centres (e) hospitals (f) native peoples (g) primary schools (h) high schools?

2. How many copies of the book did the Council purchase?

3. What was the total cost of the book to the Council?

4. What were the distribution costs of the book to the Council?

Hon. Francis Fox (Minister of Communications): I am informed by the Canada Council as follows:

1. Yes.

(a)	libraries (not including school libraries)	51
(b)	prisons	1
(c)	senior citizens' clubs	9
(d)	cultural centres (broadly defined and not appearing elsewhere on this list)	16
(e)	hospitals	4
(f)	native people's organizations	8
(g)	primary schools	4
(h)	high schools	73

2. The Council purchased 208 copies.

3. The total cost was $1,489.28.

4. Distribution costs are not separately accounted for individual titles. Distribution of kits of 200 titles cost a total of $21,920, so the average per title was $109.60 or, in the case of "Flaunting It", approximately 60 cents per copy.

[*Translation*]

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

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

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Crowfoot (Mr. Malone)—Grain—Western Grain Stabilization Program. (b) Five-year averaging principle; the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—Grain—Increase in premiums—Request for change in payout formula.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 33 (Mr. Mazankowski).

Madam Speaker: Before embarking on the procedural arguments that Hon. Members will undoubtedly wish to make to enlighten the Chair, I would like to categorize for the benefit of Hon. Members the motions and the reasons behind my reservations concerning their acceptability. I think that will contribute to focusing the debate and having it take place with a certain order. I suggest to Hon. Member that it would facilitate the procedural debate if they were to relate their remarks to a group of motions, and I will group them, except of course where a motion stands by itself.

Motion No. 1 attempts to introduce into the Bill a disguised preamble. This is a very interesting point. It is not often that an Hon. Member attempts to amend a Bill in such a way as to include a clause setting out the objectives of Parliament in relation to the transportation of grain. Although the motion of the Hon. Member for Vegreville (Mr. Mazankowski) does not include the normal "whereas" paragraphs, it is an attempt to place in the Bill a preamble. In other words, what the Hon. Member cannot do directly he is attempting to do indirectly. In this regard I refer Hon. Members to a statement I made on July 13, 1981, at page 11463 of *Hansard*, in which I had referred to a previous ruling made by Mr. Speaker Lamoureux on June 11, 1973, in relation to the inclusion of a preamble in a Bill.

Motions Nos. 2 to 19 inclusive, 59, 64, 66, 67, 70, 129, 134, 135 and 145 are substantive amendments to interpretation clauses namely, Clauses 2, 34 and 54 of the Bill. These motions attempt to modify existing definitions in various interpretation clauses throughout the Bill or tend to add completely new definitions or transfer definitions from Parts II and III of the Bill to Clause 2 which offers definitions for the entire Bill. In order to assist Hon. Members, Motion No. 14, for instance, standing in the name of the Minister of Transport (Mr. Axworthy), changes substantially the definition of the word "grain" as it appears in Clause 2 of the Bill. Motion No. 129, standing in the name of the Hon. Member for Vegreville would add to the Bill a new definition "Government contribution to cost increases". May I refer Hon. Members to a ruling of one of my predecessors which can be found at page 61 of *Journals* for October 28, 1970 when he said that, "It is not good procedure to try and introduce a substantive amendment by way of modification of the interpretation clause".

Motions Nos. 20 to 23 inclusive, 28, 36, 41, 54, 57, 80, 81, 85 89 and 166 go beyond the scope of the Bill. For example, Motions Nos. 22 and 23, standing in the name of the Hon. Member for Regina West (Mr. Benjamin), add to Clause 2 new subsections which would impose conditions and burdens on the Canadian Pacific Railway not contemplated in the Bill as agreed to by this House at second reading.

Again, Motion No. 57, standing in the name of the Hon. Member for Vegreville, introduces into the Bill a new clause which would allow for agreements to be made between the Minister and the railway companies other than railway companies as defined in Clause 2. Since the Bill covers only those railway companies which come under federal jurisdiction, I find Motion No. 57 to be outside the scope of this Bill.

● (1610)

Motions Nos. 87, 139, 146, 147, 150, 153, 155 and 165 are contrary to the principle of the Bill as agreed to at second reading. The purpose of the Bill, as I understand it, is to provide for new rates for the movement of grain through the Crowsnest Pass. Motion No. 87, for example, would keep the rates as they existed on June 16, 1983. This, in my view, is clearly contrary to the principle of the Bill. In other words, the amendments propose to negate the principle of the Bill as agreed to at second reading. That is really the difficulty with which the Chair is confronted.

Motions Nos. 104 to 114 inclusive, 172 and 173 infringe on the financial initiative of the Crown. For example, Motion No. 105, by allowing a shipment in excess of 31.1 million tonnes to qualify for the Crow benefit and Motion No. 172 by adding new crops to Schedule I would involve expenditures not covered by the Royal Recommendation. It would extend the objects and purposes or relax the conditions and qualifications as expressed in the Royal Recommendation.

Motions Nos. 51, 73, 86 and 151 give the Chair difficulties for two reasons. They are contrary to the principle of the Bill and infringe upon the Crown's financial initiative.

Motions Nos. 74, 152 and 157 are new propositions which are clearly outside the scope of the Bill. Motion No. 157 proposes to place in the Bill a new Part IV concerning "Shipper Share Limitations". This is a new concept not envisaged in the Bill. As Motion No. 74 is consequential to Motion No. 157, whatever decision is made on Motion No. 157 will also apply to Motion No. 74. Motion No. 152 proposes to extend the Crow benefit to the grain producers of the Peace River district, which likewise was not covered by the Bill as read a second time.

Motions Nos. 75 and 116 to 126 inclusive were dealt with in my statement on Monday last. They are clearly irrelevant to the Bill as amended by the committee and reported to the House. Any Member who compares these motions with the Bill as reprinted will quickly see what I mean. I would urge the Hon. Member who presented these motions to look at that. I am sure that he will readily agree with me.

As stated in Section 4 of Citation 773, Beauchesne's Fifth Edition:

> An amendment is inadmissible if it refers to, or is not intelligible without, subsequent amendments or schedules, or if it is otherwise incomplete.

This rule must by extension be followed at the report stage.

Motion No. 174 proposing to amend the title will be ruled on by the Chair when the motion is reached, as I have indicated earlier this week.

I would therefore propose, in the interest of clarity and for the early conduct of the debate, to call upon the Hon. Member for Vegreville to present argument in support of Motion No. 1 standing in his name, and thereafter proceed to hear argument on the other motions grouped in the categories which I have suggested.

I would like to warn all Hon. Members that this of course is not a debate on substance; it is merely a debate on procedure. I will only allow arguments that deal with procedure and will not allow Members to go into the substance of this Bill because that debate will take place in the House later. These procedural arguments are naturally of interest to the debate in the House and that is why I am allowing them. I will ask all Hon. Members to keep very much in mind that they are presenting procedural arguments to the Chair and nothing else. I am warning then that I will be very strict as to relevance in all of their interventions.

I would also like Hon. Members to be brief because we have in mind that the debate on this particular Bill shall be unrepetitive, and that is one of the reasons I have suggested that we group the motions so that all motions which refer to certain procedural difficulties should be discussed together. The same arguments would apply to all of these motions. Therefore, I would ask Hon. Members to be brief and unrepetitive, because these arguments are allowed in compliance with the Speaker's discretion as outlined in Standing Order 75(10) which reads as follows:

> The Speaker shall have power to select or combine amendments or clauses to be proposed at the report stage and may, if he or she thinks fit, call upon any Member who has given notice of an amendment to give such explanation of the subject of the amendment as may enable the Speaker to form a judgment upon it.

The rules are very clear. There is the discretion of the Speaker to call upon Members to give explanations concerning their amendments. I would ask Hon. Members to take into account as well the beginning of that Standing Order which reads:

> The Speaker shall have the power to select or combine amendments or clauses—

Of course, that means that the Speaker has the power to rule on the acceptability of amendments. Should the debate become repetitive or if it does not focus on procedural arguments and goes instead into substance, then there are other powers which the Speaker may use. I think all Hon. Members should be well aware of that.

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a point of order. I regret having to interrupt my colleagues, the Hon. Member for Yukon (Mr. Nielsen) and the Hon. Member for Vegreville (Mr. Mazankowski), but before we find ourselves in any further difficulties, I would like to call something to the attention of the Chair. I would like to make it clear right now, Madam Speaker, that in no way am I calling into question a previous ruling of the Chair.

We are presently dealing with Motion No. 33. The next two motions to come up are Motions Nos. 34 and 35 which are consequential. If Motion No. 34 stands and is adopted, Motion No. 35 drops. If Motion No. 34 is not adopted, then we move to Motion No. 35.

I draw to your attention, Madam Speaker, that I drew to the attention of the House on Thursday, September 29, that I was pleased to hear your preliminary ruling dealing with Motions Nos. 24, 25, 26, 27 and 29, that Motion No. 24 would

be voted on separately and an affirmative vote on Motion No. 25 would also dispose of Motions Nos. 26 and 27. However, a negative vote on Motion No. 25 would require further voting on Motion No.—

Madam Speaker: Order, please. I would like the Hon. Member to tell me exactly what he wants the Chair to understand. We know all of this. We have been through the consequences of adopting one motion or another motion which stands on the Order Paper. The Hon. Member needs not repeat that.

I am just wondering if the Hon. Member is referring to the ruling of the Chair made when the Deputy Speaker was in the Chair. If he is doing so, he knows that that ruling has been made and that he has been asked consistently by those who were in the chair at the time not to come back before the House with that particular problem because, in the view of the Chair, that problem has been solved.

It appears to me that if the Hon. Member wants his Motion No. 25 to be debated now when, as a consequence of what was voted upon in the House, that motion is supposed to be redundant, which it is, I cannot allow the Hon. Member to discuss that. When a vote was taken on Motion No. 26 the Hon. Member had all the liberty in the world to vote against it, which he did not. He therefore seems to have expressed his view that he was in favour of Motion No. 26 and, as a consequence of Motion No. 26 having been voted, Motion No. 25 is redundant.

● (1620)

I will not hear any more from the Hon. Member on this particular point.

The Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Not on this particular point, Madam Speaker. I want to draw attention to a preliminary ruling of Madam Speaker, the first one put out in which she dealt with Motions Nos. 24 to 29, leaving out Motion No. 28. I have been seeking the guidance of the Chair. I am not sure whether I have a question of privilege or a point of order. The House decided on Friday last—and I should like to quote what the House decided—prior to the ruling of the Chair—I am seeking the Chair's advice on what recourse I have.

As reported at page 27600 of *Hansard*, the Deputy Speaker said:

> I call the attention of the Hon. Member for Regina West to the fact that he apparently has spoken in the course of this debate and cannot be recognized again—

As reported on the same page, I said:

> Mr. Speaker, I rose on a point of order. The Minister asked for the guidance of the Chair.

Madam Speaker: The Hon. Member will not go on in this vague and confused way. The Chair is obviously confused and has no idea what the Hon. Member is talking about. I want him to tell me clearly if he has a point of order. I should like him to decide in his mind whether he has a point of order or a question of privilege. I cannot determine that for him. He can then rise and make his point, but rising and making a speech which the Chair is absolutely unable to understand will not be allowed at this point.

Mr. Benjamin: Madam Speaker, I will quote the record of the House and ask for your guidance since your advisers did not bother to read *Hansard*. At page 27600, in the right-hand column, one-third of the way down, this appears:

> MR. BENJAMIN: Mr. Speaker, I take it, then, that the Government is prepared to accept Motions Nos. 26 and 27, which are the same as the original wording of the Bill. Can I take it, then, that now he would bring in his consequential amendments to Motions Nos. 26 and 27 but that—

Madam Speaker, I wish you would stay.

—Motions Nos. 24, 25 and 29—

The Acting Speaker (Mr. Blaker): The record of *Hansard* will show that the Hon. Member has had extraordinary opportunities to raise this point of order. Having been the last occupant of the Chair to deal with the matter, I indicated at that time that the speakership and the Chair are indivisible in the House of Commons. I also indicated that the person who occupied the Chair when the ruling was made, the Deputy Speaker, ruled this point of order out of order.

I took a great deal of time to offer the Hon. Member opportunities for discussion behind the curtain in order that he might achieve what he wants to achieve.

I also took considerable time to indicate to the Hon. Member that no further consideration of this point of order would be given from the Chair in a procedural sense. I offered him the opportunity that he might like to take the benefit of advice from Table officers who might assist him. I went even further and suggested to him that he might consider some discussion with other Members of the House in order that he might make his point on this particular motion.

This point of order is now closed; it was closed the day before yesterday and it will continue to be closed. I will not recognize the Hon. Member on that point again. Debate please—and not the Hon. Member for Regina West under any circumstances.

Mr. Benjamin: Mr. Speaker, on a different point of order—

The Acting Speaker (Mr. Blaker): On a different point of order?

Mr. Benjamin: Since the Chair—

Madam Speaker: Order, please. I left the Chair for a few seconds in order to let the Acting Speaker, who dealt with this matter and who knew the exact sequence of events and could relate to the exact words of that particular non-debate, take over.

As the Acting Speaker has said, that matter is closed. I will now recognize the Hon. Member for Vegreville (Mr. Mazankowski).

Mr. Benjamin: A point of order. It is not closed.

Mr. Mazankowski: Madam Speaker, I wonder if I—

Mr. Benjamin: A point of order.

Mr. Mazankowski: Madam Speaker, I wonder if I might defer to the Hon. Member for Yukon (Mr,. Nielsen), the House Leader, who will be presenting general arguments on your ruling, including Motion No. 1. I hope I will have the opportunity to participate in the debate at a later time but I think it would be important to have him outline in a general the thrust of our arguments.

Mr. Nielsen: Madam Speaker—

Mr. Benjamin: A point of order—

Mr. Nielsen: I have had discussions with the Minister for the sake of order. Since I may agree with some of the arguments he presented to the Chair I should like to hear those, and it may cut down on the time necessary for my presentation and thus save the time of the House.

In the meantime, however, I wish to stake out a caveat with respect to Standing Order 75(10). I think the logic of the Chair is eminently reasonable and, to use the words of the Chair, I would suggest to Hon. Members that it would facilitate the procedural debate if the groupings outlined by the Chair were to be adopted.

My problem is that I have spent some five to six days preparing my arguments on the 174 amendments and they do not happen to fall into the groupings that the Chair would like to see. It would have been an excellent idea for me to proceed in that way but I only knew this morning that that was the suggestion of the Chair.

I would not want to think for a moment that Standing Order 75(10) would be applied to give the Chair the same discretion with respect to the grouping of amendments for procedural submissions as the power exists in the Chair for the grouping of amendments for purposes of debate. I notice that Madam Speaker nods her head in the negative but I should like to make my submission before the Chair comes to that conclusion.

I think the suggestion of the Chair is eminently reasonable—had I known of it in advance. I am sorry that I did not think of it myself; I should have, but I did not. My argument, which has taken several days to prepare, is not going to conform strictly to the suggestion of the Chair.

I would suggest that the Chair hear the Minister first with respect to the Government amendment, and I will listen very carefully to those arguments. If there is any way I can accommodate those arguments I shall do so. That will likely result in a more ordered procedural debate and perhaps will even cut down the time I need to present the rather lengthy procedural argument that I have.

Madam Speaker: I would ask the Hon. Member for Yukon if he could make an effort to proceed with his argumentation in the order of the groupings I have made. He will obviously recognize that many of these amendments have to do with the same argument since some infringe upon the financial responsibility of the House, with the introduction of a preamble, with the scope of the Bill and against the principle—the arguments are the same.

I am sure that the Hon. Member, who has such a brilliant intellect, will re-organize that very, very quickly, and I hope he will do so.

● (1630)

[*Translation*]

L'hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we have no substantial objection to the Minister of Transport (Mr. Axworthy) defending his own amendments. Perhaps it would help shorten the procedural debate the Chair has allowed on the subject. Now, I do not intend to repeat the argument I made before: former Standing Order 75(10) is quite clear in that the Chair has discretionary power but, with due respect, I would say that it is limited. If former Standing Order 75(10) is interpreted literally only the member who gave notice of an amendment and no one else, can provide explanations. This Standing Order reads as follows:

(10) Mr. Speaker shall have power to . . . call upon any member who has given notice of an amendment to give such explanation of the subject of the amendment as may enable Mr. Speaker to form a judgment upon it.

A literal interpretation of the Standing Orders would mean that in theory, only such members who have given notice of an amendment can be heard or asked for explanations, if you so desire. It is in our view very generous of you to allow a debate which goes beyond the provisions of former Standing Order 75(10). We on this side of the House certainly do not want to take advantage of your generosity, but we have no objection to the Minister who moved these amendments wanting to provide some explanation or to you wanting to hear him. If this shortens the procedural debate on the part of the Opposition, all the better!

Madam Speaker: I simply want to remind the Hon. Minister that, more often than not, the Standing Orders are not interpreted literally. They are a guide. Some must of course be followed to the letter, but when a Standing Order provides some discretion, this discretion exists! In any case, I believe that these explanations which are being allowed will facilitate this debate.

● (1630)

[*English*]

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I wish to acknowledge the courtesy of the Chair and of the House Leader of the Conservative Party in allowing me to present our arguments first. I hope it is done for the sake of brevity. I would intend in my remarks, Madam Speaker, to speak to the rulings on three of the proposed Government amendments, Motions Nos. 14, 74 and 157, as put forward in the Order Paper. Also, for the sake of saving time, I would like

to speak to the amendment put forward by my colleague on this side of the House, the Hon. Member for Kenora-Rainy River (Mr. Reid), which is Motion No. 152. Finally, I would like to make some additional comments on a few of the amendments put forward on behalf of the Opposition Parties. I believe we would be in a position to make some favourable comments on them and perhaps be able to help the Chair make a decision in that area. If that particular procedure is acceptable to the Chair, I will proceed. First, to deal with the matter of—

Madam Speaker: Order. I would really prefer the Hon. Minister to discuss these amendments according to groupings. As I see now, the Hon. Minister intends to go through all of the amendments on which he would like to speak. That, I believe, would be confusing to everyone.

Mr. Nielsen: No.

Madam Speaker: If the Minister is now going to speak first, perhaps he could choose to speak on an amendment or group of amendments where the same arguments are relevant. Then I will let other Hon. Members speak on those particular amendments. I can then have complete explanations at least on a group of amendmnents.

Mr. Nielsen: Madam Speaker, I said in my previous intervention that the suggestion made by the Chair just today makes eminent sense. If we had established previously that that was the desire of the Chair, it would have been a good suggestion—had we known five days ago when we started preparing. But what the Chair is now asking us to do is to toss aside that five days of preparation, with what has been sprung on us just now.

Quite frankly, I could more easily follow the Minister if he proceeds as he suggests. But I intend to follow the wish of the Chair and try to keep within those groupings as far as I can. However, the Chair will, I am sure, show some leniency if I am not able to do that in all cases because my submissions and arguments have been prepared. They have been in the course of preparation for some five days, and I heard this suggestion just this morning. I am sure the Minister will follow that course as well, as far as he can. Right now, I am sure I can follow him more intelligently if he proceeds as he has suggested.

Madam Speaker: Yes, indeed. There might have been some indication in the way in which I grouped the arguments in my preliminary ruling. However, it is a rare occasion when both the Minister and the Opposition House Leader agree on a procedure to be followed—

Mr. Nielsen: That is the way the day started.

Madam Speaker: I suppose the Chair would be placing itself in a very strange position if it were to insist on opposing that. I suggested a plan which I thought was logical and which would lead to orderly debate. However, if disorderly debate—if I may qualify it that way—or any other way of debating something is made easier by whatever plans Hon. Members have, I am willing to go along with that, and I will reorganize the arguments in my office once I have heard them.

Mr. Axworthy: Madam Speaker, I would like to thank you for your judgment and discretion. You indicated that this day began with a rare note of unanimity. We are now continuing. I hope we can find some way of bottling that essence when we get to the debate on this Bill and thereby, perhaps, we could get it all concluded by six o'clock tonight.

Some Hon. Members: Agreed.

An Hon. Member: Dream on!

Mr. Axworthy: It was a try, anyway. When you are on a good roll, you might as well keep going. The first amendment, Madam Speaker, which was proposed at report stage by the Government is Motion No. 14. It deals with the definition of grain and amends the Bill. I have read your ruling on this motion. I think it is clear you feel this is a substantive amendment to the interpretive Clause. I believe, as you quite rightly say, that according to a strict interpretation of the rules it would not normally be accepted under the procedure. However, I would like to make the case to you that what we are in fact doing in this particular motion is simply responding to a substantive part of the Bill which has already been accepted by the Chair under Motion No. 164, which gives the Governor in Council the right to add grains as part of Schedule I. That is simply a way of allowing Cabinet, the Governor in Council, to put forward additional specialty crops under the schedule, which would make them eligible for payment under the Crow regime. In order to make that happen, as you have already approved under Motion No. 164, we need to alter somewhat the definition under this motion in the interpretive area. All we are really doing under this motion is enabling the Governor in Council to include this definition of grain as part of the scheduling and, therefore, make it eligible for that rule.

I would only say, Madam Speaker, that this is partly the kind of result I saw taking place in committee where that flexibility was being shown and where some of the interpretations in the Bill, because they have consequence back to the substance, and vice versa, have to be tied together. I would hope, Madam Speaker, that you might accept that argument. I believe it might have the general acceptance of Hon. Members on the other side of the House. It would certainly not in any way change the substance, intent or meaning of the Bill. It would just facilitate the operation of the Governor in Council in this particular respect.

The second matter with which I would like to deal are two motions which are linked together, that is Motion No. 74 and Motion No. 157. Motion No. 157 is really the operative clause because it is dealing with the so-called safety net proposition. That was included by my predecessor in this portfolio as of May 10 as a way of providing a stronger guarantee of protection for farmers against any potential income loss if there were to be a drastic decline in the price of grain or a drastic increase in the cost of grain. The real question is, does it change the

intent, meaning or substance of the Bill? I do not believe it is a surprising proposition, Madam Speaker, because it is one which has been requested by Hon. Members in the Opposition. I believe the Hon. Member for Crowfoot (Mr. Malone) in debate on March 2 introduced the idea into second reading debate at that particular point in time. The acceptance in principle was announced by my predecessor on May 4. The text of the amendment was released and circulated to Members of the House on May 31 during second reading and was not acceptable at that time because of that. But it was introduced, so it was fair notice. Certainly during the course of the committee hearings many witnesses endorsed and supported the idea of a safety net. The question is, does it in fact in any way run counter to the intent of the Bill or does it enhance it? I would make the case that it is very clearly within the context of the Bill, because not only does the Bill provide for compensation to the railways, it has a number of clauses deemed to be acceptable which provide protection for the farmers against loss of income. There is the limit on the farmers' share of cost increases over the years through a 3-3-3-6 formula. There are various amendments which deal with performance guarantees from the railways to ensure a degree of protection for farmers. There is the railway investment guarantee. There is a key clause, which has been accepted as part of a motion, dealing with the establishment of review machinery which would take place as soon as the Bill is passed. This is designed to look at methods of payment and the way in which it impacts on farmers' income and performance.

● (1640)

So there are a number of parts of this Bill which have as the principle the protection of farmers' income and their ability to pay. This is a sort of additional clause to enhance that particular area. I recognize that it is a substantial amendment, no question about that, but I do believe it lies within the course of these amendments. I not only recommend it to yourself, Madam Speaker, but obviously to other Members of the House. I believe it will be generally endorsed as further protection for the grain producer.

Motion No. 74, which you also ruled out, is really consequential to Motion No. 157. It is a way of adding to the actual amount of Government compensation to take into account the question of a safety net. So if you accept Motion No. 157, then Motion No. 74 would follow on it.

I want to speak briefly to Motion No. 152, Madam Speaker, in the name of the Hon. Member for Kenora-Rainy River. As you have said, it proposes a new scheme not contemplated in the Bill. The substance has some attraction. It is in a sense a living experiment of an alternative method of payment to producers. This is not the time to debate the policy implications but rather the motion's procedural acceptability. The Government finds itself in agreement with the Speaker's ruling that it is not within the boundaries of the Bill according to the rules of procedure, even though the substance may be worth examination at some point in time.

I might conclude by speaking to the amendment put forward by the Progressive Conservatives, particularly Motion No. 10, the definition of "export" put forward by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). This was the subject of some interesting debate during examination here and in committee. I would not want to comment on its procedural acceptability. That is really within your purview. But I would indicate that if it is ultimately ruled out of order, the Government would be prepared to give consent to introduce it, as we consider it favourably and are in agreement with it. So if it is ruled out of order, we would be prepared to accept it by unanimous agreement because it does enhance the Bill.

On the question of Motion No. 57, presented by the Hon. Member for Vegreville (Mr. Mazankowski), the so-called British Columbia Railway amendment, I would simply point out that if it presents procedural difficulties, then Government Motion No. 56 addresses the same issue. I believe that has been accepted by the Speaker, although the Hon. Member may want to address this matter, or perhaps his House leader. I think Motion No. 156 is the same as Motion No. 57 and will have the same impact and consequences.

Those are the comments I have concerning procedural matters, and I thank the Hon. Members for their time.

Hon. Don Mazankowski (Vegreville): Madam Speaker, this is a rather unique arrangement. Let me say just briefly and perhaps my House leader may want to comment further—I think the Minister is right with respect to Motion No. 14. The definition of "grain" is really consequential upon Motion No. 164, which would give the Governor in Council the power to add additional grains under the statutory freight rate regime. I believe my colleagues and I would have no difficulty with that.

Regarding Motion No. 157, while it is true that this is not a new issue—it was injected into debate by the former Minister of Transport and, for all intents and purposes, was considered to be an integral part of this legislation—the committee had difficulty debating this issue because of its procedural unacceptability. I am pleased that the distinguished Chairman of that committee is in the House today. We regret very much that we were not able to discuss this matter because it was something committee Members clearly wanted to debate. The principle is perhaps acceptable, but I am not sure whether the detail is acceptable. While we are sympathetic to the inclusion of Motion No. 157, I would think that in its present form we would have some difficulty with the detail. That is not to say that we are not prepared to discuss it at a later point. Perhaps there can be some agreement reached, so I will leave that open.

With respect to Government Motion No. 156 and the provision to include other railway companies under the provisions of this Act, and Motion No. 57 standing in my name, I think the Minister is correct. Those two motions have the same intent, and to the extent the Government's amendment is found in order, I would certainly have no difficulty in accepting the suggestion made by the Minister in support of the Government's motion. I think that for all intent and purposes

it achieves the same purpose, and what we are after is an enabling provision for the Governor in Council to enter into an agreement with another railway, subject to the terms and conditions which may be outlined.

So, in a preliminary way, I think we can support the Minister on a couple of the items with respect to Motion No. 157, but I think it will require some further discussion.

Mr. Nielsen: We are already making progress. The Hon. Member for Vegreville stipulated that we are prepared to consent to the Minister's proposals with respect to Motion No. 14. For his part, the Minister is prepared to consent to our Motion No. 10 dealing with the definition of "export", and to Motion No. 57 which is the same as Motion No. 156. I would suggest we need not go as far as the Minister has suggested and require the Chair to rule on those three items because if we have the consent of the NDP with respect to the meeting of the minds we have here we can dispose of Motions Nos. 10, 14, 57 and 156 immediately. The Hon. Member has left the door open on Motion No. 157, and I would suggest the Minister and the Hon. Member get together and perhaps an agreement on the wording of that motion might be arrived at, along with a representative of the NDP.

• (1650)

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I had not anticipated that we would begin the negotiation process here on the floor of the House.

Mr. Nielsen: It will save time.

Mr. Deans: It will not save time, unfortunately. To begin, the argument right now is not a matter of determining the question of desirability. At the moment we are arguing whether something is admissible or not within the parliamentary rules.

We can determine later what may be desirable. It may well be that we could think many of our amendments were desirable. If that were to be the criteria used to determine whether thay are admissible, I suggest we could cast out the Speaker's ruling and say that we think they are all desirable and then get on with the debate on each of the amendments. However, that is not what we are charged with addressing this afternoon.

We are charged with determining whether certain things are admissible under normal practices and precedents of those normal practices in the House of Commons. I want to deal strictly with that for the time being.

I would contend that the Speaker is correct in her ruling that Motions Nos. 14, 74 and 157 are inadmissible. I would suggest that there are in fact other motions which I would be quite content to concede are inadmissible. I would suggest that they are inadmissible for exactly the reasons set out by the Speaker in the preliminary ruling. Desirable though they may be, they go beyond the scope of the Bill.

In the case of Motions Nos. 157 and 74, they clearly go beyond the concepts as they were debated at second reading and in the committee. Bearing that in mind, if it were to be decided as a result of some further negotiation that those particular proposals were desirable, we could, of course, come to the Speaker at any time and point out that there is unanimous consent for the inclusion of one or more amendments notwithstanding how the Speaker might rule.

Therefore I would ask that we deal strictly with admissibility on the floor of the House and that we determine the admissibility of the amendments as they stand. I contend that these particular amendments are not admissible. I suggest that we make our submissions on the admissibility of all of the amendments so that the Chair may then make a determination. Once we have seen which are acceptable and which are not, and then which ones may be desirable but not admissible, we then have a procedure to follow subsequent to this one. Through that process we can see which of the Liberal amendments, Conservative amendments and NDP amendments, though technically inadmissible, are desirable and therefore ought to be negotiated into the Bill.

Therefore I say that the Speaker has quite correctly ruled. There is ample precedent, which I will not go into, for ruling that a motion that (a) is not touching upon those matters decided at second reading or not contained in the Bill at the time of approval in principle, and (b) alters the intent of the Bill in such a way as to make it considerably different from the Bill that was given second reading, cannot be accepted on the strict test of admissibility.

Let me use Motion 157 as an example since it touches on all the others. It is entirely new. The only thing which has not changed is the number in the Bill. Beyond that, the wording is entirely different and the intent is entirely different. It is not an intent that was debated in the House at any other time nor is it an intent that could legitimately be placed before the committee for discussion. Quite clearly, it is not a matter that has been ruled on within the context of the principle of the Bill. Therefore I would suggest to the Speaker that, notwithstanding the good intentions of my two colleagues, I would find it quite unacceptable simply to make decisions on whether something is good or bad at this time. I suggest, rather, that we make decisions on admissibility, and I would contend that those matters are inadmissible.

While I have the floor, I ask that we look at a matter which I believe will assist us in determining the admissibility of certain amendments. Earlier today, the question arose as to the definition of the Bill. While I do not want to deal with that at the moment, I would like to deal with a question raised by the Speaker. When discussing the Bill earlier, the Speaker indicated that the intent of the Bill was to change the Crowsnest Pass freight rate. I believe that is a reasonable paraphrasing of the Speaker's words. However, that is not what the Bill says, and that is, of course, a major bone of contention in dealing with many of the amendments now being presented. If the intent of the Bill is indeed to change the Crownsnest Pass freight rate, then certain of the amendments might clearly be argued to be in order.

However, the Speaker will recall that at the time of the second reading debate and subsequently when we argued that

that was the intent of the Bill, we were told that it was not. We were told that the intent of the Bill was to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof. Although it may appear at first gloss to be a point of some irrelevance, it is in fact a fundamental point when regarded in consideration of the intent of the Bill and the amendments that might be acceptable.

I would therefore ask the Chair to consider that. I would want to argue at a later date, in quite a different vein, the admissibility of certain amendments that are before us if the Chair does indeed rule that the sole or even primary purpose of the Bill was to amend the Crowsnest Pass freight rate. I contend that if we deal with the statutory grain rate, then of course some of my argument will be quite different from what it would have been, taking into account what the Bill says, and what we were told repeatedly the Bill says, and what its intent is.

I wonder if the Speaker would care to comment on that in order to determine what course to follow.

Madam Speaker: Of course, it is not for the Speaker to determine what the full intention of the Bill is. The Hon. Member was referring to page 3 of my statement where I was certainly paraphrasing but giving an argument by way of an example that a certain amendment would be out of order since certain clauses of the Bill are intended to change the Crowsnest Pass freight rate and that whatever amendment I was discussing would mean exactly the contrary. I was giving this as an explanation of the way arguments can be mounted to say that a certain amendment is contrary to the principle of the Bill.

It is not for the Chair to determine the entire scope of the Bill, but it can determine that certain amendments go contrary to the expressed intentions within the Bill.

Mr. Deans: I appreciate that, Madam Speaker. The problem is that it poses a terrible dilemma. If the Bill is for the purpose of facilitating the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, then it is not unreasonable to propose amendments that deal strictly with the shipping and handling of grain as they are contained in the Bill. Some of the amendments are ruled out because they go beyond the scope of the bill. They would go beyond the scope of the Bill if the Bill were solely for the purpose of providing new rates for the movement of grain through the Crowsnest Pass. We are in a rather confused situation.

● (1700)

We have argued that the Bill was misnamed, that the Bill ought to have been called something else because that would then clearly define what its intent was. Therefore, you would know when you were going beyond the intent of the Bill. But in this case we are faced with the problem that the Bill says it does one thing when it does another. The Speaker has picked up very quickly on what it actually does, and has, in fact, incorporated that on page 3 of the statement, which is what we have argued all along. I find that under normal circumstances this sort of confusion would never arise. In this case, because we are going to deal with—and I will not try right now to deal with it—the admissibility or the inadmissibility of the definition section, which would clear up the question, we are going to be faced with a dilemma. I just raise that for the Chair's consideration.

I understand the Speaker cannot change what is written on the face of the Bill. But what is written on the face of the Bill is not in any way the interpretation that any normal reasonable person, like yourself, Madam Speaker, could come to in reading the Bill.

Madam Speaker: Could the Hon. Member, if he disagrees with that particular statement, enlighten the Chair and tell the Chair in what way the amendment he proposes fits or does not fit into the Bill? That would be of great interest to the Chair. The reason for which this period of debate is taking place is to allow Members to help the Chair in case the Chair has not fully understood the meaning of certain of those clauses, especially not having participated in the total debate that took place around this Bill, and has failed to understand exactly what was meant by certain amendments. It would be helpful if the Hon. Member could tell me exactly where he feels this fits or does not fit into the Bill.

Mr. Deans: That will be part of my submission, Madam Speaker. I think, if you will allow me, I will introduce it as I go along and show you where I think that does infringe upon some of the amendments, rather than to pick them out right now and take undue time and probably infringe upon the time of my colleague who has a substantive statement to make about his views. I will do it as I unveil my views on what is wrong with certain of the proposals.

Mr. Maurice A. Dionne (Northumberland-Miramichi): I will try to be very brief, Madam Speaker. I will speak first with regard to Motions Nos. 14, 74 and 157. It is my belief that it was the clear intention of the Government, perhaps not of the House, and it was accepted by the committee, that there would be amendments at report stage of the Bill brought in by the Government to do things with the Bill that were impossible for the committee to do because of the lack of the Royal Recommendation.

Mr. Deans: That is too bad.

Mr. Dionne (Northumberland-Miramichi): That would include the definition of grain by adding extra crops. If the definition of grain is static and cannot be changed except by an Act of Parliament, I suggest, Madam Speaker, that it will render the Bill rather stiff and inoperative because it will mean that new crops that should rightly be recipients of the Crow benefit would not be eligible without another Act of Parliament.

I do not think the Government or the House intended the Bill to be that restrictive in its nature. I would argue that this

Bill is more than just a Bill to change the Crowsnest Pass rates. There are many other things in the Bill. It deals with the obligations that will be put upon the railways to provide a better transportation system. It deals with penalties to be imposed upon them if they do not. It deals, in several clauses, with limits which the farmers, the producers, will have to pay. There is no doubt it is increasing the cost of transportation to the producer, but it does limit the rate at which that cost can increase. It seems to me it was the clear intention to put a cap—if the cap is there in the Bill—on the cost to the farmers.

I would argue that Motions Nos. 14, 74 and 57 are within the scope of the Bill, provided they are covered by the Royal Recommendation, which Nos. 14 and 57 are. Motion No. 74 does not require an amendment to the Royal Recommendation because it simply incorporates a safety net into the calculation of the Government's contribution. Motion No. 157 would require an amendment to the Royal Recommendation, and that is provided with the amendment. I leave those three, Madam Speaker.

I would like to speak on the various groupings now, if you want me do do so, or, if you prefer, I will wait until later and now make some comments about some of the others. But I can speak on those three motions now if that is what you prefer.

Madam Speaker: I am just wondering at this point if the Hon. Member for the Yukon (Mr. Nielsen) Has a main presentation to make. I had given the floor to the Hon. Member for Vegreville (Mr. Mazankowski) and he deferred to the Hon. Member for Yukon, saying that the Hon. Member for Yukon would introduce this debate as far as the Opposition arguments are concerned. Here I am waiting for that magnificent presentation. Does the Hon. Member for the Yukon want to make it now?

Mr. Nielsen: Yes, I will, Madam Speaker. Because it is relevant to the points raised thus far, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) has a very brief intervention to make. Then I will unburden myself on the Chair knowing full well the Chair will give the arguments which I will be presenting to it the entire weight they deserve.

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise regarding Motion No. 10 that stands in my name. The Minister of Transport (Mr. Axworthy) had mentioned there would be agreement. I have consulted with my colleague, the Hon. Member for Regina West (Mr. Benjamin), with the Minister of Transport and with other Members of the House and I will be withdrawing Motion No. 10 by leave. I will be asking leave to reintroduce a motion that I have reason to believe will be accepted unanimously by this House.

I ask whether you would like me to read it now. If I could notify the House of my intent by reading it, then at the appropriate time I could move the motion. The old motion would be withdrawn by leave. The new Motion No. 10 would read:

That Motion No. 10 be amended by substituting the following therefor: "export" in respect of grain means shipment by vessel within the meaning of the Canada Shipping Act to any destination outside Canada and shipment by any other mode of transport to the United States for use of the grain in that country and not for shipment out of that country.

I would like your guidance, Madam Speaker, as to when the appropriate time would be to ask leave to introduce the motion.

Madam Speaker: I would like the Hon. Member not to move that now because I would like to look at the new amendment. As soon as I am able to rule on it as to its acceptability, perhaps we can see what mode of procedure can be used to do that.

Mr. Mazankowski: Madam Speaker, may I rise on a brief point of order and perhaps the Table officers can take note of this. Motion No. 130, which is in my name, and Motion No. 131 are duplicates. I think that was a typographical error.

Mr. Nielsen: By Journals.

Mr. Mazankowski: Yes. In Motion No. 130, I am proposing to delete lines 11 to 17 on page 30 which would delete the Section "Government share of the rate of cost change."

• (1710)

My second motion was to delete the section dealing with interim adjustment, lines 18 to 31. My motion, as proposed, was based upon the original Bill, the one before the reprinted version, so the lines do not correspond. I wonder if I might prevail upon the Chair and the Table officers to correct that because it would be rather useless to debate Motions Nos. 130 and 131, which are identical, when it was the intention to debate, in one case, the deletion of the Government's share of the rate cost change and, in the other, the interim adjustment. I would ask that that be considered.

Hon. Erik Nielsen (Yukon): Madam Speaker, my submission will be in three parts. The first part will be the briefest and falls within the suggestion by the Chair that I deal with motions according to group. The first group is Motion No. 1. I have read the concerns of the Chair with respect to Motion No. 1 which can be found on page III of the Order Paper for Monday, October 3, 1983. It is the intention that the amendment of the Hon. Member for Vegreville (Mr. Mazankowski) be inserted immediately before the short title of the Bill as reprinted. It would appear that the precedents would support the Chair. Citation 779 of Beauchesne's Fifth Edition reads:

(2) Substantive amendments to the preamble are inadmissible unless the modification is proposed for purposes of clarification or uniformity. *Journals*, January 19, 1970, p. 323.

(3) Where the bill, as introduced, does not contain a preamble, it is not competent for the committee to introduce one.

Of course this Bill does not contain a preamble. Citation 792 of Beauchesne's is to the same effect.

I find myself in agreement with the Chair's concern with respect to Motion No. 1. I would suggest to the Minister, who is at the moment unavoidably absent, that he might consider the desirability—and I would make the same suggestion to the NDP—of accepting Motion No. 1 as a preamble, and we could go about achieving that objective by consent.

Having dealt with that matter, I wish now to present a global submission with respect to all Government amendments that have been introduced and are now on the Order Paper pursuant to Standing Order 79(6). That Standing Order provides that the Government may propose an amendment requiring a Royal Recommendation at report stage of a Bill if at least 24 hours' written notice is given of the recommendation and the proposed amendment. I submit that there can be no doubt, therefore, that the Government has the right to introduce, as it has, amendments which require the Royal Recommendation. However, I have some concern about the form of the Royal Recommendation the Government has attached to its amendments.

I will not go into the question of the financial initiative of the Crown, nor will I trace the development of the Royal Recommendation or its applicability to the amendments in question. The Government has determined—and I agree—that its amendments require a Royal Recommendation. The question I would place before the House is whether or not the Royal Recommendation has been provided in the required form.

Citation 541 of Beauchesne's Fifth Edition, under the general heading, "Signification of Recommendation by a Minister of the Crown", reads:

> The Governor General's Recommendation is communicated to the House and is included on the *Notice Paper* with the item of parliamentary business. When required, the Royal Recommendation is printed in a bill and when that bill is given first reading, the text of the Message and Recommendation of the Governor General is printed in the *Votes and Proceedings*.

These steps were carried out when Bill C-155 was introduced. I have no concern about the original Royal Recommendation that accompanied the Bill, however Citation 548 of Beauchesne's Fifth Edition notes:

> Amendments to bills are out of order if they attempt to substitute an alternative scheme to that proposed with the Royal Recommendation. *Journals*, April 11, 1939, p. 325.

This citation gives me some difficulty as it appears to contradict Standing Order 79(6). The solution to this contradiction rests in Citation 540 of Beauchesne's Fifth Edition under the general heading, "The Royal Recommendation", which reads:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the Royal Recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of the charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private Members but also on Ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the Royal Recommendation to new or supplementary resolutions.

The key point to be found in Citation 540 is that the Royal Recommendation must be treated "*once for all* (unless withdrawn and replaced)" as laying down, "not only the amount of the charge, but also its objects, purposes, conditions and qualifications" with respect to report stage amendments. Therefore, I would submit that if the original Royal Recommendation were not broad enough to accommodate the proposed amendments which are now on the Order Paper under Standing Order 79(6), the proper procedure would have been to withdraw the Royal Recommendation and replace it before giving notice of a report stage amendment.

This has not happened in this instance. The Government has merely introduced new recommendations to cover each of the amendments, clearly in contradiction to Citation 540. Thus, rather than withdrawing the Royal Recommendation which was laid down on the Notice Paper with the Bill, the Government has put 14 new Royal Recommendations on the Order Paper in respect of Motions Nos. 14, 61, 71, 74, 82, 101, 142, 156, 157, 160, 164, 167, 168 and 171.

I raise this matter for the consideration of the Chair because I believe that we are about to establish a practice which I have never experienced before. We are about to establish a practice which will undermine the financial initiatives of the Crown. I hope that you might consider this matter when making your final ruling on the procedural acceptability of the motions that you highlighted in your remarks in which you outlined the first concerns of the Chair with respect to an initial grouping of the amendments.

● (1720)

Clearly the matters placed on the Order Paper under Standing Order 79(6) fall within the purview of Beauchesne's Citation 540. In my submission, the way for the Government to have proceeded would have been to enlarge the original Royal Recommendation by withdrawing it and coming back to the House with a Royal Recommendation which would have accomplished the objectives that it seeks to accomplish in the amendments attached to the "notices" given under Standing Order 79(6). In the remainder of my submission, as I have undertaken to the Chair, I will endeavour to keep within the suggested parameters of the groupings that the Chair suggested in its statement today. I will deal with the first grouping that was outlined in your statement.

The first motion I would like to deal with is Motion No. 64 standing in the name of the Hon. Member for Vegreville (Mr. Mazankowski). Last Thursday you indicated this motion was related to a group of motions that appeared to be contrary to the content and purpose of the Bill and some of which appeared to have infringed upon the financial initiative of the Crown. The purpose of Motion No. 64 is to reduce, and I emphasize reduce, the amount of money that will be paid to the railways in a given year. Had the motion proposed to increase those payments, it would clearly have been out of order inasmuch as such an amendment would have sought to increase the financial burden imposed on the Crown by the Bill and would have been contrary to the principle to the financial initiative of the Crown, which I have just outlined partially in Beauchesne's.

However, in seeking to reduce the financial burden of the Crown or by reducing the expenditure of public funds, this motion merely asserts one of Parliament's traditional rights

and duties as Citation 233 of Beauchesne's Fourth Edition points our at page 198. Citation 233 reads as follows:

It is one of the old standing principles of our constitution that the House of Commons should control the finances of the country. That is the right, privilege and duty of the House. It has been achieved by means of struggle lasting through centuries, beginning from the fourteenth century down to the seventeenth century, when it was fully confirmed, and since then it has never been disputed.

The cardinal principle on which the whole of our financial system is based is that of parliamentary control, and by this is understood not the control of Parliament in its constitutional sense, but control by the Commons alone. Upon this fundamental principle, laid down at the very outset of English parliamentary history and secured by three hundred years of mingled conflict with the Crown, and peaceful growth, is grounded the whole law of finance and, consequently, the whole of the British Constitution.

The authority cited is Durell. I point out that Motion No. 64 proposes to reduce the amount of money that would be payable to the railroads in any given year by eliminating phased-in contributions to the constant costs of the railway. It does not eliminate payments to the railroad and, therefore, cannot be said to run counter to the proposal of the Bill as passed at second reading, but it would reduce the charge on the public purse, thus asserting Parliament's right to control public expenditure. This argument also applies to Motion No. 66, standing in the name of the Hon. Member for Portage-Marquette (Mr. Mayer), whih is identical in wording to Motion No. 64.

With respect to Motion No. 59, standing in the name of the Hon. Member for Vegreville, I submit that the objective of the amendment is to limit the charge that is to be levied on producers. Again, as it is the practice with Ways and Means Bills, it is the undoubted right of the Commons to reduce the imposition of the charge upon the public. This point is adequately demonstrated by Citations 526 and 527 of Beauchesne's Fifth Edition which consider the matter of amendments to Ways and Means Bills. The citation reads:

526. Reductions can be made in committee on the bill, but no grant can be increased except upon recommendation of the Crown.

527. So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill, and is regarded as a question not for increasing the charge upon the people but for determining to what extent such charge shall be reduced.

It might, however, be argued that Motion No. 59 seeks to increase the charge on the public purse by reducing payments by producers. I do not believe that this argument holds, and I so submit. If Motion No. 59 were to be grouped for debate with the other motions which seek to amend Clause 34 of the Bill, it could easily be seen that the effect of Motion No. 59, when combined with the other proposed amendment, would not substantially alter the financial effects of the Bill upon the public Treasury. In any event, the motion does not propose to reduce the amount currently paid by producers, and it does not by itself increase the financial burden upon the Government. I submit, therefore, that the House should be permitted to debate and vote upon this motion.

The comments I have made in support of Motion No. 59 also apply to Motion No. 86 which is similar in its intent, scope and effect. I was very glad to hear the intervention of the Hon. Member for Hamilton Mountain (Mr. Deans) with respect to his citation of the long title of the Bill, because by doing that, he has supported the point that I am about to make with respect to the intent and purpose.

With respect to Motion No. 86, it has been traditionally held that although the House does not have the right to increase taxation or grant the payment of moneys from the public funds, except through the passage of Government-sponsored resolutions or Bills, it has also been established that the House has the right to amend proposals for the granting of money by reducing the amount proposed in any given measure placed before the House by the Government. This principle is underlined by Citation 244(2) of Beachesne's Fourth Edition, which reads as follows:

Amendments moved for the reduction of a grant are proceeded with under the general rules governing amendments. For instance, on a resolution granting $10,000 for a certain purpose, a member may move that the amount be reduced by $2,000. This amendment then takes the form of the original motion offering, in lieu of the sum thereby proposed, a reduced sum for the acceptance of the committee. Rejection of the amendment leaves room for the proposal, without limit, of amendments in the same form and of ever varying amounts. The reduction must be of a substantial and not trifling amount; nor may a series of motions be made upon the same grant, raising, substantially, the same issue.

● (1730)

Motion No. 57 standing in the name of the Hon. Member for Vegreville seeks to provide the Minister with the authority to enter into agreements with railway companies other than those which are subject to federal jurisdiction. The most notable example of such a railway company is B.C. Rail which is sought to be addressed by Motion No. 57 and Motion No. 156.

Last Thursday when you expressed some concern about Motion No. 57, Madam Speaker, you indicated that this motion appeared to be beyond the scope of the Bill. The long title of this Bill is, as has already been cited, "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof". Under that broad rubric, there can be little doubt that agreements reached with railway companies other than those falling under federal jurisdiction could assist the transportation, shipping and handling of western grain.

Moreover, Motion No. 57 specifically states that agreements reached under its provisions shall—I am not trying to be humorous, Madam Speaker, I am trying to be very serious. As I warned the Chair, my arguments have great substance and I know the Chair is following them very closely.

These are rights as would be imposed or granted to railway companies falling under the definition contained in Section 2 of the Act.

Furthermore, and most important, Motion No. 57 specifies that no such agreement shall result in any enlargement of the Crow benefits or payments from the public purse. When a Bill is given second reading, Madam Speaker, the substance of the Bill is not open to debate. Rather, only the broad principles of the Bill are to be considered by the House during the debate and when voting on the motion for second reading. This point is clearly stated in Citation 734 of Beauchesne's Fifth Edition

under the general heading "Second Reading", and reads as follows:

> The second reading is the most important stage through which the Bill is required to pass; for its whole principle is then at issue and is affirmed or denied by a vote of the House. It is not regular on this occasion, however, to discuss in detail the clauses of the Bill.

The fundamental observation to be drawn from Citation 734, Madam Speaker, is that the clauses of the Bill are not to be discussed in detail. These are matters to be discussed in committee or at the report stage. The principle of this Bill, and thus its scope as considered at second reading, rests not in the specifics of given clauses but in the principle of facilitating the transportation, shipping and handling of western grain as stated in the title of the Bill.

In support of this contention, Madam Speaker, I would like to draw the attention of the Chair to Citation 703 and Citation 704 of Beachesne's Fifth Edition. Citation 703(1) reads:

> Although there is no specific set of rules or guidelines governing the content of a Bill, there should be a theme of relevancy amongst the contents of a Bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the Bill.

A *Journal* citation appears as authority. Subsection (2) of Citation 703 reads:

> Some of the constituents parts of a bill are essential; some are optional. The title is an essential part; the preamble is not.

Citation 704 reads:

> A bill may have two titles, one long and one short. Both the long title and the short title may be amended if amendments to the bill make it necessary—
>
> The long title sets out in general terms the purposes of the bill. It should cover everything in the bill.

I fail to understand, Madam Speaker, how it can be argued that the principle of the Bill and its purposes, particularly in the case of a Bill which does not contain a preamble as this one does not, are established at second reading in such a manner that amendments are precluded at later stages in the consideration of the Bill. As I have mentioned, Beauchesne clearly states that the substance of the clauses of the Bill are not for consideration at second reading but should be dealt with in committee or at report stage. It is not, therefore, the substance of those clauses which establishes the purpose and principle of the Bill but, as Beauchesne notes in Citations 703 and 704, it is the long title of the Bill which serves that end. If amendments are to be precluded at future stages, then there is no need for those stages.

Furthermore, the Nineteenth Edition of Erskine May, when speaking of the functions of a committee on a Bill, gives consideration to the matter of what constitutes the principle or objects of a Bill. Under the heading of "Functions of a Committee on Bill", the following words may be found at page 506 of Erskine May's Nineteenth Edition:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable. The rules as to the admissibility of amendments are explained in detail on pp. 520-3 below, but the general powers of a committee and the limitations by which it is bound should be clearly borne in mind.
>
> (1) A committee is bound by the decision of the House, given on second reading, in favour of the principle of the bill, and should not, therefore, amend the bill in a manner destructive of this principle.
>
> (2) The objects of a bill are stated in its long title, which should cover everything contained in the bill, as introduced (see p. 489). Amendments, however, are not necessarily limited by the title of the bills, since a committee is empowered by S.O. No. 42 to make amendments "relevant to the subject-matter of the bill," provided that, where such amendments are outside the title, the committee extends the title so as to cover them.

The view that it is the long title of a Bill which sets out the purpose, principles and objects of a Bill is further supported by Elmer Driedger, one-time Deputy Minister of Justice and Deputy Attorney General of Canada, in his book, "The Composition of Legislation: Legislative Forms and Precedents". At page 153 of that book, Professor Driedger outlines a view of the nature of a long title of a Bill that is entirely in accord with the observations that I have cited from Beauchesne's and Erskine May. In the interests of time, Madam Speaker, I will not quote from the text but I do direct your attention to it.

In my submission, Madam Speaker, the objective of facilitating the movement of western grain as approved at second reading includes in principle the movement of grain by such companies as B.C. Rail, as long as such shipments do not alter the proposed changes that are to be made to the payment of federal subsidies or to the schedules containing the proposed freight rates that are outlined in this Bill as the methods of facilitating the movement of western grain. I would hope, therefore, Madam Speaker, that you will permit the House to consider Motion No. 57.

Moreoever, in the case of each of the motions that I have mentioned or that I will be mentioning in the course of my submission to you today, Madam Speaker, you have raised the concern that the motion in question appears to be contrary to the principle or the scope of the objects, purpose or principle of the Bill. I would ask that you re-examine each of these motions, specifically Motions Nos. 57, 59, 64, 66, 86, 129, 145, 153 and 155, in light of the submissions that I have made concerning the nature and extent of the purpose of the Bill. It is my hope, Madam Speaker, that upon taking a second look, you will come to share my view that each of these motions fall properly under the umbrella of the long title of the Bill.

In the comments that you made on Monday, Madam Speaker, you indicated that Motion No. 129 standing in the name of the Hon. Member for Vegreville appears to introduce substantive changes to an interpretation clause and infringes upon the Crown's financial initiative. With respect, Madam Speaker, allow me to disagree with that interpretation. Beauchesne's Fifth Edition notes in citation 773(10) that a substantive amendment may not be introduced by way of a modification of the interpretation clause of the Bill and directs attention to a ruling of the Chair to be found at page 835 of *Journals* for May 21, 1970. Within the text of the ruling the following words may be found at page 836:

● (1740)

> With reference to motion No. 2 it should be said in a preliminary way that this amendment is defective in both form and substance. It must be recognized in the first instance that motion No. 2 purports to amend the interpretation clause

of the bill. Accordingly, the form and content of the motion must be consistent with the purposes sought to be effected by the interpretation clause. Although the preliminary sentence of motion No. 2 appears to be in the form of an interpretation provision, what follows is a list of prohibitions and objectives to be observed in the administration of the Act. In other words, motion No. 2 is but a substantive proposition of a declaratory nature. If neither defines nor interprets any provision of the bill. While I sought long and hard, I can assure honourable Members, to find some ground on which I may be able to give the honourable member the benefit of any doubt so that motion No. 2 could be put to the House, it was not possible for me to reach a favourable decision in respect of this motion. For the reasons stated I do not think that motion No. 2 should be accepted.

In other words, amendments to an interpretation clause would be in order if they served, first, to define, or second, to interpret provisions of a Bill. In my submission, Madam Speaker, this is precisely the intent and effect of Motion No. 129. This motion merely serves to clarify the definition of the Government's share of cost increases as currently outlined in Clause 54 in lines 10 to 25 at page 29 under the term "cumulative Government share of the cost change".

With respect to the effect of the motion upon the financial initiative of the Crown, I believe it is important to understand that this motion would not increase the financial commitment of the Crown. For those reasons, I submit that the House should be permitted to debate Motion No. 129.

In commenting on the procedural acceptability of Motion No. 129, you indicated you felt that Motion No. 145 is consequential to Motion No. 129. Clearly, if you were to accept that Motion No. 129 is procedurally valid, that decision would resolve any problem with Motion No. 145. However, even if you find that Motion No. 129 cannot be put to the House, I would aks you to consider the acceptability of Motion No. 145. In my reading of Motion No. 145, it did not appear to me that it is necessarily consequential to Motion No. 129.

Without regard to the substance of Motion No. 129, it would seem to me that the effect and intent of Motion No. 145 is clearly identifiable on the basis of the provisions presented in the Bill as it was reported from the committee and, indeed, from the Bill as it was introduced in the Commons for first reading.

The definition of "cumulative Government share of the cost change" as outlined in Clause 54 of the Bill incorporates the substance of this motion. This fact, by extension, also speaks to my argument concerning the procedural acceptability of Motion No. 129. I believe I have reached the end of my submission with respect to the first grouping that the Chair suggested today.

With respect to the second grouping, in the case of Motion No. 153, I am once again of the view that the substance of the motion is in no way contrary to the purpose of the Bill—the purpose of the Bill as outlined in the long title of the Bill—nor am I of the opinion that it seeks to go beyond the royal recommendation. I submit that the intent of the motion is to permit the Governor in Council to make a more comprehensive regulation concerning the manner in which payments will be made under the proposed Act, the number of instalments by which payments will be made, the time at which payments will be made, and the rules for information relating to the movement of grain with respect to which payments are to be made.

This motion does not attempt to increase payments and would not have that effect. Rather, it attempts to provide the Governor in Council with the authority to prescribe regulations governing payments, notwithstanding the requirement in Clause 55 that payments be made by a responsible Minister; no more and no less. This proposal to allow the Governor in Council to increase the qualifications and conditions attached to the recommended charge upon public revenue falls well within the scope of the authority of this House as outlined at page 712 of Erskine May's Nineteenth Edition where, under the general heading "The Royal demand or recommendation fixes the limits of a charge", there appears this sentence:

In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications, expressed in the communication by which the Crown has demanded or recommended a charge.

The observation made at page 712 is strengthened by the following words found at page 714 of the same edition:

The problem has arisen through a change in the attitude of the House of Commons to expenditure. From regarding itself as primarily a check upon executive extravagance, it has turned more and more during the present century to pressing expenditure upon the Government. But during its period of retrenchment it had allowed the restrictions upon its powers of amendment in supply to be firmly established. The machinery by which this was enforced had been lost sight of, and it was generally held that it was the role of the Government, not only to propose new expenditure, but also to increase by amendment expenditure after it had been proposed, and the role of the Commons to accept or reduce the Government's proposals.

It is evident that the procedure both in the United Kingdom and in Canada is that the recommendation fixes the upper level of expenditure and is not open to upward amendment, but it is within the competence of the House of Commons to amend the provisions contained in legislation so as to reduce expenditure or increase the qualifications attached to expenditures. For those reasons I do not believe, Madam Speaker, and I so submit, that Motion No. 153 can be said to go beyond the Royal Recommendation.

With respect to Motion No. 155, you have indicated some concern that its substance is contrary to the principle of the Bill and that it may infringe upon financial initiative of the Crown. By itself, Motion No. 155 does not change the method of payment envisaged in the Bill, nor can it be said to authorize payments other than those permitted in other sections of the Bill. In that sense the motion, in my submission, cannot be said to infringe on the financial initiative of the Crown. What the motion says is that in the event that payments are made other than to railways and pursuant to other sections of the proposed Act, the Governor in Council may make regulations to ensure that the spirit and general terms and conditions of the proposed Act are upheld as if the payment had been made to the railways. In other words, the motion proposes to strengthen the qualifications of the Act in the event of certain decisions being made by the Governor in Council. The motion fills in details within the broad reach of the Bill as recommended—I underline the word "recommend-

ed". It does not authorize spending not permitted in other sections of the proposed Act and merely serves to place a limitation or condition on spending if payments are made other than to the railroads. For those reasons, Madam Speaker, I would ask you to find that Motion No. 155 is in order and that the House should be permitted to consider that motion.

● (1750)

You will be delighted to learn, Madam Speaker, that I am about to reach the end of this submission. However, I would like to make a request with respect to the grouping of motions for debate. You asked us to make those suggestions. The motions which I have touched upon in my submission, along with many of the motions which you have previously indicated are in order, seem to relate to two broad subject matters. I believe that debate on these motions would be more comprehensible, more orderly, and would progress more easily if they were to be grouped for debate as they relate to these two subjects. Therefore, I propose that Motions Nos. 153 and 155, if they are now ruled in order, be grouped for debate with Motions Nos. 154 and 48, as all of these motions relate to the method of payment proposed in the Bill. As well, I would ask that Motions Nos. 59, 64, 86, 129 and 145, if they are now ruled in order, be grouped for debate with Motions Nos. 63, 68, 69, 99, 102, 115, 127, 130, 131, 133, 136, 138, 140, 143 and 148, as all of these motions relate to the rate structure proposed in the Bill.

I would be pleased to provide you with a written breakdown of these proposed groupings if that would be of assistance to you, Madam Speaker. I am sure I can get these notes back from *Hansard* in time to do so.

I thank the Chair and the House for their indulgence in listening to a rather lengthy argument. I am sure, Madam Speaker, you will agree it was necessary. Certainly, in my experience, it is the first time I have ever seen 174 amendments to a Bill come before the House. Only 46 of these were motions made by this Party, of which 71.7 per cent have been ruled to be in order. Some 109 motions have been moved by the New Democratic Party, of which 38.5 per cent appear to be in order. By the Government there have been 19 amendments moved, of which 78.9 per cent appear to be in order.

By virtue of the very bulk and number of amendments, the argument and submissions have been necessarily of some length. I hope that those submissions commend themselves to the Chair and that perhaps a measure of substance will be found so as to permit the motions which I have addressed to be put to the House. With respect to the motions I have not addressed, I do not intend to do so, because obviously I agree with the concern of the Chair with respect thereto.

Some Hon. Members: Hear, hear.

Mr. Deans: Madam Speaker, I listened with interest to the submissions of the Hon. House Leader for the Official Opposition (Mr. Nielsen). He obviously has done a first rate job in analyzing the amendments.

Some Hon. Members: Hear, hear!

Mr. Deans: No, I will not go too far. Do not worry. I agree in part with what he said. I wonder, however, if for ease of handling, it might be possible to call it six o'clock in order to put my comments in one block in one day's *Hansard* so that it can be considered by the Speaker in that way, rather than start now and then start over tomorrow.

Madam Speaker: Is it agreed that we call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GRAIN—WESTERN GRAIN STABILIZATION PROGRAM. (B) FIVE-YEAR AVERAGING PRINCIPLE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to take the opportunity to speak with respect to a question I raised just yesterday regarding the western grain stabilization plan. In response to my question, Mr. Speaker, the Minister said in part, as reported at page 27764 of *Hansard:*

> I think it is a matter that would have to be more carefully assessed than one is given time to do during Question Period.

I again raise the question of the grain stabilization plan now simply because I believe at this moment in our history we need a response which is more extensive than a person can give during the Question Period.

The concern on the Prairies with regard to the western grain stabilization plan is extensive. We are hearing more and more about farmers who are becoming suspicious, who believe that their money is being taken for general Government revenues, who believe that political motives are being tied to the payout and who believe that somehow there is some scan which is operating. I do not necessarily associate or dissociate myself with those sentiments. I simply say I believe there is justifiable reason for farmers to be concerned.

The legislation was written in 1976, Sir, and it was based on the immediate previous history of the stable farm economic conditions of the 1960s. In the late 1970s and 1980s a much more tumultuous economic period demonstrated, with high interest rates and a high inflation rate, that the western grain stabilization plan was not sensitive to individual farmers' needs. The result was that once the plan was initiated in 1976, in the next two years, 1978 and 1979, there were payouts. The fact is, however, that at the present time we are having our most severe agricultural cost-price squeeze. Yet there has not been a payout, Sir, since 1978.

Obviously, the concern about political interference, whether justified or not, arises from the fact that we had an election in 1979 and there were payouts in 1978 and 1979. You will recall, Sir, that in both of those years the public was suspicious. The Minister said in answer to a question by the Hon. Member for Red Deer (Mr. Towers) two days ago that he does not expect to pay out this year, and we are expecting an election next year. Again, we have the suspicion of political interference. I am not going to say those suspicions are fact, Mr. Speaker, but I do believe it is important that the Government become cognizant of the concerns which exist.

• (1800)

One of those concerns, Mr. Speaker, is that the plan is not sensitive to the actual economic needs of farmers. Secondly, Sir, when we do this on a regional basis we make it less sensitive to the individual farmer's needs as opposed to a region's needs. That has two faults. First of all, it is possible to be on the borderline, or on the wrong side of a region, and to have suffered drought or low income but not get anything at all because the region was not affected. Conservely, as I know is the case, people who had wonderful farm incomes, because they were in a region that was generally depressed were getting their normal income plus payments from the Western Grain Stabilization Fund.

I want to make this point strongly, Mr. Speaker. One of the main wrongs is that because the program covers a region it covers the fertilizer and machinery producers, the industry, on a regional basis. We do not have a program to protect individual farmers, but we do have one which protects essentially the broad base of our agricultural economy. The combine and tractor builders and the fertilizer manufacturers now have a guarantee that their stability is assured, but the farmers' individual stability is not.

I raise this broad spattering of a number of concerns about the program because I believe it is essential, since I believe there is going to be a review in October, to first of all invite Prairie farmers to send their representations to the Government. And secondly, to encourage the Government to invite the appropriate Committee of the House of Commons to start asking enough questions to ensure that this program is sensitive to individual needs, and that the farmers themselves will have an opportunity for extensive input into any changes that to be recommended.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the suggestion that payouts under this program are connected to elections could only come from a wharped mind like that of the Hon. Member. I just cannot seem to follow his logic. The Hon. Member makes the point that the five-year averaging method used in the western grain stabilization program is, in his estimation, not sensitive enough as a level of support for making payout calculations. He uses the words "not sensitive to individual farmers' needs". As the Minister has pointed out in previous exchanges between himself and the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) on this question, the Government is aware of the concerns expressed more recently by the advisory committee on the five-year averaging method, which is part of the current legislation. The Member does not seem to realize that. It has proposed a shorter averaging period to, say, three years, which would make it more sensitive to the current situation. That is what he is after. What it at the base of the concern is that the program payouts are not triggered quickly enough when net cash flow of western producers is dropping.

A major review which has been conducted is close to completion. Various adjustments or options for the Government which might alter the program and improve its effectiveness are under consideration but have not as yet been submitted to Cabinet. A change to a three-year average level of support would be one change that could be considered. I should like to add, however, that a three-year average would not have resulted in a pay out for 1980, 1981 nor 1982.

• (1805)

As has already been pointed out, a three-year averaging formula would respond more quickly to downturns in the farm economy. However, there are risks that payouts from the fund on this basis might damage the soundness of the program. The Government has to assess these possibilities very carefully.

The inference in the Member's question is that the effects of incorporating adjustments for inflation into the formula might make it more sensitive. However, the review of the program has suggested that had this been incorporated in the five-year averaging formula used in the past seven years, the western grain stabilization program would no longer be a sound program at the current levy rate. A period of rapid inflation which could make the program less sensitive to the western producers' needs is recognized.

There are, of course, a number of other areas of concern that have been brought out in this review and these touch on other matters outside the number of years averaged as a base for pay-outs.

I understand that there have been recommendations by the advisory committee to the Minister responsible for this program that the Government also consider a change so that receipts be calculated on a crop year basis rather than an annual basis, and participation options which would allow producers some opportunity to opt out under certain circumstances. Increased program flexibility would have to be balanced against maintaining a sound program. Other recommendations extend to including interest costs for farm equipment which are currently not included as eligible expenses under the program.

The Hon. Member should recognize that a major reason the fund has not been triggered, despite lower grain prices and higher costs, is the increasing volume of producer deliveries and export sales each year. These volumes have risen each year as the transportation and handling system has expanded and the Canadian Wheat Board has successfully increased export sales.

Nonetheless, I can point out to the Hon. Member that the Government will be taking into consideration the concerns

brought to its attention through the major review of the program and those made recently by the advisory committee.

GRAIN—INCREASE IN PREMIUMS—REQUEST FOR CHANGE IN PAYOUT FORMULA

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I certainly appreciate the courage and stamina of my colleagues who, for one reason or another, are still in the House.

My question was supplementary to that of my colleague, the Hon. Member for Crowfoot (Mr. Malone) regarding the grain stabilization program as it now exists and the concerns that have been expressed about it by producers.

Several producers have expressed concerns, not only recently but over the past number of years, about the effectiveness of the stabilization program. Most people would consider a stabilization program to be something that would stabilize the cash flow of producers in western Canada in the grain areas. It is not, and this is perhaps unfortunate, and was not designed as an insurance program, but as a stabilization program.

The review legislation that is in the Act had not been acted upon until recently. There is now an advisory committee to the western grain stabilization program that is acting. They have put forward two suggestions, of which I am aware, and the Parliamentary Secretary referred to one of them, that is, to bring the average payout calculation down from five years to three years. That would have triggered a small payout in 1982 and it definitely would have triggered a payout in 1983. When one considers the plight of western grain producers in those two years and the cost-price squeeze that has been imposed upon them, as well as the loss of income in real dollars which they have suffered, that payout in 1982 and in this present crop year of 1983 certainly would have been welcomed.

The western grain stabilization advisory committee, which was established to advise the Minister on these matters, made another suggestion which the Parliamentary Secretary forgot to mention. It suggested that it would be beneficial for the inflation rate to be established as a criterion on calculating the payout. My colleague, the Hon. Member for Crowfoot used that in his question as a basis for his concern about the lack of money that would be available, and lack of payout in the years when it was necessary to maintain a cash flow for the producers. The western grain stabilization policy committee has asked and recommended that inflation be considered in the review along with the shortening of the three-year payout.

● (1810)

One of the concerns about the payout and the formula used is that certain items used in determining the cost of production are not included in the formula. One thing that has increased, I would say, tenfold since the formula was established is the cost of indebtedness for capital purchases which has been assumed by grain producers in the Wheat Board region. As I said, that has increased at least tenfold, and that key figure, the indebtedness of the grain producer, is not used to my knowledge in the formula for establishing the payout.

The Minister was questioned yesterday by the Hon. Member for Crowfoot and myself, and the day before by my colleague, the Hon. Member for Red Deer (Mr. Towers). Proposals of a general nature have been put forward. I would like to hear from the Parliamentary Secretary and the Minister as to the acceptability of some of these proposals for consideration.

What about a self-administered RRSP? This would allow the producer on an individual basis to withdraw a fixed number of dollars from his income in years when his income was high and shelter it from tax until a specific year when his income fell. He could then draw that sheltered tax money down and use it to stabilize his cash flow. Those of us in the farming industry realize how cyclical in nature the financial returns are in the production of grain. That is a positive suggestion and it is something which could be considered very easily by the Department of Finance in conjunction with the responsible Minister. It would not really be an impingement on the finances of the Government. The Government could continue to make its contribution to the producers by allowing them to draw from income that was protected in years when their income was high.

Another matter of great concern and the subject of a recommendation that has been put forward by the western grain stabilization advisory committee is the decision to opt in or out. I would suggest very strongly that they be allowed to opt out. Since the plan started the maximum to be paid by producers has increased from $500 a year, to $900, and it is now 2 percent of $60,000, which is $1,200. I would suggest that, in all fairness to the producers, every time the premium is increased they should be allowed to decide whether or not to opt out. It would only seem natural that in fairness we should not lock people into a plan which forces them to pay a higher premium for stabilization than what was originally estimated. I will be interested to hear the Parliamentary Secretary's remarks.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thought the Hon. Member would be tired of hearing from the Parliamentary Secretary, but I do want to say how much we enjoyed having the Hon. Member on the Transport Committee. He attended almost all of the hearings when we travelled across Canada. He is sitting faithfully through the debates on Bill C-155. I want to congratulate him for extending his working hours and taking part in this adjournment debate.

The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) makes the point that the western grain stabilization program apparently can be altered to respond to certain concerns, but not to others. It is true that the Government can raise by Order in Council, under very specific circumstances, the maximum ceiling on grain receipts so that an individual producer participating in the program would have his or her levy contribution increased.

As the Hon. Member pointed out, these have risen from a maximum levy of $500, based on gross grain receipts for an individual farmer of $25,000 when the program was first put in place in 1976, to a maximum in effect at the start of the 1983 program year of $1,200 per producer based on a maximum of $60,000. As the Hon. Member must know, this element of flexibility in the legislation is based on the objective of the program to move toward covering 90 per cent of eligible grain sales; that is, as prices rise and volumes increase contributions by way of levy should rise and be adjusted to ensure that 90 per cent of grain receipts are covered under the program.

While this element of flexibility exists in the legislation, there is not the flexibility to make the changes that have been suggested, such as the one to the averaging period on which payouts are calculated. These are quite clearly set up on a five-year basis. The reasons for this, and the problems which may be attendant on a change for a shorter period, I have already outlined in my respons to the Hon. Member for Crowfoot (Mr. Malone).

I should point out, however, that the Act is not without other elements of flexibility. For example, there are provisions that would result in the current levy for producers, set at 2 per cent, being reduced to 1.5 per cent with effect in January 1984, and there is a potential for a further drop to a 1 per cent levy rate. This element of adjustment built into the Act brings down levy contributions for farmers and for the Government as well. When it is established that the fund has reached a size where interest accumulation becomes large, a drop in the levy rate to 1 per cent would lower the maximum levy of $1,200 to $600, based on gross receipts of $60,000. As has been stated many times recently, the whole program is under review, and the Minister will be giving consideration to changes, not only to the number of years on which to base payout calculations, but also on other matters brought out in the review.

I assure the Hon. Member that I will pass his constructive suggestions on to the Minister and that they will go on to the review committee.

[*Translation*]

Mr. Deputy Speaker: The Motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 6.18 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 7, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN LONDON, ONT.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, recently CN Rail announced that the staff complement of its operations in London, Ontario, will be reduced from the present 564 employees to 437 by 1987, a reduction of 127 employees. Combined with the CN Trucking cutback, 233 CN jobs will be lost in London. CN Rail attributed the London lay-offs to "technological and operational changes", as well as to CN efforts to "start introducing certain efficiencies".

Although I appreciate that CN Rail has job security agreements which will ensure that many of the London job losses will take the form of transfers, early retirement, and attrition, many Londoners will nevertheless lose their jobs. I am concerned that those who introduce these sorts of streamlining measures, which aim to improve productivity and efficiency through the application of centralized technology, are not always aware of the profound human consequences these changes have on workers and on over-all employment levels. It is my sincere hope that in the case of CN Rail these human consequences will be seriously considered.

It is also my hope that where technological, organizational and operational changes are necessary, an effort will be made to ensure that the resultant lay-offs are minimized and that staff reductions are shared equitably throughout the operations of CN Rail.

* * *

NUCLEAR ARMAMENTS

STOCKPILING OF WEAPONS BY SOVIET UNION

Mr. Gordon Taylor (Bow River): Madam Speaker, now hear this! Last Saturday the news media reported that 500,000 people turned out in Moscow in a peace march protesting the deployment of United States missiles in Europe. This is hypocrisy personified, when the Warsaw Pact has been building and testing missiles extensively during the last few years and now has three times the number of mobile surface to air missiles, double the number of land divisions, three times the number of anti-aircraft artillery, four times the number of tanks, as does NATO, which includes the U.S.A., to say nothing about its 7,500 aircraft capable and equipped to deliver nuclear weapons, or its scores and scores of submarines now carrying ballistic missiles.

Of course Communist leaders tell none of these facts to the Russian people, but while NATO and the U.S.A. actively work for Strategic Arms Reduction Talks and are committed to negotiate an equitable and verifiable agreement on strategic nuclear weapons, Moscow communists quietly build up their stockpile of missiles and submarines, and send their fifth columns throughout the western world to talk peace.

Yes, let us continue to negotiate for arms reduction on an equitable, mutual, and verifiable basis with the communists, but let them not think that we are blind to their avowed objective, namely, the domination of the world.

* * *

INDIAN AFFAIRS

ANNIVERSARY OF 1763 ROYAL PROCLAMATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, today is the two hundred and twentieth anniversary of the Royal Proclamation of 1763. This Proclamation, one of Canada's oldest constitutional documents, recognized the basic rights of Indian nations and directed that all negotiations should be on a government to government basis. The basic intent of this document was emphasized in many treaties when Indian people were assured that they could continue their traditional way of life. Failure to respect the spirit of the Royal Proclamation has led to the basic mistrust by Indians of federal and provincial Governments. Positive action is needed on the part of all Canadians to implement the spirit of the Royal Proclamation of 1763.

A basic change must be made in the traditional pattern of Canadian politics which has led to the disintegration of Indian life, the assimilation of its people, and the dismal social and economic conditions in which they struggle. On this two hundred and twentieth anniversary of the Royal Proclamation, all Canadians should commit themselves to working together so that Indian nations can take their rightful place in the Canadian federation.

S.O. 21

[*Translation*]

OFFICIAL LANGUAGES

RESOLUTION ON FRANCO-MANITOBANS' LINGUISTIC RIGHTS—INVITATION TO ONTARIO PREMIER

Mr. Denis Ethier (Glengarry-Prescott-Russell): Madam Speaker, the unanimous support given the Government's resolution on October 6 by the Leader of the Official Opposition and the Leader of the New Democratic Party has raised them to the ranks of the great statesmen of our time, which include our Right Hon. Prime Minister (Mr. Trudeau) and the Hon. Richard Hatfield, Premier of New Brunswick, and of course great statesmen of the past such as Sir John A. Macdonald, Sir Wilfrid Laurier and the Hon. Edward Blake.

The telephone has not stopped ringing since that historic moment. Until late last night and again early this morning, my office was receiving calls asking me to express the callers' appreciation to our Prime Minister, to the Leader of the Opposition, to the Leader of the New Democratic Party, and of course, to all members from Manitoba.

These calls came from both English- and French-speaking Canadians, all of whom were from Ontario. In the light of the many calls received from Ontarians endorsing the gesture made yesterday by our three leaders, I would invite the Premier of Ontario, the Hon. William Davis, to join the league of great statesmen by officially recognizing bilingualism in Ontario, as has been done in the Province of New Brunswick.

* * *

[*English*]

SHIPBUILDING

NECESSITY FOR ISSUANCE OF CONTRACTS IN NOVA SCOTIA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, the employment situation in central Nova Scotia and along its eastern shore is extremely serious. Ferguson Industries and Hawker Siddeley are both facing a very bleak winter. The House will know—and the Government is certainly aware—that further shipbuilding orders can be awarded. There are few if any places in the country where employment is needed more than at Ferguson Industries in Pictou, Nova Scotia.

The Government is also aware that any refit work that is required would have a great and beneficial effect in keeping the work force at Ferguson Industries from facing, along with their counterparts at Hawker Siddeley across the harbour, another bleak and very unsatisfying Christmas.

If the Special Recovery Program is to be meaningful, surely there has to be proper assessment of priorities and, by the same token, the Government's purchasing and tendering policies should be seen to be equitable, and not open to further politicizing of the nature we have seen in recent months.

I am appealing to those on the Treasury benches to take heed of the very serious unemployment situation in that part of Nova Scotia, and to take some action to remedy it.

* * *

• (1110)

HUMAN RIGHTS

HONDURAS—SEIZURE AND DETENTION OF MIGUEL ANGEL ORTIZ

Mr. Dan Heap (Spadina): Madam Speaker, on September 26 in Honduras, Miguel Angel Ortiz was seized by Honduran security forces. Ortiz is executive director of the Christian Democratic Party, a recognized party with representation in the Honduras Assembly. He is also a member of the Electoral Commission of the capital.

Since he was seized, his court order for *habeas corpus* has not been honoured and no charges have been laid in court. This is shocking. Just two years ago Honduras went through a form of democratic elections. It is said to be a democracy with liberty for legal opponents and critics of the government, yet ever since the installation of President Suado Cordova in February, 1982, human rights have been under attack. First Salvadoran refugees were harassed, and even killed by the military. Soon Honduran citizens were being treated the same way. Ortiz is only the latest and most prominent of a number of Hondurans who have been kidnapped by the state.

An assault like this on the executive of an official party makes a mockery of Honduras' claim to democracy. Canada gives $10 million or $15 million per year in development aid to Honduras. Honduras is the main United States military base in Central America, and the base for United States supported invasions in Nicaragua. Therefore, Canada must either speak out firmly and publicly against the Honduras military assault on its own people and its neighbours, or share the blame for the destruction of human rights and life in Honduras and Nicaragua. I call upon the Prime Minister (Mr. Trudeau) to intervene with the President of Honduras to request immediate release of Miguel Angel Ortiz.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR YOUTH JOB-CREATION MEASURES

Mr. Jean Lapierre (Shefford): Madam Speaker, today, we have some encouraging news for Canadian since the unemployment rate has dropped to 11.3 percent. Unfortunately, one group of Canadians is not going to benefit as much, and I am referring to young men, among whom unemployment is at 30.9 percent and young women, where this figure is nearly 16.2 percent. I feel that this should make us challenge our traditional programs and wonder why their general effectiveness did not reach this segment of the population. People refer to

the "lost generation". I would say that we are wasting lives, and I feel that, in terms of the broad principles of equal opportunity and minority rights, all members of this House should recognize the need for increased awareness and for consultation on this very serious problem which will certainly become a priority for this Government, and that governments, employers and unions should be aware of the problem and take joint action, so that we will not have a generation that has lost all hope and is unable to seek its rightful place in society.

* * *

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—REQUEST FOR DEBATE ON CANADIAN ROLE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, the Minister of State for External Relations (Mr. Pepin) is quoted as saying in New York that Canada has been actively engaged in discussions with Cuba, Nicaragua, and Guatemala—no mention being made of El Salvador, Honduras, and Costa Rica—with a view to offering Canadian observer teams to supervise the truce which the Contadora Group is trying to arrange to bring peace and stability to Central America.

Now that the Secretary of State for External Affairs (Mr. MacEachen) has returned to the House for Question Period it is appropriate that he should know that the House expects that, if the stories are true, the Government will be setting aside some of its time so the issue can be fully debated and approved or disapproved, as the case may be, before any decision is taken to commit Canadians, whether military or civilian, to any such operation. During his statement the Secretary of State for External Affairs should outline fully how this offer came to be made, as well as the terms and conditions, including the length of time that any Canadian observer group would be permitted to serve in such a role.

Canadians will no longer tolerate truce observation teams to serve more or less indefinitely, as has been altogether too prevalent in previous similar situations. Canada does not want to become part of the problem that needs to be resolved. It is also important that Canadians should learn why no discussions appear to have taken place with authorized spokesmen in El Salvador, nor in Honduras and Costa Rica where some involvement is being alleged.

Madam Speaker: Order. The Hon. Member's time has expired.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

FUNDS AVAILABLE FOR TORONTO PROJECTS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Prime Minister. Earlier this week the political Minister for Toronto was complaining that the Government had lots of money available for its various programs, but very few applications. Does this situation indicate that the Government's programs are misdirected, or is the Government concerned that the money will not be spent before the next election?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have had occasion to discuss this matter with the Minister, and he would be happy to answer the question if addressed to him.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I can understand why the Hon. Member came to the conclusion he did on the basis of the newspaper reports of what I said. What I was discussing at that point was the grant that was made to the Ryerson Institute of Technology, which I hope the Hon. Member would support. I was speaking particularly of the area of trade skills development. It is true that in those areas we have had some surplus funds, and I would have welcomed receiving more applications along the line of the Ryerson proposal because it is the kind of thing which, I think, very badly needs to be done across the country.

Mr. Wilson: Madam Speaker, I think this clearly points out that we cannot force-feed an economy. I think it also points out the futility of developing policies which experts in Ottawa design to be perfect programs which, when applied in the real world, simply do not work.

GOVERNMENT POLICY ON TAX INCENTIVES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is directed to the same Minister. Is the Government considering a shift toward the use of tax incentives which are broadly based and available to all, or is this not consistent with the political strategy of the Minister's Party which is to try to get maximum publicity through the presentation of a cheque, or the cutting of a ribbon, or a picture in the paper, all key elements of the Liberal political election primer, part one?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I am a bit surprised by the Hon. Member's statement. The project which I just described for Ryerson Institute of Technology was not one designed here in Ottawa. It was a worthy project which was designed by people on the spot in Toronto and was supported very strongly by

industry, as well as by Ryerson Institute of Technology, which will provide training in a whole variety of areas such as robotics and laser technology, training which is very much needed and wanted in the marketplace. I would have thought that the Hon. Member, being from Toronto, would in fact be applauding this as exactly the kind of project we should be supporting, rather than saying it was a waste of taxpayers' money.

As far as the second part of his question which relates to tax incentives is concerned, it might be worth while if the Hon. Member would simply review the budget brought forward by my colleague, the Minister of Finance, which brings in exactly the kind of tax encouragements which will create jobs in the country.

Mr. Wilson: Madam Speaker, if the Minister would read that budget he would see that about two-thirds to three-quarters of the money that was added in that budget will be handed out by direct grants, loans or subsidies, and not by tax incentives.

LIBERAL PARTY ELECTION STRATEGY INQUIRY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the Government seems to be more concerned with developing a strategy for the recovery of the Liberal Party than with developing a strategy for the recovery of the economy. Is it true that the doling out of taxpayers' dollars, backed up by a high profile promotion campaign, is a critical element in the Liberal Party's strategy which is designed to rectify the desperate position that its Members find themselves in with the voters of Toronto?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the kind of tax encouragement which is provided in my colleague's budget amounts to, if my memory serves me correctly, something like $2.4 billion. I think that it not only will have, but has been having a very considerable effect on the creation of jobs in the country. I am surprised that the Hon. Member is not on his feet today saluting us because the unemployment statistics show that there has been a decline of one-half of 1 per cent in the unemployment figures. The policies which were brought in by my colleague's budget, and which we have pursued since, are working now and will continue to work in the future. It is about time Hon. Members on the other side of the House began to recognize that we are on the right track.

Some Hon. Members: Hear, hear!

SIGNS FOR WORKS PROJECTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it is obvious that the Minister does not want to reply to the question that my colleague has asked about the importance the Government places on advertising.

I would like to ask the Prime Minister if he will confirm the existence of a confidential document I have in my hand, dated September 16, which is a Cabinet document called "Status Report on Communications". It, among other things, indicates as advice to Cabinet that the Government does not even know many jobs will be created directly or indirectly by the Special Recovery Capital Projects Program. There is more preoccupation with the number of signs going up than with actually producing new jobs.

• (1120)

Would the Prime Minister confirm that, in fact, of 247 construction projects approved to date, there are already signs on 199 and an additional 328 signs are to be erected? In other words, there will be more signs than projects. Will the Prime Minister confirm that this is the emphasis the Government is developing?

Right Hon. P. E. Trudeau (Prime Minister): The Hon. Member asks me to comment on a leaked Cabinet document. Let me read to him from the oath of Members of the Privy Council.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Hon. Members over there laugh because they have forgotten their oath; we have not on this side.

Mr. Nielsen: How about your Minister of Energy?

Mr. Trudeau: I would be prepared to deposit a copy of this document that I will read from.

Mr. Nielsen: We did that during the Gillespie debate.

Mr. Trudeau: It would be perfectly useless, however, because those Members on the other side will never have occasion to take this oath.

Mr. Hnatyshyn: Never say never, Pierre.

Mr. Trudeau: I quote, Madam Speaker: "you will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council . . . So help me God."

Mr. Stevens: Why didn't they?

Mr. Siddon: Madam Speaker, it is obvious the documents are leaked when some officials within Departments feel that things are going wrong.

SIZE OF SIGNS ADVERTISING PROJECTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, this document states as follows:

> At the request of Ministers, extra large project site signs have been erected at Toronto Harbourfront (60′ × 15′) and Dorval and Toronto airports (16′ × 8′).

The document also indicates that, because of initial adverse publicity surrounding the Canadair CL-215 program, a great national event would be held at Dorval in late September, including an air show where the CL-215 water bombers were to be flown, with several Cabinet Ministers participating.

Is this the price that the Government is willing to pay, risking life and limb of the people of Canadair in such a great public extravaganza, in order to promote their political aims and nothing more?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will concede, and I will even brag about the fact, that the Government intends that the spending of the taxpayers' money raised by Parliament, will be known to the taxpayers of Canada. I know the Party on the other side is not interested in that approach. They do not believe in a strong federal presence. I have never heard them criticize the millions spent on advertising by Premier Davis in Ontario, or by Premier Lévesque. That is because they do not believe in a strong Canada; they believe in strong Provinces. That is the difference between the two Parties.

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LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Employment and Immigration. Labour force statistics are out today and they document the fact that 309,000 fewer Canadians are working today than were working one month ago. Rather than the Minister simply calling upon the Opposition to salute him because of a statistical drop in the rate of unemployment, I wonder whether he is prepared to do something real for the 309,000 Canadians who are not working and who were working a month ago.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I think the Hon. Member knows that the appropriate assessment is to look at what is happening to employment figures in a seasonally adjusted way. For some reason the Hon. Member wants to put the worst possible interpretation that he can on the figures, and to welcome with gloom and doom every sign he can find, even when he distorts them, to justify taking that position. The fact is that for every month since last November there has been an improvement in the employment situation, and that is shown in the figures. I would have thought that the hon. gentleman would have been happy about that rather than seeming to take some enjoyment in the fact that he can find some reason for sadness.

● (1125)

UNEMPLOYMENT IN GASPÉ REGION OF QUEBEC

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, the statistics clearly show there are 309,000 fewer Canadians working today than one month ago. The Minister has been in his portfolio long enough to know that.

[*Translation*]

Madam Speaker, my supplementary is directed to the same Minister. The Minister is aware that the regions in Canada are suffering from very high unemployment rates, and especially the area around Gaspé and the town of Grande-Vallée. Is the Hon. Minister prepared to intervene in Gaspé to help the people in these communities or is he just going to blame the Quebec Government for the situation?

[*English*]

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the hon. gentleman knows very well he is partaking in an intellectual fraud. He knows very well that employment statistics vary in this country seasonally, particularly between August and September. He knows that very well. The fact of the matter is that the base line of employment since last November has improved tremendously. It is the seasonally adjusted figures which show the .5 per cent drop which are the important figures. He knows that. I would either have to be disrespectful to his intelligence or to his sincerity. I prefer, in this particular case, not to be very flattering about his sincerity.

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AUTOMOTIVE INDUSTRY

TASK FORCE RECOMMENDATION ON CANADIAN CONTENT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, let us deal with some facts. The Government has before it the report of the automobile industry task force which recommended, among other important things, that the Government immediately undertake negotiations for Canadian content in foreign imported cars. It suggested we could create 80,000 jobs in Canada, with a Canadian content requirement. We will lose 40,000 jobs if we do not act. Why does the Government not move now to negotiate a Canadian content requirement for imported automobiles in order to ensure employment not only for automobile workers, but for other workers in the steel, glass, and rubber industries?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Minister of Industry, Trade and Commerce has this report. He has been discussing it with various people. It is under examination and review. When the Government is ready to make an announcement in that regard, I am sure the Minister of Industry, Trade and Commerce will be very happy to provide his answer.

* * *

MEDICAL CARE

PAYMENT OF PREMIUMS IN YUKON

Mr. Herb Breau (Gloucester): Madam Speaker, my question is directed to the Acting Minister of National Health and Welfare. In view of the confusion created by the Hon. Member for Provencher with regard to premiums for health care in the Yukon, would the Minister enlighten the House by telling us in fact whether or not there are hospital premiums levied in the Yukon? Obviously the Hon. Member for Provencher not

only has difficulty coming up with a policy on medicare for his Party, but also has difficulty reading the facts.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the Minister of National Health and Welfare answered the question yesterday quite correctly when she said that there were no hospital premiums in the Yukon. What the Hon. Member for Provencher was talking about was medical care premiums which are charged by the Territorial Government of the Yukon at $26.50 per family multiplied by 12, which gives him his figure of $318. The Hon. Member should address his question to the Territorial Government which, I understand, is also a Conservative Government.

PAYMENT OF HOSPITAL LEVIES

Hon. Jake Epp (Provencher): Madam Speaker, I thank the Minister for that answer. Could he then answer this question? Why is it that the federal Government, which owns and controls all of the hospitals in the Territory, has made an arrangement that it will not neither give a tax base or sufficient revenue, but rather that those levies can be made and in fact its federal hospitals are sustained in part through premiums?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, it is very easy to distort the facts.

Some Hon. Members: Oh, oh!

Mr. Campbell (Cardigan): The Hon. Member is talking about medical care premiums, which I remind him are being charged by doctors and being condoned by the Government of the Yukon.

REQUEST FOR INTRODUCTION OF NEW TAX RÉGIME

Hon. Jake Epp (Provencher): Madam Speaker, could I ask the Minister, then, now that he has confirmed that federal hospitals are in fact partially sustained by levies, if he would indicate whether he would do the same thing which this Government did, which was that, having imposed entry fees for admission into the Yukon hospitals for years and years, it finally dropped them in 1981, not for philosophical or policy reasons but rather because the revenues received were less than the cost of the administration of the program?

● (1130)

Would the Government now undertake a tax régime in that Territory in order to remove the necessity of sustaining the hospitals through monthly premiums, and having done that would it then be willing to discuss medicare on that basis in other jurisdictions as well?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the Hon. Member is complicating the issue more and more. First of all, hospitals are not being sustained by premiums. The Yukon system is a non-premium system. The medicare system, where doctors perform services for patients in hospitals, is where the premiums are being applied by the Government. I said that very simply in the first answer.

* * *

CANADIAN SOVEREIGNTY

EXPLORATION PERMITS ISSUED BY FRANCE

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my question is directed to the Secretary of State for External Affairs who confirmed to me, in response to a question I raised on September 30, that negotiations between Canada and France over France's sovereignty claim in the St. Pierre and Miquelon area have broken down. How many exploration permits for oil and gas have been issued by France within our exclusive economic zone outside St. Pierre's territorial zone?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, as the Hon. Member knows, there is a disputed zone. At present negotiations between Canada and France have not resulted in a resolution of that difficulty. The Hon. Member asks what licences have been issued by France in that disputed zone, which is not the territorial sea to which he refers. I do not have the facts on that but I will find out if any, and let him know.

GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I cannot use it as evidence, but I have a map showing the number of permits issued outside the 12-mile territorial zone and inside Canada's exclusive economic zone. Why did the Government allow those permits to be issued by another sovereign country, inside Canada's exclusive economic zone?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): I presume the Hon. Member is referring to the disputed zone adjacent to St. Pierre and Miquelon in which France has claimed a very extensive area, and which we dispute. That is the subject of negotiations. Canada certainly has not and will not acknowledge the claims made by the French Government.

The Hon. Member asks why have we not prevented the Government of France from doing this. I think on reflection he will find that is something beyond the reach of the Government of Canada.

* * *

ENERGY

EXPORT PRICE OF NATURAL GAS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Energy, Mines and Resources who, once again, is in the House but not in his seat. If we could divert him from the campaign trail, possibly we could direct his attention to his Ministry.

The national energy policy plan announced by President Reagan this week reaffirms the U.S. commitment to further deregulation of U.S. natural gas prices, increasing the competitive pressures on Canadian gas exporters who are selling only 40 per cent of their contracted volumes. Since it is the Liberal Cabinet which sets gas export prices, and since the single border price for Canadian gas exports is too expensive for our American customers, is the Minister prepared to reduce the price charged for our gas exports? Or is he prepared to see us lose this market to our competitors?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am well aware of the problem. Twice this year I have adjusted prices. I reduce it in the first instance and gave an incentive price for new quantities of natural gas in the American market later on. These decisions were taken in consultation with the industry and the producing Provinces, Alberta and British Columbia. We are holding discussions at this time, and the view being expressed by the provincial Governments and myself on this problem is that there is no need to move at this time. We are watching the situation very carefully, in consultation with the industry and the Provinces.

I have to tell the Hon. Member that the U.S. market is complicated at this time and some politicians in Washington are trying to blame Canadians for high prices, but we provide only 5 per cent of the natural gas used in the American market. We are just a marginal supplier, and at this time there is no need for a further move. If there is, I will do that in consultation with the producing Provinces.

Miss Carney: Madam Speaker, I remind the Minister of the comment made publicly by the president of TransCanada PipeLines who says this Government is neither technically nor psychologically competent to set the price of gas.

PRICE CHARGED TO U.S. CUSTOMERS

Miss Pat Carney (Vancouver Centre): Since contracts are now being negotiated between Canadian suppliers and U.S. gas companies at rates less than Canadian domestic gas prices, and since this would violate existing pricing regulations, does the Minister intend to allow Americans to buy our gas for less than what Canadians pay?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the comment the Hon. Member made is in fact a bad reflection on the Alberta Government which has supported me in all the activities I have initiated in that field. If we are not competent, I guess the Alberta Government is even less competent because it has been perhaps less flexible than I have been on that score. I think it is a hypothetical question at this time. When we decide to change the price we will see if it will be lower for the Americans than Canadians. But I do not think there is a great desire in Canada at this time to see Canadian gas sold in the American market cheaper than in the Canadian market.

RAILWAYS

MINISTER'S STATEMENT ON RAILWAY LANDS IN TORONTO

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Employment and Immigration who, while freely dispensing from the pork barrel in Toronto this week, indicated that among the projects to receive federal funding were construction projects, in particular those related to the development of the railway lands. By that I suppose he is talking about the relocation of the rail lines leading into and out of metropolitan Toronto, which is the subject matter of a study by the Railway Committee of the CTC. Is the Minister now telling us that, prior to the conclusion of that study, he wishes to relocate those lines to the north, into the region which is now the electoral district of York North?

Hon. John Roberts (Minister of Employment and Immigration): No, Madam Speaker, I am not saying that. What I would say to the hon. gentleman is that the Liberal Members from the City of Toronto are very much interested in the proposals brought forward by the Mayor of Toronto for the development of the railway lands along the waterfront. This is a project which we are following with considerable interest, and we hope to work closely with the municipal officials, particularly Mayor Eggleton, in realizing that project.

TRANSPORTATION OF DANGEROUS GOODS

Mr. John Gamble (York North): Madam Speaker, if indeed these rail lines are moved from their present area in metropolitan Toronto, and if the Minister who, of course comes from that region, will look at the matter very carefully, it will be obvious there is no other place to locate them except where the preliminary report of the Railway Committee indicates, that is, through the riding of York North.

Having regard to the fact that the preliminary report dealt with the transportation of dangerous goods and the consequential effect upon people in the entire metropolitan Toronto area, will the Minister now realize that the transportation of dangerous goods across the northern part of metropolitan Toronto, given prevailing winds, will have a devastating effect in the event there is an accident, not only on my riding of York North but on the entire area to the South, which is metropolitan Toronto?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I will certainly pass on to the proper authorities the representations of the hon. gentleman that the rail lines be moved into his constituency.

Mr. Gamble: Very funny.

Oral Questions

REGIONAL ECONOMIC EXPANSION

BRITISH COLUMBIA COAL DEVELOPMENT—FUTURE OF TWO MINES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce and Regional Economic Expansion, whose Government has worked very closely with the Social Credit Government of British Columbia in developing one of the few major megaprojects in western Canada. What the Government has been telling Canadians is that this will be the major job-creation project in western Canada in the months and years ahead.

● (1140)

Is the Minister aware of a recent study done by H.N. Halvorson Consultants Limited for the B.C. Hydro and Power Authority that suggests that the two major mines in the northeast coal sector, namely, the Bullmoose Mine and the Quintet Mine, because of the high price of coal that they are mining, will be mothballed likely for the next 20 years?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first, I am not aware of the Hon. Member's allegations. But, second, if he is speaking of megaprojects in western Canada, I would hope that he would encourage his colleagues to support the Crow changes, because that is one of the biggest megaprojects ever developed in this country.

* * *

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

REQUEST FOR EXTENSION IN PORT ALBERNI, B.C.

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Ten months ago, the Government announced an ILAP program for Port Alberni, in the sum of $15 million. To this point only $3 million of that amount has been spent, creating only temporary jobs, more permanent. In light of the fact that this Program will elapse in December, and in light of the fact that the backbone of the Alberni Valley will continue to be the forest industry, is the Minister prepared to consider extending that Program, changing the criteria, so that that community, in that area, along with the Government, industry and labour, can embark on a major reforestation program, using the funds that remain, under different criteria?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I welcome the representations of the hon. gentleman. I am not aware of the exact details of what he is describing. I am therefore pleased that he has brought it to my attention. I will look into it and try to deal with it as sympathetically as I can.

I indicated to the House before that we have undertaken continuation of what, in effect, was the old employment bridging assistance program, which was oriented toward the forest industry. It may be possible that there are some elements within that extension which could be of service to the Hon. Member. In any case I will look into the specifics of the matter and try to see what is possible to do.

* * *

GRAIN

WESTERN GRAIN STABILIZATION PROGRAM

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is directed to the Minister of Transport. It appears to the western farmers that the Government is playing politics with their money. I am referring to the Western Grain Stabilization Program, in which there are some $900 million, and also to increasing the initial price for grain. Farmers have a very, very serious cash flow problem. Will the Government continue to hold the farmers' money—and I emphasize "the farmers' money"—and play politics with their money, or will it make it available? We have heard nothing from the Minister responsible for the Canadian Wheat Board of any positive consequences. What direction is the Government taking?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I believe I answered questions previously this week concerning the western grain stabilization fund. As the Hon. Member knows, it is basically an insurance fund, and both the farmer and the federal Government pay into the fund against the day when the cost price squeeze becomes so exorbitant that farmers lose dramatically.

Under the legislation itself, pay-outs must be considered according to a five-year average. That is not at the discretion of the Government or anyone else. That is very clearly laid out in the Bill and the statutes. The five-year average, as it is being considered now, represents some $400 million above the five-year average pay-out and, therefore, we are not in a position to respond. However, I have said that we are reviewing the western grain stabilization fund to see whether it can be reduced to a lower three-year average, therefore providing quicker pay-outs.

We have received representations. They have been very valuable. As soon as our review is concluded the Government will move on that, but we would obviously require legislation to make the change.

* * *

CANADIAN WHEAT BOARD

INITIAL PRICE FOR BARLEY

Mr. Len Gustafson (Assiniboia): Madam Speaker, with regard to the Western Grain Stabilization Program, the Minister knows that it was designed not to be an insurance program, but, rather, a cash flow program. The Government is dragging its feet on this issue. With regard to the initial payment, when will the Minister announce an increase in the payment for barley? Wheat is trading at Thunder Bay at $1.14 higher than the farmers are receiving at the grain elevators today.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I can report to the Hon. Member that the question of the pay-out on barley payments is now being considered by the Minister of State responsible for the Wheat Board. I expect he will be making a recommendation to Cabinet momentarily.

* * *

FISHERIES

GEORGETOWN PLANT IN PRINCE EDWARD ISLAND—MINISTERS' STATEMENTS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans, if I might have his attention. Yesterday, in the House, the Minister said that the federal Government was still looking into the possibilities concerning the reopening of the Seafoods Plant at Georgetown, Prince Edward Island. How does the Minister reconcile that uncertain statement with firm commitments given by his colleague, the Minister of Veterans Affairs, all last summer, to the workers at Georgetown, that the reopening of the plant was imminent? Who was speaking for the Government of Canada on this important issue, the Minister of Fisheries or the Minister of Veterans Affairs?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): I can tell the Hon. Member, if he is trying to see any contradiction, that there is none. I have had several meetings with the regional Minister for P.E.I., precisely on the question involving Georgetown, and we are working on it very hard. On the other hand, as the Hon. Member may remember, I have said that, before focusing on one plant in a particular Province, what we must do is to look toward establishing healthy corporations, with proper financing, and then we can focus on the different plants.

Now that we have, I hope, managed to come to a solution by the merger of Nickerson and National Sea, obviously, concerning the question of Georgetown, I see some avenue there. I will be meeting next Tuesday with the Minister of Fisheries of P.E.I. jointly with the regional Minister, and this topic will be among the questions we will be discussing.

DATE OF PLANT REOPENING

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the same Minister. Will the Minister of Fisheries and Oceans identify himself with the firm commitment given by his colleague, the Minister of Veterans Affairs, to the workers of Georgetown that the opening of the plant will be prior to next spring? Yes or no? Will he give that commitment?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): I can say to my hon. friend that my resolve is as great as that of the regional Minister that every possibility be studied. If a solution can be found I am sure that nobody will be happier than the regional Minister himself.

NATIONAL DEFENCE

REQUEST FOR RESTORATION OF NAVAL UNIFORMS

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question to ask the Minister of National Defence. When Vice-Admiral Fulton retired as Chief of Maritime Command in July of 1983, he made a very serious plea to return the blue uniform to Canada's Navy. All concerned know that this would be a tremendous boost to morale in that branch of the Canadian Armed Forces. Therefore, will the Minister meet this plea from one of Canada's dedicated naval personnel, and will he immediately implement a plan or program to restore the navy blue uniform to Canada's Navy?

Some Hon. Members: Hear, hear!

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, in view of Admiral Fulton's representations, and in view of a number of representations that have been made by Hon. Members, that is one of the areas to which I paid particular attention very early on, after being appointed. I have considered it very seriously, with the aspects identified by the Hon. Member, and have come to the judgment, having considered all the various arguments, that there is no advantage at this time—

Some Hon. Members: Oh, oh!

Mr. Blais: —in returning to the old style uniforms or to the old colours. I might point out that over 68 per cent of those who are presently in the Force came into the Force at the time the uniform was of a green colour, such as it is, and are satisfied with the state of affairs. There is no intention of changing that state of affairs.

Mr. Crosby: I am very disappointed, as I am sure thousands of other Canadians will be, with the Minister's attitude.

REQUEST THAT MINISTER CONSULT ON ISSUE

Mr. Howard Crosby (Halifax West): Will the Minister at least avoid taking a firm opinion on this matter? Will he consult many people across Canada, in and out of the Canadian Armed Forces, before he makes a final decision? I know that his predecessor was of that mind, but surely there is always hope for some change in his attitude. Therefore, I ask the Minister, will he at least consult—

Mr. Trudeau: Always backwards, never forward.

Mr. Crosby: —with people in the Armed Forces and other interested Canadians before he makes a final decision on this very important issue? And do not make light of it.

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I am not making light of it. As I indicated to the hon. gentleman, that was one of the first things that I considered. One of the factors I took under consideration at the time was that Canada has an armed force that has superior morale because we are able to provide it with the highest pay of any

force within NATO. I am not sure whether Canada's force is not the highest paid of any force in the world. That has been made possible as a result of the savings that we were able to effect within the force because of integration. I would suggest to the hon. gentleman that going back to the different coloured uniforms would simply be an indication of a weakening of our resolve to maintain the integration of our armed forces.

* * *

● (1150)

LABOUR CONDITIONS

UNEMPLOYMENT IN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Employment and Immigration. As he is aware, Saskatchewan is one of only two Provinces where unemployment went up last year. As a matter of fact, since the election of the Conservative Government in our Province the number of people looking for work has gone up by 82 per cent in the last year.

Some Hon. Members: Shame!

Mr. Nystrom: The number of people on welfare has gone up 46 per cent in the last couple of years. I know Tory times are tough times, but that is no excuse for the Minister across the way not to have some special measures for my Province. Can he tell us what he plans to do to provide jobs in Saskatchewan, and is he planning on meeting our Premier very soon?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, as I pointed out earlier today, there is now and has been a considerable improvement in the employment picture across the country since November. I can only hope, if Saskatchewan is suffering a minor fluctuation, that the over-all improvement in the country will help. It seems to me the obvious answer to the question which the Hon. Member has posed is the removal of the Conservative Government in Saskatchewan.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

CROSS LAKE RESERVE—CONDITION OF SCHOOL BUILDINGS

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Prime Minister. Over two years ago his Minister of Indian Affairs and Northern Development went to northern Manitoba and promised a new school to the residents of Cross Lake, an Indian reserve. Last week Howard Pawley and myself—

Mr. Murta: Howard who?

Mr. Murphy: —toured the present accommodations. There are holes in the floor of those school buildings through which you can put your foot. These are elementary classrooms. That promise was made over two years ago by the Government and it has not been fulfilled. Next week Treasury Board considers a submission for a new school in that area. I would ask the Prime Minister to use his good offices to make sure that submission is accepted, as was promised by his Minister.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, the Minister of Indian Affairs and Northern Development is reviewing parts of the program where work has already been done, and a definite answer on the subject should be forthcoming within the next few weeks.

* * *

[*English*]

THE ADMINISTRATION

PERSONAL CORRESPONDENCE OF MINISTERS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Prime Minister. When a Minister is transferred from one portfolio to another, understandably he takes his personal correspondence with him. Keeping in mind the freedom of access to information provisions, what limits are put on the definition of personal correspondence, bearing in mind there is no access to information that has been shredded?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I suppose personal correspondence would first include all correspondence marked personal by the person who writes the letter.

INTERDEPARTMENTAL CORRESPONDENCE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my supplementary question is for the Prime Minister. Does this include interdepartmental correspondence, correspondence relating to the privileged information of citizens of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not sure whether that is two questions or whether it is the same one. Interdepartmental correspondence would not seem normally to me to be personal correspondence if it has to do with the affairs of Government. If it is between two Ministers of two different Departments, or somebody acting on their behalf, obviously it is covered by the exception relating to communications between Ministers of the Crown, Ministers of the Crown being bound by the oath I quoted earlier to keep correspondence between themselves private and privileged.

EXTERNAL AFFAIRS

ISRAEL—INTENTION TO ESTABLISH CITY ON WEST BANK

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Secretary of State for External Affairs. Last week *The Globe and Mail* reported that the Government of Israel had dedicated a new town called Emmanuel on the occupied West Bank destined eventually to grow to a population of 60,000. Has the Government of Canada objected, or does it intend to object specifically to this new affront to civilized international behaviour, or will it simply acquiesce in this further example of anti-Palestinian racism on the part of the present Israeli régime?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, we have not, to my knowledge, made any particular protest about this settlement. But we have on quite a number of occasions expressed our opposition to the settlement policy of the Israeli Government. We have stated that the continuation of this action is a further obstacle to peace. And as recently as my statement at the United Nations General Assembly, I appealed to Israel again to reconsider its settlement policy.

* * *

HARBOURS

FUNDING FOR MARINA PROJECTS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Fisheries and Oceans. Will his Department, through the Small Craft Harbours Branch, be providing material costs for municipalities applying under the Canada Works Program for marina projects this coming winter? It is fairly important to the municipalities to know soon whether the Minister's Department will be providing these funds so they can go ahead with applications for winter works projects.

Mr. Nielsen: Of course they are.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am happy to remind this House that through the Special Recovery Program of the Minister of Finance we have embarked in the Province of Ontario on a very major program of small carft harbour and marina construction. It was a dramatic increase of about 600 per cent for this year. Hopefully, during the next year we will be able to continue our programs jointly with the Department of Employment and Immigration.

* * *

INDIAN AFFAIRS

AMENDMENT OF INDIAN ACT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in the absence of the Minister of Indian Affairs and Northern Development, may I put my question to the Acting Minister? When does the Government intend to introduce amendments to the Indian Act, and will the amending legislation now being prepared provide for retroactive validation of proclamations issued under Secton 4(2) of the Act?

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I think the Hon. Member has raised a very interesting point, and I shall take the question as notice. Next week I will be able to provide details on the subject, because the Minister of Indian Affairs and Northern Development has many pieces of legislation that are now being reviewed, and I think we must first specify the nature of the question if we are to give a responsible reply.

[*English*]

VALIDITY OF PROCLAMATIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, perhaps I can give the Parliamentary Secretary more details by referring him to the secret Cabinet document of July 7 from his Minister—

Mr. Nielsen: Another one? They are leaking like a sieve.

Mr. Beatty: —in which he recommended the elimination of discrimination from the Indian Act, with comprehensive legislation to confirm the validity of such proclamations. He recommended further that, even if amendments to such legislation were not passed, the subject proclamations should nonetheless be confirmed by statute to resolve any doubt in their favour. Can the Parliamentary Secretary tell the House why it is that when this document was written the Minister had already prepared a comprehensive reply to the Report of the Standing Joint Committee on Regulations and Other Statutory Instruments dismissing the concern of the Committee over the validity and legality of those proclamations? Why, if the Government is totally satisfied that those proclamations are legal, did the Minister in a secret document recommend such retroactive legislation?

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, since the Hon. Member seems to be referring to a confidential document whose contents I have not been able to check, I think that in the circumstances, we should wait for an official and public reply that will be given in due course by the responsible Minister.

Petition

[*English*]

THE ADMINISTRATION

APPOINTMENT OF NEWFOUNDLAND REPRESENTATIVE TO CABINET

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Right Hon. Prime Minister. It is now over six weeks since the Hon. Member for Burin-St. George's was forced to resign from the Cabinet, leaving Newfoundland the only Province not represented in the hon. gentleman's Cabinet. There are nine Newfoundlanders sitting in the right hon. gentleman's caucus, and there are five in this House. Does the Prime Minister intend to appoint a Newfoundland representative to his Cabinet? If so, when? And I hope he will avoid another lecture on prime ministerial prerogatives.

● (1200)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, maybe I should lecture the Hon. Member on the simple subject of fairness. The Member from Newfoundland who was in the Cabinet and who resigned, has his case before the courts now, and it is being decided very soon, I understand.

* * *

PETITION

MR. FULTON—BROADCASTING ACT—AMENDMENT RESPECTING PORNOGRAPHY

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Skeena (Mr. Fulton) on October 6, 1983, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. RIIS—WINNIPEG—MORGENTALER CLINIC

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, it is my honour to present a petition today on behalf of many hundreds of constituents who protest against the laying of criminal conspiracy charges against the doctors and staff and the Morgentaler Clinic in Winnipeg, who call upon the Government of Canada to take the necessary steps to ensure that the Clinic is approved as a hospital facility under the Criminal Code, and ask that the Government of Canada guarantee women have the right to exercise their democratic freedom by having a right to freedom of choice in reproductive health matters.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,794, 5,267 and 5,268 to 5,298 inclusive.

[*Text*]

ENERGY DERIVED FROM RENEWABLE RESOURCES

Question No. 4,794—**Mr. Howie:**

For the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, what amount was spent by the Government with respect to energy derived from renewable sources (i) on outside research and development (ii) on in-house research and development?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed as follows:

	Department	1980-81	1981-82	1982-83
(i)	Energy, Mines and Resources	340,000	425,000	488,000
	Agriculture	694,154	1,452,200	2,964,250
	Environment	4,594,000	6,213,000	8,011,000
	National Research Council	6,354,000	9,701,000	12,511,000
(ii)	Energy, Mines and Resources	92,000	105,000	361,000
	Agriculture	None	None	None
*	Environment	583,000	645,000	503,000
	National Research Council	2,945,000	4,826,000	6,667,000

* It should be noted that the amounts reported in this reply for expenditures "in-house" were almost exclusively devoted to the design, management, and evaluation of research conducted under contract outside of the Department of the Environment.

QUESTION OF CONFIDENCE

Question No. 5,267—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-8, an Act to amend the Coastal Fisheries Protection Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-8 and, if not, for what reason?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Citation 171 (v), (w) and (cc).

See also *House of Commons Debates*, January 8, 1973, pp. 61-62.

Question No. 5,268—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-9, an Act to establish the Labour Information Bureau, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-9 and, if not, for what reason?

Question No. 5,269—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-10, an Act respecting Canadian non-profit corporations, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-10 and, if not, for what reason?

Question No. 5,270—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-12, an Act respecting bankruptcy and insolvency, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-12 and, if not, for what reason?

Question No. 5,271—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-23, an Act to amend the Adult Occupational Training Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-23 and, if not, for what reason?

Question No. 5,272—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-25, an Act to amend the Radiation Emitting Devices Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-25 and, if not, for what reason?

Question No. 5,273—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-32, an Act authorizing and otherwise relating to rights to be granted to breeders of new varieties of plants to deal in reproductive or vegetative material for their propagation, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-32 and, if not, for what reason?

Question No. 5,274—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-33, an Act to amend the Seeds Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-33 and, if not, for what reason?

Question No. 5,275—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-37, an Act to amend the Holidays Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-37 and, if not, for what reason?

Question No. 5,276—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-41, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-41 and, if not, for what reason?

Question No. 5,277—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-52, an Act to provide for the repeal of the Land Titles Act and to validate certain ordinances of the Yukon Territory and the Northwest Territories, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-52 and, if not, for what reason?

Question No. 5,278—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-53, an Act to amend the Criminal Code in relation to sexual offences and the protection of young persons and to amend certain other Acts in relation thereto or in consequence thereof, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-53 and, if not, for what reason?

Question No. 5,279—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-67, an Act to amend the Adult Occupational Training Act (No. 2), as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-67 and, if not, for what reason?

Question No. 5,280—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-69, an Act to amend the Royal Canadian Mounted Police Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-69 and, if not, for what reason?

Question No. 5,281—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-96, an Act to amend the Financial Administration Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-96 and, if not, for what reason?

Question No. 5,282—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-113, an Act to amend the Canada Elections Act (No. 2), as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-113 and, if not, for what reason?

Question No. 5,283—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-138, an Act to amend an Act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-138 and, if not, for what reason?

Question No. 5,284—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-149, an Act to amend the Freshwater Fish Marketing Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-149 and, if not, for what reason?

Question No. 5,285—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-150, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-150 and, if not, for what reason?

Question No. 5,286—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-152 and, if not, for what reason?

Question No. 5,287—Mr. Clark (Yellowhead):

1. Does the Government regard Bill C-153, an Act to amend the Financial Administration Act (Crown Corporations), as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-153 and, if not, for what reason?

Question No. 5,288—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-155 and, if not, for what reason?

Question No. 5,289—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-157, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-157 and, if not, for what reason?

Question No. 5,290—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-158, an Act respecting the Canada Development Corporation, Canada Development Investment Corporation and certain other corporations, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-158 and, if not, for what reason?

Question No. 5,291—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-162, an Act respecting Customs, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-162 and, if not, for what reason?

Question No. 5,292—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-163, an Act to establish the Canadian Aviation Safety Board and to amend certain Acts in consequence thereof, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-163 and, if not, for what reason?

Question No. 5,293—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill C-168, an Act to amend the Bretton Woods Agreements Act (No. 2), as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill C-168 and, if not, for what reason?

Question No. 5,294—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill S-6, an Act to amend the Two-Price Wheat Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill S-6 and, if not, for what reason?

Question No. 5,295—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill S-30, an Act to amend certain Acts in relation to Canada Day, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill S-30 and, if not, for what reason?

Question No. 5,296—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill S-32, an Act to amend the Penitentiary Act and the Parole Act, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill S-32 and, if not, for what reason?

Question No. 5,297—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill S-31, an Act to limit shareholding in certain corporations, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill S-31 and, if not, for what reason?

Question No. 5,298—**Mr. Clark (Yellowhead):**

1. Does the Government regard Bill S-33, an Act to give effect, for Canada, to the Uniform Evidence Act adopted by the Uniform Law Conference of Canada, as a question of confidence, on which the life of the Government depends and, if so, for what reason?

2. Will the Government allow a free vote on all remaining stages of Bill S-33 and, if not, for what reason?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): See answer to question No. 5,267 given this day.

[*English*]

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

[*Translation*]

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

* * *

[*English*]

POINT OF ORDER

MR. HNATYSHYN—STATEMENT OF MR. TRUDEAU RESPECTING PROCEEDINGS INVOLVING MR. SIMMONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to raise a point of order with respect to the comments made by the Prime Minister (Mr. Trudeau) in an answer he gave my colleague, the Hon. Member for St. John's East (Mr. McGrath). There is a principle of parliamentary tradition in the House that there shall not be any attempt to interfere with the judicial process. If I understood the words of the Prime Minister, his statement was a direct reflection on upcoming proceedings involving the Hon. Member for Burin-St. George's (Mr. Simmons), the implication being in connection with the proceedings that the future of that Hon. Member in the Cabinet would depend upon the outcome of a hearing with respect to the charges against the Hon. Member.

Madam Speaker: Order, please. That is not a point of order; that is a matter of debate. The Hon. Member cannot raise that point now and try to continue Question Period under the guise of a point of order. That is not a point of order.

Mr. Hnatyshyn: Madam Speaker, I simply wanted to raise it. I would like to have a look at the Prime Minister's exact words.

Madam Speaker: All right, I need no notice of that. The Hon. Member can look at it and raise it, if he thinks he has a

point of order. He does not have to tell the House that he thinks he is going to look at something and raise it later. Really, that is an abuse of the time of the House.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, October 6, 1983, consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 33 (Mr. Mazankowski).

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I would like to deal now with amendments we have proposed which have been tentatively or permanently ruled out of order, depending on one's interpretation. I dealt with the submission of the Minister of Transport (Mr. Axworthy) yesterday and therefore I do not propose to dwell on that today.

Basically I want to deal with four matters, although they cover a number of amendments. I want to deal with what is in fact beyond the scope of the Bill, as in many instances is the claim by the Chair, with regard to certain of our amendments. I want to speak about certain amendments which are defined to be substantive changes to the interpretative clause. I want to deal with the infringement on the Crown's financial initiative and prerogative and, primarily as the fourth matter, I want to deal with the question of what is contrary to the purposes of the Bill.

I have looked at the question of the interpretation of what is beyond the scope of the Bill. It is a difficult subject with which to deal. However, it is necessary to deal with it in order to address certain of the amendments which appear to be in the process of being ruled out of order.

I refer to Driedger's Legislative Form and Precedents", Chapter I, "Formalities", which deals with the long title of a Bill. It sets out in quite lengthy detail how the title of the Bill must reflect the scope of the Bill. It reads, and I quote from the second paragraph:

> The title, therefore, must accurately define the scope of the bill, and an amendment is out of order unless it falls within the scope as defined in the title.

Turning to Beauchesne's Fifth Edition under "Form of a Bill", Citation 703 reads:

> Although there is no specific set of rules or guidelines governing the content of a bill, there should be a theme of relevancy amongst the contents of a bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the bill.

Under the heading, "The Title", Citation 704 reads in part:

> (1) Long Title—The long title sets out in general terms the purposes of the bill. It should cover everything in the bill.

The title of the Bill before us is "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof". I will argue as I go along that in the case of amendments which have been ruled out of order as being outside the scope of the Bill, they cannot possibly be outside the scope of the Bill given what the long title defines the Bill as being.

I draw to your attention, Madam Speaker, that it is quite clear the the House of Commons, according to the citations in Beauchesne's and Erskine May, cannot deal with the clauses contained in the Bill at second reading. It can deal only with the principle of the Bill at second reading. The principle of the Bill at second reading must reflect what is contained in the long title of the Bill. Our amendments are aimed at altering the clauses within the Bill but are quite clearly within the definition of the Bill as contained within the long title. I will return to that in a moment.

I want to deal with our amendments in order. In most instances they will also be within the grouping the Speaker has established. The Speaker ruled in the first ruling that Motions Nos. 2, 3, 4, 5, 12 and 17 were outside the scope of the Bill. In the second ruling they were deemed to be substantive amendments.

Madam Speaker: Could I simply interrupt the Hon. Member for a moment. I would like him to refer to a preliminary ruling, otherwise I would not be able to allow him to comment. I would not like it to appear in *Hansard* that the Chair is allowing discussion on a ruling. A preliminary ruling is quite acceptable.

Mr. Deans: I apologize, Madam Speaker; I obviously meant preliminary ruling. Any time I use the term "ruling", I authorize *Hansard* to insert the word "preliminary" in order that never again will I be seen to be out of order.

I am dealing with Motions Nos. 2, 3, 4, 5, 12 and 17. In the majority of cases what we have proposed is not different in even one word from what is already contained in the Bill. We have proposed moving the definition from one part of the Bill to another part of the Bill for ease in the public's dealing with the Bill. It is appropriate for us to suggest that the definition clauses be grouped together so that those who have to deal with the Bill can refer to the definition section and find all of the definitions in that one section so that they can deal with them.

● (1210)

It may not be the desire of the Government to accept that, but I contend that that is clearly in order. Erskine May, Nineteeth Edition, page 527, says on the transfer of clauses that a clause or series of clauses may be transferred on motion from one place in the Bill to another place specified in the motion. What we have done is move in that way. I will deal with the amendments one at a time. There is no attempt on

our part to alter any of those amendments but simply for ease of handling to move those clauses to another part of the Bill.

Let me give an example. I will not read it into the record, but Motion No. 2, the base scale amendment, is identical to a portion of Clause 34(1) of the Bill. We are simply suggesting that it be moved. Motion No. 3 deals with CN adjustments. The content of what we have said capsulizes what was contained in Clause 56(1) of the Bill. It does not alter it in any substantive way. It does not require any additional expenditure by the Crown. It is simply another way of defining the same circumstances. I suggest there is nothing out of order in that. Motion No. 4, the cost change per tonne, is in essence exactly identical to Clause 54(1). We are asking only that it be moved from where it now is to another part of the Bill. Under Motion No. 5, Crow benefit, we have in essence taken exactly what appears in the definition of Crow benefit and moved it to another part of the Bill, consistent with our view that those definitions should all appear in one place.

Motion No. 12, final adjustments, similarly, with minor word changes, does not alter the purpose, nor does it impose upon the Crown any additional expenditure, but simply moves the clause with some word alterations. The word alterations do not in any way negate the principle of the definition that exists in the Bill. Neither does it require the Government to spend more. In fact, it may well require the Government to spend less.

Under Motion No. 15, interim adjustment, the same is true, and minor word changes exist only because our motion did not include report stage amendments. Under Motion No. 17, the rate of cost change, the same situation prevails. The substantive part of what we have done is move that definition from one place in the Bill to another place in the Bill.

I suggest in tentatively ruling that they are unacceptable—they may well be unacceptable to the Government and the House of Commons in a substantive sense, but in terms of their procedural acceptability—they do nothing to alter the purpose of the Bill as set out in the long title. They do nothing to alter the method to be used in determining what the interpretation is intended to serve. I would ask that those amendments in particular be allowed to stand for that reason.

In addition, I ask that it be ruled that it is appropriate. As I suggested, according to Erskine May it is appropriate for Members to move a motion, which we would be doing, a clause of this Bill, in this case that section of a clause, to another part of the Bill. I do not see that there can be anything out of order in that.

I now want to turn to Motions Nos. 6, 7, 8, 11, 12 and 67. They are motions that in one way are grouped for purposes of the interim ruling of the Speaker. They have been ruled by the Chair in the interim ruling to be substantive changes in many instances to interpretative clauses. I will deal with them one at a time because it is necessary to do so. We have made no substantive changes.

Motion No. 12, for example, moves the definition to the front, as do the other motions. Motions Nos. 6, 7, 8, 9 and 11 have changes contained within them, but the changes would, in effect, reduce the cost to the Crown. Surely it is within the prerogative of the House of Commons to propose amendments which would reduce the cost to the Crown. That is a well held prerogative of the House.

My colleague the Opposition House Leader indicated yesterday all of the precedents for that. I am sure I do not have to go into them. I am quite confident that the Chair is as aware as every other Member that a Member of Parliament can rise at any time on any financial Bill and move that the amount be decreased. They certainly may not rise as per the Standing Orders of the House of Commons—

Mr. Nielsen: You cannot do it on second reading.

Mr. Deans: My colleague says you cannot do it at second reading, but you certainly do it when those clauses are rightfully before the House of Commons, and the clauses would be before the House of Commons were they to be ruled admissible at this point in time. We are not arguing that we should have the right to increase the Crown's financial prerogative. We are not arguing that what we have proposed here will require upon the Crown an additional tax or levy of taxation. It will not require the Crown to spend more public moneys than are outlined within the Royal Recommendation. In many instances, if they were to be carried by the House after substantive discussion, they would in fact reduce the cost to the Crown. I claim that is quite clearly within the prerogative of the Opposition, or for that matter within the prerogative of the Government or any Government Member. I am not going to read the authorities in.

The example I would use so that the Speaker can check it is Motion No. 9. It applies to all of them, I believe. Motion No. 9 limits the liability to the Government for grants to the railroads. It modifies the existing wording, but it is not contrary to the long title. It is not even contrary to the content of the Bill, regardless of how you define the Bill. It says that there can be grants, but it is not necessary that the grants be made. We believe that should be deemed to be admissible. Whether it is acceptable subsequently in the debate to the House as a whole is a question that can be dealt with later, but it certainly should be admissible.

It has been indicated that Motion No. 12 is deemed to be contrary to the intent of the Bill, yet in this instance again all we are doing is relocating existing wording within the Bill. I will not make the argument; it has already been made. We see no reason why we cannot do that.

Motion No. 13 has to be considered in consequence with Motion No. 14. I have argued that Motion No. 14 is perhaps not acceptable. I am not going to make that argument, but if it were to be decided by the Chair that my argument is not one that can be sustained, then I suggest that Motion No. 13 carries the same obligation; and if Motion No. 14 is therefore acceptable, then Motion No. 13 should at least be offered for debate. That alternative plan, if you will, does not go beyond the Royal Recommendation for Motion No. 14 nor does it go beyond the definition or the long title of the Bill. If one is to be

acceptable, then both should be acceptable. If one is ruled out, then I concede that both should be ruled out. I believe that that argument is important.

• (1220)

I now deal with Motions Nos. 15, 16 and 17. Motion No. 17 merely moves the definition to the front of the Bill. It is unamended and contains the exact wording as contained in the Bill previously. Motion No. 16 moves and amends the definition but it is an important definition. We have apparently agreed in principle that the definition of the purpose of the Bill is, as I have said, "An Act to facilitate the transportation, shipping and handling of grain".

This motion quite clearly falls four-square within that particular purpose as set out in the long title. This motion deals with shipper costs and there are a number of amendments before us that deal with shipper costs, some moved by the Government and others alternatively moved to try to provide a different way of dealing with what is supposed to be the principle of the Bill.

We are not suggesting that we should deal with other than what is contained in the Bill. We are not suggesting the Government should spend more money than the Royal Recommendation permits. We are suggesting that the money should be spent differently. It would seem to us that if we are not exceeding the Royal Recommendation and if we are clearly within the scope of the Bill in terms of its long title, then an amendment to change the way in which the money is spent should at least be in order for debate. Again, whether or not it is acceptable in principle by the Government or by anyone else is a question to be decided by a vote of the House of Commons, but it is a question that can only be decided by a vote of the House of Commons.

Our argument on Motion No. 16 is clear. We have offered, within the scope of the Bill and within the Royal Recommendation, another way of accomplishing the purpose of the Bill as set out in its long title and also as set out in debate. We are offering another way to achieve the same objective, albeit perhaps with less onerous consequences.

We believe that the decision to be made in this case is a political decision and should be made in the House of Commons after proper debate. It is not one that should be made as a Preliminary ruling of the Chair to the effect that the motion is or is not within the scope of the Bill or that the motion does or does not infringe upon the Royal Recommendation. In our judgment, it clearly does neither of those two things.

In the interim ruling it has been suggested that Motion No. 18 is a substantive interpretation which again goes beyond the scope of the Bill. It is actually intended to limit the Government's prerogative to regulate system participants. Quite clearly, the Government has offered one way in which to solve what it believes is a problem. We have offered an alternative way. Our alternative way is again within the scope of the Bill in terms of the definition contained in the long title of the Bill. It is clearly within the scope of the Bill if one takes into account the Royal Recommendation.

Motion No. 18 narrows the scope of the Bill. It therefore reduces the cost but it does not introduce any new factors into the Bill. However, it does try to define more clearly who will be the recipients. In our judgment, it clarifies the intent of the Bill.

We initially considered Motion No. 18 to be a housekeeping amendment. We believed that it fell into that category and we were a little surprised to find that it was more than that. However, we do believe that it is again an amendment that must be decided politically. As long as it clearly deals with the same subject matter and not with other legislation and does none of the other things that I have referred to, it is a motion that should be considered as being within the scope of the Bill.

The suggestion has been that Motions Nos. 19 and 70 go beyond the scope of the Bill and are contrary to its purpose. We would make an argument that applies in every instance. To be beyond the scope of the Bill, we must deal with something other than that which is contained in the long title of the Bill. To be beyond the scope of the Bill, we must offer alternatives that are not envisaged as being practical and possible within the definition as set out in the long title of the Bill. We have not done that. We have said that among the many things that could be done with this legislation, our Motions Nos. 19 and 70 should be considered as things that could possibly be done.

Again, Motions Nos. 19 and 70 do not require that the Government spend more money than is allowed by the Royal Recommendation. In fact, if implemented, they would require that the Government spend less than allowed by the Royal Recommendation. Our argument is again quite clear, as it was on the previous motion. While I do not deny for a moment that it is an amendment of consequence, it is one that will have considerable force and effect on the people who will be required to change as a result of the Bill. It is still quite clearly within the scope of the Bill and is still quite clearly within the Royal Recommendation. I would argue that those are the two primary tests of whether or not an amendment is admissible for the purposes of debate and disposition by the House of Commons.

I turn now to Motions Nos. 20, 21, 22, 23, 36 and 41. Motion No. 20 deals with the disposition of the Dominion coal lands. I am at a loss to understand why it goes beyond the scope of the Bill. The disposition of the Dominion coal lands is clearly mentioned in the Bill. The ultimate disposition of the Dominion coal lands is not spelled out, but again, I argue that our amendment simply indicates that if we are to dispose of the Dominion coal lands, we must dispose of them in such a way as would give the Province of British Columbia the jurisdiction. We do not suggest that anything else should happen.

Quite clearly, the question of the disposition of the Dominion coal lands is contained in the Bill, although I must confess that in this instance I suspect it should not be contained in the Bill. I do not think that that matter has any place in the Bill under any interpretation that any reasonable person would make when analysing the long title of the Bill. I frankly do not

believe that the long title in any way has any provision for disposition of the Dominion coal lands. If you recall. Madam Speaker, that is why on numerous occasions I have asked that the Bill be split. Quite frankly, and I have made the argument before, the long title of the Bill has nothing at all to do with the Dominion coal lands. It seemed to me as if it were stuck in there at the last minute by someone who, in the dead of night, thought that he could perhaps sneak it through.

● (1230)

My first request of the Speaker would be that the Speaker determine that that particular section is not appropriately in the Bill. However, if the Speaker were to determine that that is beyond the scope of the Speaker—and I ask that that be looked at—that it does not fall four-square within the long title and therefore ought not to be contained within the Bill, then I would ask that the amendment which we have placed be seen to be appropriate for debate and disposition, in a political sense, in the House of Commons.

I pose two questions for the Speaker in that regard. I would argue in a substantive way that the long title could never, never be seen to include the disposition of the coal lands. If that is beyond the scope, I would argue that Motion No. 20 is quite clearly a motion which should be dealt with politically. It deals with provisions the Government has placed in the Bill. We are suggesting how they should be disposed of. Our suggestion is that it should go to the Province of British Columbia, and I think that option is for the House of Commons to decide. I would ask, therefore, that Motion No. 20 be deemed to be suitable for debate and for disposition by the House of Commons.

I turn now to Motions Nos. 20 and 21. In the Speaker's preliminary ruling on Motion No. 22 the Speaker has indicated a predisposition that the new subsection would enforce conditions and burdens on the Canadian Pacific Railway not contemplated in the Bill, as agreed by the House on second reading. I want to draw to your attention, Madam Speaker, that those kinds of things were not contemplated at second reading because it is inappropriate to contemplate them then. One can deal only with the principle of the Bill at second reading; it is not possible to contemplate the various and many clauses in the Bill at that time.

The principle of the Bill is to facilitate the transportation, shipping and handling of western grain. We contend that one of the two parties to the transportation, shipping and handling of western grain is the Canadian Pacific Railway, and that it is not unreasonable for the House of Commons to want to impose restrictions or to direct how the legislation will affect one of the two major carriers. We were not in a position to debate that at second reading; it is clearly outside the scope of what is acceptable debate at second reading and it is, therefore, only acceptable in the form of an amendment.

It may well be that the amendment we have put before the House is not politically acceptable, but that is not the question before us, as I argued in the case of the Minister of Transport (Mr. Axworthy); what is before us is whether it is procedurally proper to place it before the House.

In this amendment we are suggesting that just as there is in place today an agreement between the Government of Canada and the shippers, and just as this Bill intends to alter that agreement, the terms and conditions of the existing agreement and all of the terms and conditions surrounding that existing agreement are subject to discussion here. What was the subject of serious negotiations when the original agreement was entered into surely is a subject for continued negotiation when the change takes place. That is our argument in a nutshell—that if I enter into an agreement, the terms of conditions of that agreement are all on the table if we decide to change the agreement. That may not be the case if we decide to change it in some minor way, but in the case we are changing the agreement substantially.

The Government has decided to abolish the agreement that existed in Canada which required that the Crowsnest Pass freight rate, the statutory grain rate, should be in force and effect in perpetuity. The Government has decided to alter that; it has decided to impose a new regime. We contend that those questions which were legitimately before the participants at the time of the original agreement was signed are now open for debate.

I put it to the House that those participants never envisaged that the perpetuity of the agreement they were signing would somehow or other be abridged or interfered with the House of Commons at a later date, and that is why they made it a permanent feature. Be that as it may, they arranged certain things with the two railroads and with one in particular, CP, in return for an agreement which they signed. We are now dealing with that agreement. I contend that it is not beyond the scope of this Bill and that it is not contrary to the Royal Recommendation because what we are proposing requires no expenditure of any kind. It is not beyond the scope of the Bill to address in the House of Commons, by way of amendment, changes which would conform with the intent of the existing legislation to preserve the costs for western farmers to a level deemed at that point in time, to be acceptable.

I would therefore argue that on Motion No. 22 the Speaker agreed that a decision is in order on whether some compensatory factor by way of claim by the people of Canada upon the railroads, which were given significant benefits at the time they agreed to carry grain at a statutory rate should be made. A compensatory clause is not out of order.

Motion No. 23 follows on Motion No. 22 and therefore requires no further elaboration; the same basic argument would hold.

Motion No. 36 and Motion No. 41 prohibit the Administrator from regulating bodies other than railways. We believe it is legitimate to place a restriction and we do not see why the House of Commons would be denied the right to move amendments which would restrict the scope of the Administrator. It may be that from the point of view of the Government or the Official Opposition that is not desirable, but it is not what we

are arguing today. What we are arguing today is that it is appropriate that it be placed before the House of Commons.

Motion No. 36 and Motion No. 41 are consequential amendments and flow from Motion No. 18. If my argument on Motion No. 18 is acceptable, then I would argue that the arguments on Motions Nos. 36 and 41 are equally acceptable. They limit and narrow the scope of the Administrator to oversee only the railroads.

• (1240)

Mr. Benjamin: I beg your pardon; I am wrong.

Mr. Deans: My colleague now tells me he is wrong, so I will go back to it.

Mr. Benjamin: It was not No. 29 that was deferred.

Mr. Deans: In any event, I will come back to that. Motions Nos. 36 and 41 should be in order, just as Motion No. 18 should be in order. Again, I do not see how it could not be the prerogative of the House of Commons to offer amendments which narrow the scope of an Administrator who is to be defined in the Act and given responsibility for administering this Act. It may be that it is politically unacceptable. It may not fall within the view of the governing Party, or even the Official Opposition, that the administrative function should be narrow, but in our view it should be. We are not altering in any way the clear mandate set out in the long title; neither are we increasing the charge to the public purse. We are simply saying that the responsibilities which have been given to the Administrator are too broad and we would like to narrow them down a little. Perhaps we would like to narrow them down substantially, but the decision about whether or not they should be narrowed down is not a decision of admissibility, surely, it is a decision of politics, and we would argue that that is in fact the case.

I would go back for a moment to Motion No. 28. What we have said is that the Grain Transportation Committee should be made up somewhat differently from what the Government has suggested. We are not saying it should not exist, becaue we know we could vote against it. We are not saying there should be an additional charge on the public treasury, because it will be made up of similar numbers. We are saying it should be made up differently, that the participation in the actual committee itself should be a different participation from the one offerec by the Government.

It seems to this Party that that is a legitimate matter for debate. It is not a question of rewriting the Bill, of deviating from the long title or charging to the Government substantial new sums of money. At the moment I am sure the Government does not know exactly how much the Grain Transportation Committee will cost in any event. That is going to be very difficult to determine at this point in time because the cost will fluctuate. We are suggesting that an amendment to the numbers, and as to who should participate as full members, is surely clearly within the scope of the Bill. It is clearly within the definitions envisaged by the long title and is certainly not an infringement on the financial prerogatives of the Government as contained in the Royal Recommendation.

We would argue, therefore, that that amendment, again like the others, should be decided here. It is up to the Government if it does not want it, but it is certainly legitimate to say that instead of having a representative from this place, there should be a representative from another place, and that is what we are saying. We believe that motion should be considered and allowed to stand.

Motions Nos. 67 and 70 are consequential again and will depend upon your ruling on Motion No. 19. I just bring that to Your Honour's attention.

Motion No. 89 is a substantive motion in the sense that it is difficult to explain. Perhaps I might, if you will allow me, have my colleague from Humboldt-Lake Centre (Mr. Althouse) explain exactly how that works, if that is acceptable. It will not take my colleague a great deal of time, but the subject is technical. I do not want to pretend for one moment that every technical part of this Bill is carefully tucked away in my memory; it is not.

Motion No. 151 brings in the question again of the British Columbia Railway and whether or not it should be considered as part of the grain transportation system. I suggest that quite clearly it is a part of the transportation system for the movement of grain. It is already a part of the transportation system for the movement of grain. The Bill purports to be an Act to facilitate the transportation, shipping and handling of western grain. It cannot be done properly without the British Columbia Railway being seen to be part of it.

We are suggesting, first of all, that our amendment is not beyond the scope of the Bill. Being beyond the scope would take it completely out of the question as to whether or not it deals with the transportation, shipping and handling of grain. We contend further that it would not cost money. Therefore, in that way it does not fall outside the Royal Recommendation. We are trying to spread the benefit available, if you will, among the farmers to the shippers who are legitimately in the business of shipping western grain. They are not going to ship any more grain if the British Columbia Railway is included; they will still ship the same amount. Therefore, the charge on the public treasury will be no more than the charge is today. We are suggesting, however, that since the British Columbia Railway is legitimately part of the over-all and integrated railroad system, transporting grain on the British Columbia Railway should be seen as acceptable within the terminology and definitions of this legislation.

I reinforce the point by asking this: If we are going to ship grain in western Canada—and I do not know what the amount will be—how will we ship it? It does not alter the amount we ship; the amount we ship is determined by the marketplace. If it is shipped on Canadian Pacific or Canadian National, it qualifies under this legislation. If it is shipped on the British Columbia Railway, it does not. We suggest that this is a political decision. This motion is clearly within the scope of the Bill. It is clearly not an infringement on the Royal Recommendation. It is, therefore, clearly in order.

I believe, in fact, if I may be so bold, that we could mount a substantive argument which would be acceptable in the final analysis, given the opportunity in the House of Commons. I see the former Minister of Transport sitting nodding his head. I do not know if he is nodding in agreement or whether he is simply amazed. I am not going to ask him. However, I would like to put to him—

Mr. Pepin: I am just wondering if the BCR want to be included.

Mr. Deans: Of course it did. It wants to be involved.

Mr. Benjamin: You should have thought about all this when you drafted the Bill.

Mr. Deans: I think the Minister, given the opportunity, would agree with my argument that shipping of grain would not increase or decrease by including by the British Columbia Railway. Therefore, there would be no additional charge.

Mr. Pepin: BCR already benefits, as you know.

Mr. Deans: I have dealt with the Dominion coal lands question and that is left to your determination. There are two matters before you which can be dealt with, I believe, quite reasonably. Motion No. 173 amends the Schedule and includes new crops. I believe the difficulty with which the Chair and its advisers are faced would be that it would add to the cost as defined in the Royal Recommendation. I believe that may be their problem.

We contend that this is not the case. We are saying that farmers can only use their land for one crop. Therefore, if product "A" is eligible for benefits but product "B" would grow better and there is a market for it, then the farmers should be encouraged to grow product "B".

• (1250)

Mr. Evans: Why do you think we are getting rid of the Crow?

Mr. Benjamin: That does not do it. You do not understand.

Mr. Deans: Simply put, this amendment gives a broader scope to the farmer to determine which of the various products is needed and therefore should qualify under the shipment provisions. If he is not growing grain, then obviously he is not shipping grain. However, if he is growing another product for which there is a market, then quite clearly it can be shipped and will take the place of the grain. It is just that simple. We are not changing the amounts of money, neither are we moving outside of grain. I want to make that point forcefully. We are still talking about grain when we are talking about amendments. Therefore, we urge that you recognize, Madam Speaker, in your reconsideration, that Motion No. 173 should be determined politically rather than on a technical admissibility basis.

Finally, Motion No. 174—

Mr. Benjamin: Go another eight minutes.

Mr. Deans: My colleague says go another eight minutes. You can tell I am going as fast as I can.

Motion No. 174 changes the title of the Bill for the very reason that you, Madam Speaker, were confused about in your third preliminary ruling. We have argued from day one that the purpose of the Bill was to eliminate the statutory freight rate and put in place a new regime. It may also be interpreted as having something to do, substantively or otherwise, with the transportation, shipping and handling of western grain. But nowhere in the long title of the Bill is there any mention at all about the intention of the Government to abolish the statutory grain rate. We find that most objectionable and we think the long title should reflect what is truly in the Bill.

Not only that, but in every single reference, whether one looks at Erskine May or back to British parliamentary tradition, you can find quite clearly that it says categorically that it must reflect what is contained in the Bill. I contend, Madam Speaker, there is no way that any person of average intelligence reading the long title of this Bill—and I put it to you for the last time, "an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof"—could interpret that to mean that we were abolishing the statutory grain rate.

So I return to the argument I made on the Dominion coal lands. Either the long title is wrong and out of order, or the Bill is wrong and out of order. I contend the Bill does not reflect what the long title says and I ask again that the Speaker make a decision on whether or not the Government can proceed with the Bill, given that the long title does not reflect those things. I ask that you make a determination that what is in this Bill is inappropriate and unacceptable, unless it is clearly set out having regard to the clearly understandable definitions of what would be acceptable under the long title.

I have argued since day one that the Bill deals with three matters and that they are unrelated. It deals with the setting up of a regime on transportation not only to handle grain but many other things. It deals with the question of the statutory rate and the decision of the Government to move politically to alter that. It deals with the disposition of the Dominion coal lands. Only one of those three things falls under what could reasonably be interpreted as having anything to do with the long title.

I have asked the Government, as you are aware, Madam Speaker, to alter the Bill in such a way as to allow it to be dealt with as it should have been dealt with. We in this Party are prepared to deal with the transportation, shipping and handling of western grain, and similarly but separately deal with the question of the disposition of the Dominion coal lands. We are prepared to debate the question of the Crowsnest Pass freight rate. But we do not believe this Bill is proper. We consider the long title as being abrogated because of the Government's insistence on dealing with three unrelated matters.

I ask you, Madam Speaker, to look at the precedents involved and determine whether in fact what we now have before us is properly before us.

Mr. Evans: Madam Speaker, I would ask if it would be in order now to respond to a point raised by the Hon. Member for Yukon (Mr. Nielsen) yesterday regarding the Royal Recommendation.

Some Hon. Members: One o'clock.

Mr. Evans: Could I call it one o'clock, Madam Speaker?

Madam Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.05 p.m.

Mr. Deputy Speaker: Order. When the House adjourned at one o'clock, the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) had the floor.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the reason for my intervention at this time on the arguments with regard to procedure relates to an intervention made yesterday by the Hon. Member for Yukon (Mr. Nielsen) with regard to whether or not Royal Recommendation had been provided in the required form for some of the Government's amendments. In his intervention, the Hon. Member relied upon two citations from Beauchesne to support his argument that a Royal Recommendation had indeed not been appropriately given. He first quoted Citation 548, found at page 183 of Beauchesne's Fifth Edition, which states:

> Amendments to Bills are out of order if they attempt to substitute an alternative scheme to that proposed with the Royal Recommendation. *Journals*, April 11, 1939, p. 325.

That particular citation was brought into conjunction with our Standing Order 79(6), which indicates:

> When a recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least twenty-four hours written notice shall be given of the said recommendation and proposed amendment.

The Hon. Member then said: "Citation No. 548 in Beauchesne's gives me some difficulty in that it appears to contradict Standing Order 79(6)". I would agree that the interpretation he gave to Citation 548 does indeed contradict Standing Order 79(6). The solution to his dilemma was apparently found as he went back to Citation 540 of Beauchesne, which deals specifically with the Royal Recommendation and states:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the Royal Recommendation is attached, must be treated as laying down *once for all*—

The Hon. Member made much of the words "once for all". It continues:

> —(unless withdrawn and replaced) not only the amount of the charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

The following is the important part of the citation which the Hon. Member perhaps did not notice to a proper extent:

> And this standard is binding not only on private Members but also on Ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the Royal Recommendation to new or supplementary resolutions.

The problem in this particular case is that when Beauchesne's Fifth Edition was brought out in its revised form, the editorial changes were lacking in this particular area. Citations 540 and 548, referring to the nature of the Royal Recommendation, continue to put forward a point of view that reflects, in content, the procedures that were established prior to 1968 and prior to the time the rules were revised. In other words, when Beauchesne's Fifth came out it did not reflect the changes made in 1968 to the Standing Orders of the House.

● (1410)

Prior to 1968, as we all know, Mr. Speaker, the procedure used with regard to Royal Recommendations dealt with a resolution. A resolution was put; the Minister would stand and put the recommendation. After 1968, this procedure was changed substantially and the present procedure does away with the resolution stage and substitutes the printed recommendation with the notice. Citation 540 at the end, as I mentioned, makes it clear that Ministers may:

> —secure the Royal Recommendation to new or supplementary resolutions.

With the resolution stage abolished, this clearly must now be interpreted to mean that Ministers may obtain new or supplementary Royal Recommendations that are printed on the Notice Paper. Indeed, Standing Order 79(6), which was adopted unanimously by this House subsequently to the original writing of these obsolete citations in Beauchesne, provides exactly for this. The Rule, as I read earlier, is:

> 79(6) When a recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least twenty-four hours written notice shall be given of the said recommendation and proposed amendment.

This practice, the practice followed in Bill C-155 with regard to the amendments to which the Hon. Member for Yukon (Mr. Nielsen) made reference and objects to, is the precise procedure that has been followed in such cases for the past 15 years. I suggest the only error that was made is the error made by the Hon. Member for Yukon in not noticing that procedures had changed in 1968 and that these references he cited in Beauchesne were badly out of date.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport (Mr. Axworthy) gave the Government arguments why Government motions, in our opinion, should be acceptable. I will not repeat those. I just have some concerns about eight consequential motions that I would like to address.

The New Democratic Party attempted in committee, and again today their House leader attempted, to shift a number of definitions from the interpretation clauses No. 34 and No. 54 to the interpretation clause at the beginning of the Bill, which is Clause 2. In committee this was voted through. The majority felt that definitions such as "base rate-scale", "Crow benefit", "estimated eligible costs", are better off in Clause 34, in Part II, where the Bill deals with rates.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I think the arguments at the moment are as to the procedural acceptability and not as to whether or not the amendments should be in one section of the Bill or another. The Hon. Parliamentary Secretary is speaking about whether or not they should be in a different section of the Bill. The argument is really about their procedural acceptability and we remind him of that.

Mr. Flis: That is exactly what I am leading up to, Mr. Speaker, if the Hon. Member would just hang on to his seat for a while.

Madam Speaker had ruled out of order the insertion of definitions in Clause 2, Motions Nos. 2 to 7 inclusive, Motions Nos. 12, 15 and 17, but she did not rule out of order the consequential deletions of the respective definitions from Clauses 34 and 54 to which I referred earlier, Motions Nos. 60, 62, 65, 100, 103, 128, 132 and 137.

I would like to draw to the attention of the Hon. Member who just intervened that Motion No. 60 is consequential to Motions Nos. 2 and 3; Motion No. 62 is consequential to Motion No. 5; Motion No. 65 is consequential to Motion No. 7; Motion No. 100 is consequential to Motion No. 4; Motion No. 103 is consequential to Motion No. 6; Motion No. 128 is consequential to Motion No. 12; Motion No. 132 is consequential to Motion No. 15; and Motion No. 137 is consequential to Motion No. 17. In the Government's view, the consequential motions should also be ruled out of order.

If the consequential Motions are accepted but the main motions are not, we could have some difficulty later on at debate stage and at division stage. I would ask Madam Speaker to take my intervention into consideration when she is deciding whether or not these consequential amendments should be out of order.

Second, the House Leader for the New Democratic Party went on at great length before we broke for lunch, stating that the coal lands should not be included in the Bill. He was attempting again to split the Bill into three parts. I do not feel that debate has any place here, yet the Hon. Member did not call order when his House Leader was talking about the coal lands.

I would like to draw to Madam Speaker's attention that Clause 62 is included in this Bill because the coal lands were included in the Crow's Nest Pass Act.

Mr. Mazankowski: That has no bearing.

Mr. Flis: The title of the Bill is "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof". I think this clause pertains to that section of the title where it says "certain Acts in consequence thereof". What Clause 62 attempts to do is to remove the $2 per tonne limit in extracting this coal which, by inference, would indicate and imply that the coal could not be exported. By lifting this $2 per tonne limit the inference now would be that the coal can be exported. Is this not what the Bill is all about—to improve our transportation system so we can improve our exports?

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I want to speak specifically to Motion No. 1. I deferred to our House Leader yesterday because he outlined in a much broader perspective our Party's position with respect to the Speaker's preliminary ruling. I think it is fair to say, if you have followed the debate, Sir, that the dilemma with which the Speaker and indeed the House is faced is that there seems to be some confusion or lack of clear definition as to the intent and purpose of this Bill. The whole procedural debate has seemed to centre around that point. I think that caused the committee some difficulty as well. I know the distinguished Chairman of the Standing Committee on Transport wrestled with that very issue.

It was interesting to note the Speaker's remarks yesterday. She pointed out that she had placed an interpretation on the intent of the Bill and she stated:

> The purpose of the Bill, as I understand it, is to provide for new rates for the movement of grain through the Crowsnest Pass.

● (1420)

In the title of the Bill there is no mention of the Crow's Nest Pass Act or of the Crowsnest Pass freight rates. Bill C-155 simply indicates that it is:

> An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

It is very clear, according to the submission of my House Leader and that of the House Leader of the New Democratic Party, that as long as there is not a clear statement of intent and purpose attached to the Act, it will be very difficult to rule with any degree of accuracy I know the final decision will rest in your hands, Sir, but the fact remains, notwithstanding the ruling being made, one would have to say that under that broad title a lot of latitude should be provided for debating and considering motions which affect the transportation, shipping and handling of western grain. Unless there is entertained in the course of report stage a clear statement of purpose and intent, it will be compelling upon you to ensure that the widest possible latitude be allowed in the consideration of the presented motions.

In Motion No. 1, I attempted to define the statement of purpose and intent. It is consistent with the title of the Bill and with the contents of the Bill. Perhaps it is not all-encompassing but it more clearly defines what the Bill is actually setting out to do. It was patterned after a similar statement of purpose and intent contained in corresponding pieces of legislation

relating to transportation, namely, the National Transportation Act, which really should be considered as the umbrella piece of legislation under which this Bill will function, and the ports Bill. In my motion I attempted to define a similar statement of purpose. In part my motion reads:

It is hereby declared that an economic, efficient and reliable grain transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the grain producers and to maintain the economic well-being and growth of western Canada, and that these objectives are most likely to be achieved under conditions ensuring that

(a) grain producers retain the benefit of a statutory freight rate and are protected from freight rate increases disproportionate to international grain prices;

(b) the railway companies and the Government of Canada accept a continuing obligation to provide producers with a special transportation rate for the movement of grain;

(c) the Government of Canada makes an annual financial contribution to the grain transportation system to ensure fair compensation for the movement of grain;—

It was patterned after the thrust of Section 3 of the National Transportation Act which outlined the stated objective and purpose of that Bill. Unless we pull it all together, unless there is some clause that clearly defines the total objective of the legislation, we could bootleg clauses such as the one under Section 62 which, for all intents and purposes and for all times, transfers the Dominion coal lands to the federal Government and lifts the $2 per tonne freeze.

In terms of the necessity of its being included in the Bill, it is not required from a legal or technical point of view. Unless there is a broad statement of purpose, we could throw in everything but the kitchen sink. I submit that is wrong, but if we get away with it, Mr. Speaker, you will have to broaden the latitude under which you assess the procedural acceptability of the amendments being advanced.

The National Transportation Act is the umbrella piece of legislation under which most transportation laws and Acts are governed. In part, Section 3 reads:

It is hereby declared that an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete under conditions ensuring that having due regard to national policy and to legal and constitutional requirements

(a) regulation of all modes of transport will not be of such a nature as to restrict the ability of any mode of transport to compete freely with any other modes of transport;

(b) each mode of transport, so far as practicable, bears a fair proportion of the real costs of the resources, facilities and services provided that mode of transport at public expense;—

Then it outlines the essential components of achieving that objective. If we look at the ports Bill which was recently considered by the House in this session, it is consistent with the aims and objectives of the National Transportation Act and the aims and objectives set out in the clause of this Bill. Again under Section 3 there is a statement of purpose and intent which reads:

It is hereby declared that the objective of the national ports policy for Canada is to create a port system that

(a) is an effective instrument of support for the achievement of Canadian international trade objectives and of national, regional and local economic and social objectives;

(b) is efficient;

(c) provides accessibility and equitable treatment in the movement of goods and persons to users of Canadian ports;

(d) provides local port corporations with a high degree of autonomy—

The basic thrust of the new ports policy was to give local ports a greater amount of autonomy to run their own shop, so to speak. It is not only enshrined in the clause but it is enshrined in a statement of purpose and intent. It is very easy for a Speaker or anyone to rule whether in fact we are stepping beyond the bounds of the parameters contained therein.

My statement of purpose enshrined in Motion No. 1 clearly serves to fit that bill, clearly tries to help consolidate all the main objectives the piece of legislation attempts to achieve. I humbly submit that it is totally consistent with the thrust of the Bill and that it should be considered in terms of rounding out a piece of legislation which will be so all-encompassing. Unless you are prepared to accept such a statement of purpose as being procedurally acceptable, I submit the confusion in terms of whether or not an amendment is in order or consistent with the intent will continue to exist.

If you persist in suggesting in your preliminary ruling, Mr. Speaker, that Motion No. 1, which is a statement of purpose, is out of order, it will be important for you to give widest possible consideration to the motions included for debate because of the broadness of this piece of legislation. The sky is almost the limit when it comes to dealing with amendments and debate having regard to the facilitating, shipping and handling of western grain.

● (1430)

Failing the acceptability of Motion No. 1, I humbly suggest and plead with you, Sir, that you give the widest possible latitude in considering the amendments presented herewith, unless the bulk of the amendments go beyond the Royal Recommendation; that is clearly a very different matter. But in terms of going beyond the intent, my humble submission is that the sky is practically the limit when you have a Bill with the title "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof". That is a very all-encompassing title. As I have reviewed the motions, they are very specifically and directly attached to that broad objective. Moreover, they are pertinent to the clauses of the Bill. I hope you will consider that when you make your final ruling.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I want to comment very briefly on this. From a personal point of view, it makes little difference to me whether there is a preamble to the Bill. I can understand the desire on the part of some Members to have a preamble. In cases of complex legislation, it might be good to have it accompanied by a preamble. It would make more definite the purpose and intent of the Bill, and would make committee work more precise.

In presenting his argument yesterday, the Opposition House Leader clearly stated at page 27832 of *Hansard,* referring to Motion No. 1:

> It would appear that the precedents would support the Chair. Citation 779 of Beauchesne's Fifth Edition reads:
>
> (2) Substantive amendments to the preamble are inadmissible unless the modification is proposed for purposes of clarification or uniformity.

This is not an amendment to a preamble. He further quoted:

> (3) Where the Bill, as introduced, does not contain a preamble, it is not competent for the committee to introduce one.

I hasten to add that while this is not the committee, it would seem that if it is incompetent for the committee to introduce a preamble, then at report stage it is also incompetent for the House to introduce a preamble. If you read the preamble, it introduces some intention at least that is not within the Bill. I simply make those comments for the benefit of the Chair in making its ruling.

Mr. Les Benjamin (Regina West): Mr. Speaker, in committee we discussed at some length Motion No. 1 in the name of the Hon. Member for Vegreville (Mr. Mazankowski). I wish I had the minutes with me. However, they are available for the Chair and the staff to peruse. Before getting into Motion No. 1, I want to refer briefly now, and I may refer later, to some remarks by the Parliamentary Secretary who emphasized in the long title of the Bill the words "and to amend certain Acts in consequence thereof".

It is drawing a very long bow, to put it mildly, to amend an Act allegedly in the long title that is in consequence of the object of the legislation when the Act being amended has nothing to do with the intent, limits or purposes of the legislation. For the Parliamentary Secretary to suggest that the opening up of the Dominion coal lands is in consequence of facilitating the transportation and handling of western grain is totally beyond me. That is why we have argued on many occasions that that section of the Bill is totally unrelated to the long title and should be split.

We in the Opposition had no choice but to move amendments to the Crow's Nest Pass Act of 1897 as it relates to the Dominion coal lands which in a preliminary ruling have been ruled out of order. On this issue we have to go back to square one. All that is in the Act of 1897 relating to coal is the price per ton of the coal. If you, Mr. Speaker, your advisers, the Parliamentary Secretary or anybody else can show me how that relates to an Act in consequence of the facilitating of the transportation, shipping and handling of western grain, I will be a monkey's uncle. I leave that point for now. There may be more said later.

I return to the arguments of the Hon. Member for Vegreville on the matter of a preamble. We have some Bills introduced with a preamble and some without. The argument is not whether a preamble is in order. The argument is whether Motion No. 1 goes beyond the Royal Recommendation and the intent of the legislation.

The Hon. Member for Vegreville has moved an excellent amendment. If it is accepted, we will want to move a lot of amendments to it. The Hon. Member has done something the Government should have done. The long title is only two and one-half lines long. The Government, as the Chair has found, has run all over the lot with this Bill. Whether it is with regard to definitions or dealing with other pieces of legislation, the Government has not done its homework.

At a press conference at the end of May, the Government announced certain amendments to the Bill. When we waltzed into the committee, there sat the Government with egg on its face. It had not done its homework. It had the whole month of June to change the Royal Recommendation and bring in the preamble. If I recall, it was in the month of June that the Hon. Member for Vegreville was asking why there was no preamble. The Government had the whole month of June in which to prepare a preamble and bring in amendments to the Royal Recommendation. Instead of that, it came to committee with a boar's nest of a Bill on which it had not done its homework, and now it is asking the Chair and the Opposition Parties to sit back and correct its errors of omission and commission.

● (1440)

As I read Motion No. 1, Mr. Speaker, it does not go beyond the Royal Recommendation and it does not go beyond the intent of the Bill. It spells out in seven paragraphs the intent of the Bill. I do not know how that can be found to be out of order.

The Chair has said in its preliminary ruling that this motion is an attempt to introduce into the Bill a disguised preamble. In the first place, there is nothing disguised about it. It is my understanding after reading the motion that the Hon. Member for Vegreville is being perfectly straightforward. He is introducing a preamble.

Mr. Mazankowski: A statement of purpose.

Mr. Benjamin: It is a statement of purpose. That is what a preamble is. There is nothing disguised about it whatsoever. Preambles to legislation, are not unusual or to constitutions or a host of other things.

The Chair said in its preliminary ruling that this point is an interesting one. I am glad to know that the Chair is interested because we are as well. As the Chair has said, it is not often, it is true, that an Hon. Member attempts to amend a Bill in such a way as to include a clause setting out the objectives of Parliament in relation to the transportation of grain. However, Mr. Speaker, the long title says that the objective is to facilitate the transportation, shipping and handling of grain. I do not find that so unusual. The Hon. Member for Vegreville is only enlarging upon what is already in the long title.

In its preliminary ruling, the Chair also went on to say that the motion of the Hon. Member for Vegreville did not include the normal "whereas" paragraphs. If it will be helpful to the Chair and to the Hon. Member for Vegreville, I would be willing to move some subamendments that would add the "whereas's", which would be perfectly in order under the rules of the House at report stage.

The Chair went on to say that the Hon. Member is attempting to do indirectly what he cannot do directly. Well, Mr. Speaker, I dispute that. The Hon. Member is trying to do directly what the Government could do directly. He does not go beyond the Royal Recommendation or the purpose of the legislation. I believe that preambles should exist, particularly in the most important of legislation.

Mr. Lewycky: We've got one in our Constitution.

Mr. Benjamin: Yes, there is one in our Constitution, as my hon. colleague has said.

Motion No. 1, Mr. Speaker, allows for the inclusion in the legislation of an item which will allow the House to interpret the intent, purpose and royal prerogative of the legislation. Surely the proper forum to discuss and vote upon whether or not there should be a preamble, and the proper forum to discuss what is or is not allowable in that preamble, is the House of Commons.

There are precedents for and against preambles. There are examples in this country and many others, whether it be in Parliament or a portion of Parliament or in any of the host of organizations with constitutions and bylaws, of the existence of preambles. A preamble is almost a prerequisite.

I fail to understand the Chair's concern. A preamble should be admissible as long as it falls within the rules that guide us, the Royal Recommendation and the intent of the legislation. As long as it falls within those bounds, then surely an amendment from either the Government side or the Opposition side to incorporate a preamble, whether it be disguised or not, is perfectly in order.

I am intrigued by the wording used by the Hon. Member in his preamble. I know he has laboured long and hard on this and I think Members from all sides can agree with some parts of his preamble. There are some portions about which there will be debate and amendments, but in that case the House of Commons will sort out what the long time really means, and that is all a preamble is.

Consequential to a preamble, which is nothing more than an extension of the long time of a Bill, are amendments, and I know the Chair will hurriedly rule if an amendment goes beyond not only the long title but the preamble. We will all be guided by that.

I tried to move a motion in committee to amend the long title. My motion was contrary to what the Parliamentary Secretary had to say about the Dominion coal lands having something to do with the handling and transportation of grain. The only avenue to have left is to move amendments regarding the long title of the Bill. We could perhaps move to make the long title read like a preamble. Would it be in order if we were to move an amendment to an amendment here at report stage that would make the long title read like a preamble? I doubt if anyone wants to see that on the front page of an Act of Parliament.

I submit, Sir, and urge upon the Chair that you reconsider most seriously the acceptability of the proposed Motion No. 1 moved by the Hon. Member for Vegreville, find that it does not go beyond the bounds of the legislation and that it is nothing more than ancillary to the long title and the purposes of the legislation, because that is all it is.

● (1450)

If there are words, a paragraph, a sentence or a phrase in Motion No. 1 that go beyond the Royal Recommendation or beyond the purpose of the legislation, and it could be argued later, then I am sure the Hon. Member for Vegreville or any of his colleagues would be prepared to move a subamendment to correct it.

It seems to me that a long bow is being drawn, as was the case with the coal lands, and that extra lengths have been gone to to find out why we cannot have a preamble. If the preamble had to do with an operative clause or if it were an operative clause, then I suppose the Hon. Member for Vegreville would not have moved it in the first place. But it is not an operative clause; it spells out in very good language what the long title is all about. Surely the House should be entitled to discuss the pros and cons of what should be in a preamble. I think it opens up an area for the House of Commons. Even if it is a new regime—and I do not think it is—it places a requirement upon Government and Opposition Parties to discuss what the purport of the legislation is.

I close by saying to you, Mr. Speaker, that his is not really an issue requiring details of parliamentary precedents going back to 1066; this is a matter which is properly not only political, but also has to do with good legislative form. There is nothing wrong in the rules, and whether it is a new practice or whether there are precedents to allow it or disallow it is really not the point. This does not do violence to the purport of the legislation, nor does it do violence to the Royal Recommendation. Unless that can be shown, then it seems to me that Motion No. 1 is in order.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I wish to bring to the attention of the Chair some points on Motion No. 1 and the reasons why we on this side feel it is very important to have a statement of purpose included in the Bill. I will start by referring to the Speaker's initial ruling. On page 3 of the ruling, in the second paragraph, the Speaker states:

> The purpose of the Bill, as I understand it—

I should like to emphasize the Speaker's words "as I understand it".

> —is to provide for new rates for the movement of grain through the Crowsnest Pass.

As simple as that may sound, when you study the Bill and spend four months on it as the members of the Standing Committee on Transportation did, you find that is not its sole purpose.

To go back to previous Acts of Parliament, for instance, when the National Transportation Act was revised and brought in, it started with a preamble. That preamble, compared to the statement of purpose proposed by the Hon.

Member for Vegreville (Mr. Mazankowski), has been used not only by the people the National Transportation Act serves, but by the courts, by the Canadian Transport Commission, and to clarify and direct the interpretation of every subsequent piece of legislation included in the National Transportation Act.

I should like to go through the purposes that are included in Bill C-155. When we travelled the country we were asked what the Bill is designed to do. When you look at it, you wonder if it is designed to increase rail capacity, if it is designed to move more grain compared to coal, sulphur, potash, lumber and other commodities. We have heard in this House that it is a job-creation Bill. Is the purpose of the Bill to create more employment in Canada? You wonder if it is to establish a new grain administration act, because that is included in it. Is it a Bill to provide more funding only for the railroads? Is it a Bill to make producers pay more for the movement of their products? Other Members have asked if it is to lift the freeze on the Dominion coal lands, or is it simply a Bill to dismantle the Crow rate?

The initial ruling of the Chair says:

—as I understand it, is to provide for new rates for the movement of grain through the Crowsnest Pass.

As I mentioned before, there are several other points included in the Bill. As you review the statement of purpose that the Hon. Member for Vegreville has presented, it has placed what Members on this side consider to be important points before the House.

If there are some things that other Members or the previous Minister of Transport find inconsistent with the objectives of Bill C-155, I should like to hear from them. When you look at the preamble you may find some definitions that are not actually consistent, but everything included in the statement of purpose proposed by the Hon. Member for Vegreville is consistent with the Act.

Mr. Flis: Mr. Speaker, I rise on a point of order. I think we would find this debate much more helpful if we could stick to what we are supposed to be debating, and that is the acceptability of Motion No. 1. The House Leader for the Official Opposition said on October 6, as reported at p. 27832 of *Hansard:*

I find myself in agreement with the Chair's concern with respect to Motion No. 1.

I should like Members of the Opposition to give reasons why Madam Speaker should accept the preamble. The House Leader of that Party said that it was not acceptable. I do not think the debate is on whether the Bill should have a preamble or not; that is not what we are debating. The debate is whether Madam Speaker can accept Motion No. 1. The Conservative House Leader said, and I quote him again:

I find myself in agreement with the Chair's concern with respect to Motion No. 1.

Mr. McKnight: Mr. Speaker, I think it is quite apparent that the Speaker made the ruling "—as I understand it, is to provide for new rates". That is the case that is being argued now, with the object of increasing understanding and knowledge so that decisions can be made to put a statement of purpose in the Bill. I am sure the Parliamentary Secretary would agree that the statement of purpose does not go beyond the Royal Recommendation. It does not increase the moneys expended by the Crown and it does not change the intent of the Bill in any way. If in the eyes of the Parliamentary Secretary that statement of purpose does change the intent of the Bill in some way, then I am sure the Hon. Member for Vegreville and other Members on this side would be pleased to hear about it. We would take a very conciliatory attitude toward changes that Members of the Government would like to see included or excluded from the statement of purpose. However, Mr. Speaker, it does not change the Royal Recommendation or the economic package in which it comes, the financial burden on the Crown, and it does not distort the meaning of the Bill, but only in our opinion clarifies and enhances the ability of people to know what the intent of Bill C-155 is. The long title of the Bill is:

● (1500)

An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

The first words of Motion No. 1 read:

1. It is hereby declared that an economic, efficient and reliable transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the grain producers and to maintain the economic well-being and growth of western Canada—

There is nothing inconsistent in those words. But if one continues to read one sees that it enunciates the other directions which are in this Act. Those of us who have taken part in this debate, and those of us who are in this Chamber now, will not be the only people interpreting this Act. If by some chance this Bill passes, there will be generations of grain producers, railroaders, legal counsel and Parliamentarians all trying to interpret the meaning of Bill C-155. I am not a suspicious man, but the reason could be that the Government would wish to have this open to other interpretations which we have not foreseen. I would not say that of the previous Minister of Transport because he worked on this Bill in a very open and forthright manner. I am sure he would like to see a statement of purpose for the Bill on which he spent 18 months. The previous Minister of Transport, on several occasions when he met with the standing committee, asked us to assist him in defining the purpose of Bill C-155. I see the former Minister of Transport now in the House and he is smiling. The present Minister of Transport (Mr. Axworthy), who is not in the House, also asked for our assistance when he came to the Standing Committee on Transport. The Government has even presented amendments which have been beyond the scope of the Bill and which have been found in the eyes of the Chair not to be in order. However, through the art of conciliation and through an understanding that we are working as a group to make this Bill the best Bill we possibly can, there will be discussion and debate on other pieces of this legislation which have been found out of order.

I believe, Mr. Speaker, that unless the Parliamentary Secretary or the Minister can point out where this motion goes

beyond the Royal Recommendation, beyond the expenditures of the Crown, or changes the interpretation and meaning of this Bill, I feel it would be incumbent on us, for the sake of generations to come, to clarify the rationale of Bill C-155 with a statement of purpose. I am certainly waiting to hear from the Parliamentary Secretary. I hope he will consider the feeling people might have when they view Bill C-155 without a statement of purpose. It may well be that once again the Government does not want to clarify it, because the railroads continue to interpret transportation Acts, and if the railroads are allowed to continue to do that, it may well be the reason why the Government does not want a statement of purpose in the Bill. That way the railroads could continue to have their own way with Bill C-155.

The Acting Speaker (Mr. Blaker): Hon. Members will realize I have just this moment occupied the chair. As I understand it, the House is presently considering points of order related to the Bill before the House. Therefore, I would need to understand whether the Hon. Member is rising to debate Motion No. 33 or whether he is rising on a point of order.

Mr. J. M. Forrestall (Dartmouth-Halifax East): At three o'clock in the afternoon of the Thanksgiving weekend, I do not need a lecture upon what is going on in the Chamber.

The Acting Speaker (Mr. Blaker): The Hon. Member has not received a lecture. I indicated that because I am newly arrived in the chair I would appreciate the Hon. Member's instruction as to whether he is rising on a point of order or is rising to debate Motion No. 33. It was a simple request.

Mr. Forrestall: Mr. Speaker, my understanding is that the Chair is now entertaining interventions with respect to the procedural acceptability of motions. It may well be that in the Chair's judgment and wisdom, the debate being on the first motion presented by the distinguished Hon. Member for Vegreville (Mr. Mazankowski), it may be somewhat improper for me to intervene. If it is quite proper, I assure you that I do know what the Chamber is doing. God knows, at three o'clock on a Friday afternoon of Thanksgiving weekend, everyone here not only knows the purpose for which the House is sitting, but is here because the matter is somewhat serious.

The intervention I would like to make, Mr. Speaker, flows in part from the intervention made by our House Leader yesterday in which he quite clearly, and I believe quite properly, interpreted part of Beauchesne's citations with respect to an amending Bill. My purpose in intervening at this point is to argue that in fact the Bill is not an amending Bill but is a Bill which stands on its own. Beauchesne, in a number of places—and other authorities—quite properly deals with the two different types of Bills. I would like to suggest that Bill C-155 is not an amending Bill but rather is a Bill which stands on its own.

The National Transportation Act, that ancient and not very venerable piece of legislation which governs transportation in Canada today, after 10 or 15 years is somewhat out of date, a fact to which the former Minister of Transport can attest. However, it does have a statement of purpose, a statement of objectives. Whether it is called a preamble, or whatever, I suggest is a matter of semantics. It does have the same intent and the same impact. I suggest that the Bill presently in front of us is a Bill of the same nature as the National Transportation Act itself. In other words, it is a Bill which stands on its own. The National Transportation Act, other than in character, does not refer to this Bill. The National Transportation Act, as the former Minister of Transport is well aware, is one which this Chamber must deal with. Had we, in fact, dealt with any uncertainty with respect to the nature of that legislation, the present Bill in front of us might not have arisen.

There is no doubt, Mr. Speaker, that Bill C-155 does not contain a statement of purpose, nor a preamble. We are basing our arguments in large measure with respect to the extension or the clarification of the long title—which I believe is quite possible on the admissibility of the motion. The motion is one which I believe the Chair must, in some respects, look at closely. It must determine in its wisdom whether or not technically such a motion is or is not admissible, because in the final analysis this Chamber, by unanimous consent, can do whatever it wants.

Before the Opposition House Leader rose to make his main interventions, we knew that the Minister was in fact quite open and amenable to such a statement of purpose. So it is not a question of whether or not there is a strong position for or against the preamble as set out by the Hon. Member for Vegreville (Mr. Mazankowski) in his amendment.

● (1510)

I might just add that it is not just the National Transportation Act to which I relate this Act as an Act standing on its own. Just recently this Chamber dealt with a new national ports Bill. I contend it can be argued that that was not an amending Bill but rather it stood on its own. In fact it contained a preamble, a statement of purpose, which was the product of debate of an amendment, of consensus and agreement. So it is not in that sense unique. While the Chair's ruling with respect to the introduction of a preamble, when in fact one is not there, may stand as technically correct, I suggest that it does not stand up very well to any other test you want to apply. Mr. Speaker Lamoureux's ruling some ten years ago made this point relatively clear, at least in my judgment. If it has been quoted extensively in this debate I assure the House and the Chair I will not deal with it at any undue length. However, in a ruling at page 395 of the *Journals* of June 11, 1973, Mr. Speaker Lamoureux, ruling on a motion by the distinguished then Hon. Member for Calgary North, Mr. Woolliams, said:

> In other words, we cannot amend the enacting clause of the bill. What the honourable Member for Calgary North sought to do by amending the enacting clause and making it a combination of enacting clause and preamble is to introduce a preamble which is not before us in the bill. That of course would be a logical consequence of the action of the House if we decided to consider this amendment and if it were passed.

Well, we are not dealing with that, although it would seem quite natural and logical to draw upon the Chair's ruling that that in fact had to be followed. I am suggesting that in my judgment I do not believe it does.

Again, I say this is not an amendment to an existing preamble, it is rather a statement of purposes and objectives which have the effect of expanding the long title. We know from Beauchesne's, Mr. Speaker, that in fact that is possible. The Opposition House Leader, in his quite brilliant summation yesterday of the Chair's position, cited Beauchesne's Fifth Edition, Citation 779, and I will simply repeat it. It reads:

> Substantive amendments to the preamble are inadmissible unless the modification is proposed for purposes of clarification or uniformity. *Journals*, January 19, 1970, p. 323.

But we are not substantially altering anything; we are clarifying the objectives, usefulness and utility of the Bill itself. I think the failure to do this will call into question down the road how this Chamber and the Ministries will have to deal with the form and structure of motions in front of us. It seems to me this Chamber has no right to dictate the form and structure of matters which will in the future come before us. It seems to me that where there is a doubt, and here there would appear to be a question at least, the Chair might consider in its wisdom the advisability of allowing the distinguished Hon. Member for Vegreville to put his motion so that in fact we might get on with debating it in its proper sequence in time.

I thank you for the opportunity to intervene briefly, Mr. Speaker.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I would like to address what I think to be a very important point of order raised by Motion No. 1. If I may, I want to take a slightly different point of view than I think has been put forward to you up to this point. In dealing with legislation there is a well established rule which has been followed across the land that whenever courts are reviewing legislation passed in the House of Commons they are restricted to the words of the legislation. I do not have a list of the authorities, but there are many cases in which courts have held that in determining the meaning or the interpretation to be given to any legislation passed by the House of Commons they are not able to go behind the legislation. Rather, they have to look at the statute and make their interpretation based on that wording.

While the debates of the House of Commons as recorded in *Hansard* are all very interesting, the courts are not obliged, indeed they are discouraged from looking at that kind of ancilliary matter in order to determine what the proper intention of Parliament is, was or should be. The reason I mention that principle of procedure in the courts is that I think it is very germane when we consider the content of Motion No. 1.

I see at this point in time, Mr. Speaker, that I will have a receptive ear to what I want to say. Not that I would not have had it from your predecessor in the Chair a moment ago, but by the colour of your coat and the way you are listening with such great interest I know you will be very agreeable to and support what I say now.

Mr. Lewycky: Let's have a ruling now.

Mr. Hnatyshyn: Now is our chance to take control, boys! Of course, I jest.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, is it proper in this House for an Hon. Member to try to influence the Chair through flattery?

Mr. Hnatyshyn: The answer is yes.

I see the Minister of State for External Relations (Mr. Pepin) is here today. When he was Minister of Transport I wish he had made the same sort of proposition with respect to this legislation and sent a peace corps out to western Canada rather than to Central America. We would have had far more success in getting a consensus in western Canada.

Mr. Pepin: I was a one-man peace corps.

Mr. Hnatyshyn: A one-man peace corps!

• (1520)

Mr. Speaker, I want to put forth the serious proposition concerning what has been proposed in the amendment of my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), that quite a different point of view should be taken by the Chair and, indeed, by Hon. Members on the Government side who appear to be arguing against the acceptance of the motion. It seems to me that there is a kind of reverse onus on the propositions put forward in the motion and upon Government Members. I say that the Hon. Member for Vegreville, in the amendment that is now being discussed, Motion No. 1, has stated some of the essential objectives of the legislation.

If, in fact, Government Members want to stand up and suggest that it is not an objective of the Bill that "an economic, efficient and reliable grain transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interest of the grain producer and to maintain the economic well-being and growth of western Canada, and that these objectives are most likely to be achieved under conditions ensuring that, and then going on with the specific items in Motion No. 1, it is up to them to say that that is not the intention of the legislation. They should say that that is inconsistent with what is contained in the legislation. It is that simple. In other words, they cannot have it both ways.

I respect the fact that Madam Speaker raised some concern with regard to the actual nature of the amendment being proposed by the Hon. Member for Vegreville. In one sense, it was a preliminary ruling. With the greatest of deference let me say that anyone who is of the opinion that the proposals and statements contained in the motion are not fundamental and essential to a proper understanding and interpretation of the Bill is doing a disservice to the legislation. Coming from western Canada, I feel it is absolutely essential for people who will be administering the legislation to have a clear statement of its principles so that when it comes to a question of interpretation of any part, provision, section, sentence, or

concept, they will be able to go to the statement contained in the legislation for interpretation.

Is there anyone on the Government side who is prepared to stand up and suggest that it is objectionable to the Government that grain producers should retain the benefit of a statutory freight rate and be protected from freight rate increases disproportionate to international grain prices? Are Government Members suggesting that that should not be part of the objectives of the Bill?

Mr. Flis: What does that have to do with what is before us as to whether the motion is acceptable or not? Speak to what is before the House.

Mr. Hnatyshyn: Precisely. Of course, the Parliamentary Secretary is so terribly sensitive. I have now struck a chord with the Government spokesman on the Bill. The Parliamentary Secretary is nervous and twitchy, knowing how it is almost impossible to stand up and simply state a fact as to whether that is the Government's position. If that is inconsistent, let him rise and argue that the amendment bears no relationship to the intentions of the Bill. That is the relevance, and that is what I am discussing. I am suggesting that now is the time for Hon. Members opposite to stand up and tell the people in western Canada, indeed across the whole country, whether or not what is contained in Motion No. 1 is a fair statement of the purposes of the legislation. I am not requesting a long statement, but let the Hon. Member just stand and say, for example, "No. Mr. Speaker, on behalf of the Government, we do not agree that the railway companies and the Government of Canada should accept a continuing obligation to provide producers with a special transportation rate for the movement of grain". If that is not the Government's policy, let him stand up.

Here comes the Minister now. He is probably the man who is best able to speak on behalf of the Government in the matter. If the Minister of Transport (Mr. Axworthy) feels that that is not an objective of the legislation, let him rise during the debate and say so in front of the people of Canada. Then we can understand how the Speaker will be able to suggest that that is not appropriate because it is a new, novel item, that is not part of the intention of the legislation. Then we will not be under any illusions.

The Minister of Transport is ready to be involved in this procedural debate. He should speak to the question as to whether or not the Government believes that the Government of Canada should make an annual financial contribution to the grain transportation system to ensure fair compensation for the movement of grain. Is this part of the intention contained in the legislation? Is it part of the intention of the Government in the legislation that the railway companies provide adequate equipment and plant capacity to move grain efficiently and reliably? I ask the Minister simply to stand in his place and tell me whether it is inconsistent with the Government's intention in the legislation that the natural advantages of western agriculture be recognized and strengthened. I use these only as examples of the very simple way in which the matter could be disposed of and dispatched. I make this proposition to you, Mr. Speaker, as strongly as I can. However, I see that since another person has just taken the chair, my argument will probably have to be repeated.

An Hon. Member: No, don't do that.

Mr. Hnatyshyn: It was so forceful and effective on the previous occupant of the Chair, the Hon. Member for Bow River (Mr. Taylor), that I think I was actually convincing him. He was nodding in agreement over everything I was saying.

I put forward a very simple proposition that no one from the Government side has yet been heard to say that there is anything stated in Motion No. 1 which is not in agreement with the intention of the Bill. We can argue in the substantive debate that the Bill does not accomplish the purposes set forth in Motion No. 1.

Mr. Flis: Your House Leader ruled it out of order.

Mr. Hnatyshyn: My House Leader is an eminent procedural expert. If my House Leader ruled it out of order, that means that he has now been appointed as the Speaker of the House. I do not think that that particular appointment would be one the Prime Minister (Mr. Trudeau) would entertain at this time in history. I make no further comment on that.

Mr. Huntington: Maybe the former Minister will.

Mr. Hnatyshyn: I think I have made my case very strongly that there have been no nay-sayers from the Government side. Another item in Motion No. 1 is the provision that the economic distortions within the agriculture sector stemming from a statutory rate will be reduced for livestock products and processed agricultural products, and finally, as contained in subparagraph (g), that grain producers will receive adequate guarantees of system performance and service.

Concerning each of these items to which I have referred, if Government Members feel that such is not a reasonable statement of the purpose of the Bill, they can stand up right now and put an end, I suppose, to the entire procedural debate, by saying, "That is not our intention". However, once one starts off with a proposition that there has been no statement to the contrary by the Government spokesman or by the Minister of Transport, then that should set the ground for the legitimacy of the motion, because one would then consider the very narrow point as to whether or not it should be ruled objectionable because it is, in effect, a preamble.

I want to deal with the secondary point very briefly. Should this be considered as a mere preamble, or should it be considered as a fundamental part of the legislation which, in fact, elucidates the provisions of the legislation for greater clarity? In the old days, as my colleague said, of "8-cylinder words", I was able to charge $75 an hour for this kind of dissertation.

Mr. Pepin: Seventy-five cents.

Mr. Hnatyshyn: Now I am in politics and work for something like 50 cents an hour.

Mr. Benjamin: You are like the railways. You are overpaid.

Mr. Pepin: Grossly.

Mr. Hnatyshyn: The only time that the Hon. Member for Regina West (Mr. Benjamin) makes an effective statement is when he is either behind the curtains or in the Members' lobby.

Now that I have established the fact that there has been no objection on the part of the Government to the fundamental statements, is it not fair for us to assume that this is an important and justifiable amendment that should be brought forward in this particular legislation? I say to Your Honour, with the greatest of deference with regard to some of the contrary arguments, that, in my estimation, it is the most helpful and reasonable amendment that could be introduced, and we have not heard any objection to its being inconsistent with the intentions of the Government. It is one which will make the legislation far more clear in terms of interpretation by the courts.

● (1530)

I go back to the original proposition. If that is not the case, then it is a very simple matter for Government Members, Members on the Treasury bench, the Minister of Transport, or whoever, to stand up and simply say that this is not an acceptable amendment because these are not the intentions of the Government of Canada with respect to the legislation contained in Bill C-155.

The Acting Speaker (Mr. Blaker): As was indicated earlier through an exchange between the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) and myself, I was not clear whether Hon. Members were continuing to rise on points of order. I think the Hon. Member for Assiniboia (Mr. Gustafson) has indicated that he wishes to rise on a point of order. Unless Hon. Members indicate that they want to rise on a point of order with those words, it is difficult for the Chair to know. The understanding of the Chair at the moment is that no other Hon. Member, other than the Hon. Member for Assiniboia, wishes to contribute to the points of order. But, of course, I will be guided by any Hon. Member who stands up in that regard.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I wish to rise on a point of order with regard to the acceptability of Motion No. 1 as it relates to Bill C-155. For the record let me read what Bill C-155 states:

> An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

Relating to Motion No. 1 put forward by the Hon. Member for Vegreville (Mr. Mazankowski) in his opening statement on the motion he very clearly indicated, in much the same wording as the Bill:

> It is hereby declared that an economic, efficient and reliable grain transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the grain producers—

Without elaborating on the compatibility of the two statements, namely and on Motion No. 1 and the Bill, the relevance, I would like to go on a little further to subparagraph (a). It deals directly with international grain prices and with freight. It deals with matters relating particularly to grain, its production and transportation. Subparagraph (b) reads:

> (b) the railway companies and the Government of Canada accept a continuing obligation to provide producers with a special transportation rate for the movement of grain.

What could be more relevant to the debate on such a Bill than Subparagraph (b) of Motion No. 1? Subparagraph (c) reads:

> (c) the Government of Canada makes an annual financial contribution to the grain transportation system to ensure fair compensation for the movement of grain.

If there were any motion which would be relevant, Mr. Speaker, certainly it would be the one put forward by the Hon. Member for Vegreville. Again and again it deals with the product of western Canada with which the Bill deals. The product is named in the Bill as grain, and the amendments are in consequence thereof. This is directly relevant to the Bill. If Motion No. 1 is not relevant, then none of the motions are relevant.

Subparagraph (d) of Motion No. 1 reads:

> (d) the railway companies provide adequate equipment and plant capacity to move grain efficiently and reliably.

And Subparagraph (e) reads:

> (e) the natural advantages of western agriculture are recognized and strengthened.

At this point I would like to read from the policy statement on western rail transportation the words of the former Minister of Transport who said much the same thing as is said in Motion No. 1. He said:

> The Government believes that the arrangements it is now seeking are as important to western economic development in the future as the Statutory rate was in the past. To grain farmers no less than to any group in western Canada, it is essential to have the assurance for the future of a healthy and efficient transportation system capable of moving increasing volumes of their product. In addition, the Government believes that the measures it is proposing will broaden the range of choices open to agricultural producers and thereby lead to a stronger and more diversified western economy.

In a statement of purpose put forward by the former Minister of Transport, we have almost the same wording as that put forward by the Hon. Member for Vegreville in his motion. Subparagraph (g) of Motion No. 1 reads:

> (g) grain producers receive adequate guarantees of system performance and service.

I want to contend that this is most important to the Bill and it is not important to the outcome of the Bill. I would like to say at this point that I believe the committee did an in-depth study and it was dedicated to finding some very serious solutions to problems that exist. We had witnesses' testimony from right across the country, including Ottawa, as to how relevant that is. We heard representation from western pro-

ducers. In most cases at meetings that I attended the most important thing pointed out was the movement and transportation of grain. At the end of Motion No. 1 we read:

—and this Act is enacted in accordance with and for the attainment of so many of these objectives as fall within the purview of subject matters under the jurisdiction of Parliament relating to grain transportation.

I submit that Motion No. 1 moved by the Hon. Member for Vegreville is most relevant. I hope the Chair will see fit to have this become part of the Bill, and that the transportation of grain and the producers affected will benefit most from the work of this House.

The Acting Speaker (Mr. Blaker): The understanding of the Chair is that the House may be ready to move to debate on Motion No. 33.

Mr. Benjamin: No.

The Acting Speaker (Mr. Blaker): I have already indicated that if some Hon. Member rises on a point of order I will recognize him. The Hon. Member for Regina West (Mr. Benjamin) rises on a point of order.

Mr. Les Benjamin (Regina West): Yes, Mr. Speaker. On the preliminary rulings of Madam Speaker on Motions Nos. 2, 3, 4, 5, and 6, she says specifically that these amendments to Clause 2 of the Bill are substantive amendments. I wish to present arguments to indicate that Motions No. 2 to at least Motion No. 12 are merely housekeeping amendments. If one examines Motion No. 2, one will see that the wording is identical to the wording in the original Bill or perhaps even that in the Bill as reported back. Motion No. 2, as is the case with Motion No. 3, transfers definitions from Clause 34 to Clause 2. They have the same wording. I do not know what is substantive about it.

● (1540)

We argued about and discussed this matter at some length in committee. I refer the Chair to the minutes of the committees' proceedings of August 8 wherein the Chairman indicated that he would like counsel for the officials to answer Mr. Reid's question. Mr. Lefebvre, general counsel for Transport Canada said:

—there are no clear and fast rules as to where you put definitions when you draft a bill. You put them where you think they will be the most helpful, where the access to the definitions will be the easiest. Sometimes, if you look at this particular bill, we have some at the beginning. We judged it best not to put the definitions that are now in Parts II and III at the beginning, for the main reason they are not useful to the first 30 clauses.

Mr. Lefebvre suggested that to have three or four pages of definitions at the beginning of the Bill would make it more difficult to identify the particular definition needed for the first part. Also he suggested that the definitions were quite closely related to Parts II and III and that it would be advisable, when dealing with rates, for example, to have only the definitions that relate to them.

I and others in the committee argued the opposite, that it was more convenient, simpler and easier to peruse the Bill or, if it were to pass, to peruse the Act of Parliament, if we knew we had to go to only one place in the Bill to find the definitions. We argued that it did not matter which clause of the Bill we looked at after Clause 2, that we should only have to go to one place in the Bill to find the definitions. I submit that there is nothing substantive about that. It is purely a matter of opinion as to where is the best place to locate definitions. A number of us in committee took the position that it was better to have them all in the same clause. Counsel for Transport Canada thought it was better to have definitions for each clause at the head of each clause.

The problem we found was that the definition of one clause often applied to another clause and that, in going through the Bill, we were bouncing back and forth between three or four places because a definition which might appear at the head of Clause 3 could also apply to Clause 4 or Clause 5 or even back to Part II. That was another reason for submitting the amendments, which the committee Chairman did not rule out of order.

The initial reaction of the committee Chairman was that we could not move an amendment that amended two clauses at the same time. I was very careful to ensure that my amendment in committee and my Motion No. 2 amended only one clause. Also, in committee we made it clear that should my amendment to consolidate the definitions in Clause 2 carry, at a later proceeding in committee I would move a consequential amendment deleting the definition from Clause 34, Clause 54 or wherever else it might appear.

According to the committee minutes, when the Chairman read my amendment to Clause 2, the following exchange took place:

MR. BENJAMIN: That is in order.

THE CHAIRMAN: That is in order.

MR. BENJAMIN: I see.

THE CHAIRMAN: The definition of "base rate scale" and the definition of "CN adjustment".

MR. BENJAMIN: And I guarantee I will move the consequential amendment when we get to the other part of the bill.

THE CHAIRMAN: I thought you would.

How can anyone construe that Motions Nos. 2 to 19 are substantive? They only move a definition from one part of the Bill to another. It escapes me completely. Where my motions move exactly the same words from one part of the Bill to another, I submit they are in order. They are not substantive. They are purely housekeeping, and it is the most convenient and easiest way to find definitions in a Bill. Counsel for Transport Canada and I disagreed, but that did not mean my amendments were out of order. In fact, the committee Chairman allowed them.

If any of the motions from Motion No. 1 to Motion No. 19 or thereafter change the words of the definition in transferring it from one clause to another, then of course the Chair would have to consider whether or not they exceed the Royal Recommendation or go beyond the intent of the Bill. In that event the Chair will have to decide which of my motions affecting definitions not only transfers them from one clause to another but substantively changes the wording. Then we would need to

argue whether or not they are substantive changes and go beyond the intent of the legislation or of the Royal Recommendation. Of course, this would only apply in the case where my motions made a change in the wording of the definitions. Even if we have made a change in the wording, if any can be found, then it must be pointed out where they are in violation of the Royal Recommendation and the intent of the legislation or where they go beyond the intent of the legislation. Should the Chair feel in a preliminary way that that is the case with those motions, naturally we would want to make proposals or argue as to any changes in wording.

• (1550)

I was somewhat taken aback with the amount of time spent on, and attention given to, Motion No. 2 by both the Chair and the House Leader for the Official Opposition. All it does is take some words out of Clause 34 and put them in Clause 2. For some reason that has not been explained to me, the Chair, its advisers and the House Leader for the Official Opposition are excited about that. I do not understand all the excitement and fuss.

The argument in committee was to do it one of two ways. The definitions would be all in one clause, so that people would know where to find them, or scattered throughout several clauses. There are good arguments for both sides. We took the view, and hence my amendments in committee and consequently the same amendments at report stage, that for convenience, good housekeeping and orderliness in a Bill all the definitions should be in one clause. It could be called the definitions clause. The definitions would all be in one place. When looking at subsequent clauses in the Bill, you would know where to find the definition because it would state "as defined in Clause 2". It would not matter whether you were dealing with Clause 34, Clause 54 or the Schedule. We tried bringing in a motion which would transfer the definition of grains from the Schedule to Clause 2. Schedule I defines grains. I thought definitions were to be in the Bill, not the Schedule.

The argument is whether or not definitions should be located in one clause. In subsequent clauses it would state "as defined in Clause 2". Without this, in Clause 34 there could be a definition affecting Clause 54. You would have to bounce back and forth in the Bill. Surely that is not good housekeeping. It is not an orderly manner in which to draft legislation.

When the committee was still hearing witnesses, and in particularly during the clause-by-clause study in the past few weeks of our deliberations, it became apparent that the Government had not done its homework, not only on Royal Recommendations but on its own amendments. It had not done its homework on the drafting of the Bill. It was determined to meet the June 30 deadline, then the September 12 deadline and then the Thanksgiving weekend deadline. I do not know what the next deadline will be.

I remind the Parliamentary Secretary of the definition of a deadline. In the North American vernacular, a deadline means a line is drawn and if you cross it, you are dead. I remind the Parliamentary Secretary that if he insists on crossing that line he will be dead, politically that is.

Why all the fuss about these amendments? They merely ask the House to decide on the most orderly, convenient and practical way to house the definitions in the Bill. We submit that all the definitions should be in one clause and that all subsequent clauses have the reference "as defined in Clause 2". The definitions would be in alphabetical order in the marginal notes. Why all the fuss? Why is the Chair so concerned about moving a paragraph from one part of the Bill to another? I do not understand why the Chair is upset.

How can that be construed as substantive? Substantive means substantial. Substantial mean there have to be some kind of changes in the wording that would make it a substantive amendment. There is nothing in these motions which transfer definitions that is substantive.

The Chairman of the committee allowed the committee to deal with those motions. How they were dealt with in the committee is irrelevant. The point is they were in order in the committee and should be in order in this House. This is a housekeeping matter, how a Bill should be consructed and whether the subjects should be located in one part or another. It is not substantive.

Motions Nos. 2 to 19, 59, 64, 66, 67, 71, 129, 134, 139 and 145 which deal with definitions are listed by Madam Speaker when she gave her reasons for the unacceptability of certain motions. The motions she has listed do not make any change in the wording. They do nothing more than transfer the position of a definition from one place in the Bill to another. They are not substantive. This is nothing more than an attempt by the Government, counsel for the Department of Transport, and Members of the Opposition to arrive at a conclusion as to where definitions should be located in the legislation. That is all there is to it. If any of the motions enumerated by Madam Speaker in giving her reasons for unacceptability contain changes of wording as well as transfer a definition from one part of the Bill to Clause 2, we will want to discuss with the Chair whether those motions are substantive, go beyond the intent of the legislation, or exceed the Royal Recommendation.

We may be wrong in some of those, but I do not know whether the Chair has sorted out which of these motions makes no changes in wording and which makes a change in wording. I would be grateful to have from the Chair a list of the motions transferring definitions from Clauses 34 and 54 to Clause 2. Also, I would be grateful to have from the Chair a list of those motions which change the wording of the definition, and then I would like to have reasons from the Chair for their unacceptability, and I would want to discuss this at an appropriate time two or three days hence.

• (1600)

In the meantime, Sir, as far as Motions Nos. 2, 3, 4 and 5 are concerned, they use the same wording as used in Clauses 34 or 54, and we have only moved to have those words transferred from those clauses to Clause 2 in order to consolidate all the definitions into Clause 2. I am anxious to hear

what is substantive about those motions and I am anxious to find out why they are considered substantive. I have not heard any reasons yet but have only heard the straight statement that they are substantive. I would like to know how, since when and why.

Those motions are not substantive. They were not substantive in committee, and, goodness knows, we discussed a whole series of motions for some period of time in committee. We had input from counsel for the committee, counsel for the Ministry of Transport, and we had the decision of the Chairman of the committee. We had discussion in debate, voted on the amendments and dealt with them one way or another.

The motions that are here now at report stage were moved in an attempt to continue to provide for a consolidation of definitions under Clause 2 so that the definitions are not scattered throughout the whole Bill.

I hope, Mr. Speaker, that my arguments have proved convincing. I hope that Hon. Members of the Official Opposition and Hon. Members on the Government side will agree that a great deal more has been made of this than was necessary in the first place. The very worthwhile and worthy Chairman of the committee felt that these motions needed to be dealt with, and we dealt with them. I am not sure if I won or if I lost on some, all or any of them, but that is not the point.

In committee, our legal advisers did not find these motions substantive. They said that there was no hard and fast rule as to where definitions should be located. There was agreement about that. Even though there may have been disagreement about the intent of my amendments, there was no disagreement about the fact that the definitions could be located anywhere in the Bill.

We are arguing that all of the definitions should be located in Clause 2 and that every clause thereafter should say, "as defined in Clause 2," which would create a simple, convenient, expedient and well drafted piece of legislation.

I might say, Mr. Speaker, that one of the things that certainly annoyed all the Members on the Opposition side, and even annoyed some of the Government Members in committee, was the fact that we were presented with a legislation that was poorly drafted in terms of its wording and the location of its words, leaving aside any substantive arguments about the Crow rate or anything else. The legislation was a botched-up job.

I certainly resented, and I believe that some of my colleagues in committee also resented, that we were trying to rewrite a Bill that the Government should have written properly itself before it was even presented to Parliament. The Government did not do that. It blew it. Once we got into the nitty-gritty of clause-by-clause examination of the Bill, I am sure the former Minister of Transport knows well that there must have been—and if there was not there should have been—some heads rolling in the legislative drafting department of the Department of Transport or perhaps the Justice Department. The drafting department simply did not do a good job, Mr. Speaker.

A great many of the amendments moved by my friend, the Hon. Member for Vegreville (Mr. Mazankowski), and by myself were moved in an attempt to do two things. One was to get a piece of legislation that would be the kind that would be drafted if he were the Minister of Transport or to get a piece of legislation that would be the kind that would be drafted if I were the Minister of Transport. The other reason for a great many of his amendments and mine was to try to clean up the act of the Ministry. We were stuck with trying to rewrite legislation in a proper form with proper wording. That really should not be the job of the committee and would not be the job of the committee if, prior to the Bill being submitted, the Government had thoroughly considered it, instead of botching it up in a hurried attempt to meet deadlines of June 30, September 12 and Thanksgiving. I would like to tell the Government that if it meets a deadline set at Christmas 1984, it will be lucky.

The Government should stop setting deadlines because the more often it does so and does not meet that deadline, the more often it is dead. It was dead on June 30, September 12 and Thanksgiving weekend. Until it cleans up its act and is prepared to take certain steps with this legislation that Hon. Members of the Official Opposition and my Party may not agree with, it will not meet the Remembrance Day weekend deadline and it will not meet the Christmas deadline.

Every once in a while, there is an exception to the rule. Most of the time, Parties in Opposition know and understand that the Government has the right to govern and it has the right to pass its legislation. In the overwhelming majority of cases of legislation, that happens. Opposition Parties will oppose, will propose and will vote against legislation, but the Government passes 95 per cent of its legislation. However, once in awhile a piece of legislation will come forward that is an exception to this rule, and this is one of those pieces of legislation.

I remind the former Minister of Transport that his predecessor tried to pilot the first grain stabilization Bill through the House. The Government ended up with egg on its face and had to withdraw the Bill. If it had not been for the Opposition Members and eventually even Members on the Government side saying that this was a dumb piece of legislation, we would have been stuck with a grain stabilization Bill that was worse than the one we finally got. The one we finally got is so bad that if one were to apply the same principle to the Unemployment Insurance Act, the person who worked full time would collect the most money. If one were to apply the same principle to the medicare Act, the person who never got sick would collect the most money. That is what we got out of the Government when it passed a Bill that it did not know anything about, and the same is true for this Bill.

Government Members got all excited about Motion No. 2 which proposes a minor amendment, and even the Chair got excited about it. Even the Hon. Member for Yukon (Mr. Nielsen) got excited about it, and I do not understand why. If the Government will not learn from previous history, it is condemned to repeat history, and that is exactly what it is doing.

I would refer the Chair to all of the motions listed in the first paragraph on page 2 of yesterday's preliminary ruling. I would ask the Chair to examine Motions Nos. 2 to 19 and Motions Nos. 59, 64, 66, 67, 70, 129, 134, 135 and 145. Where those motions refer to definitions and propose to do nothing more than transfer the same wording from one clause to another, I would suggest that they do not make substantive changes but are in order, unless any of those motions not only makes a transfer but changes the wording. We would like the Chair's reasons for ruling that they are substantive and we would like to have them discussed further. In the meantime, Motions Nos. 2, 3, 4, 5, and 6—and I have not had time to look at the rest—are not substantive but only transfer identical words from Clause 34 to Clause 2, so why not have them in order?

• (1610)

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I wish to intervene at this point to deal with two specific motions on which Madam Speaker issued a preliminary ruling on October 6 as reported at pages 27824-5 of *Hansard*.

I wonder what might happen if some of the arguments that have been brought forward were to prove persuasive and cause the Chair to have second thoughts about the ruling. However, as they are preliminary or tentative rulings, I shall proceed with my argument.

I was very impressed with the line of argumentation on Motions Nos. 165 and 166 made by the Hon. Member for Hamilton Mountain (Mr. Deans) this morning. I wish to reinforce his line of argument. The Speaker said that Motion No. 166 goes beyond the scope of the Bill and Motion No. 165 is contrary to the principle of the Bill. In one case I feel the argument could be built up a little more strongly than in the other, but the case put forward this morning by the Hon. Member for Hamilton Mountain was very convincing.

I wish to speak to the tentative ruling by Madam Speaker at p. 27825 of *Hansard* on Motion No. 165, which she ruled as being contrary to the principle of the Bill. As was mentioned this morning, the principle of the Bill is outlined in the full title, "An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof". Motion No. 165 is intended to replace Clause 62 with different wording and, as it now stands, Clause 62 is aimed at amending certain other legislation. To that extent at least, changes to that clause would fall within the principle of the Bill, namely, "—to amend certain Acts in consequence thereof".

There is another little niggling thing that is suggested to me in the ruling that it is contrary to the principle of the Bill. I should like to do some hypothesizing about what might happen in the future. What if Clause 62, which has to do with the Dominion coal lands and which in its current form in the post-Committee version of Bill C-155 authorizes "Her Majesty in Right of Canada" to do certain things—what if that clause were to be accepted and Her Majesty in Right of Canada were to hold, dispose of or otherwise deal with those lands by returning them to British Columbia as Motion No. 165 suggests? In other words, at the present time we cannot deal with that motion because the notion is that it has changed that amendment substantially and therefore is contrary to the principle of the Bill. What if the Government should subsequently decide to do just exactly that very thing? Would that become *ultra vires* by virtue of the Speaker's ruling during the debate? Does that ruling about the principle of the Bill extend into the actions the Government may take subsequently in implementing the wording of Clause 62 as it stands that "—Her Majesty in Right of Canada may hold, dispose of or otherwise deal with the land selected—"?

Suppose the Government did decide in its wisdom—and I would consider it wisdom—to cause this land to revert to British Columbia, would that be contrary to the principle of the Bill? If not, I suggest that the ruling itself is incorrect in that it cannot be contrary to the principle of the Bill if the Government action were not contrary to the principle of the Bill. Therefore, I feel that Motion No. 165 is not contrary to the principle of the Bill and ought to remain there as the basis for discussion and subsequent decision by the House on whether it is acceptable in place of Clause 62 as it stands.

My other comments deal with Motion No. 166. In this case, at p. 27824 of *Hansard* the Speaker ruled tentatively that the motion goes beyond the scope of the Bill. I think the scope of the Bill has to be considered in the light of what the Bill sets out to do. Again, I revert to the long title. This Bill sets out to do three things. It is "an Act to facilitate the transportation, shipping ahd handling of western grain—", those three things. In addition, it is "—to amend certain Acts in consequence thereof".

Motion No. 166 removes a certain preamble to Clause 62 and would cause the Canadian Pacific Railway to be instructed to "—repay all grants received by the Canadian Pacific Railway Company as a result of the Crow's Nest Pass Act or any agreement made pursuant to any such Act plus interest". As I indicated earlier, the case to be made for the maintenance of Motion No. 166 is not, even in my mind, quite as strong as the case to be made for the maintenance of Motion No. 165. In any event, I think if it were to be left in, it would permit those from British Columbia who have very strong feelings about that particular transfer of land and the resources therein, thereunder and thereabout, to debate strenuously for the reversion of the land to the Crown in Right of British Columbia.

• (1620)

Therefore, I urge the Chair to reconsider the rulings as given on October 6 at pages 27824 and 27825 of *Hansard* in these two lights, that Motion No. 165, by the submission of a number of Hon. Members, is not contrary to the principle of the Bill and that Motion No. 166 does not go beyond the scope of the Bill as elaborated on by myself and other Hon. Members. I do commend the Hon. Member for Hamilton Mountain (Mr. Deans) on the excellent manner in which he built that case. I do rely on the Chair, and the table officers, to take

these considerations into account in making the firm ruling so that there will be an opportunity to debate this particular matter of the Crow's Nest Act and the amendments thereto.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise on the same point of order to respond to the preliminary ruling of the Chair this morning. I would like to confine my remarks to the grouping of Motions Nos. 2 to 19. It seems to me that it is very difficult to deal in an over-all manner with so many motions. That is basically why I rise. The reasons for ruling motions out of order are fairly straightforward. They usually fall into three or four categories. A motion is usually ruled out of scope, or is proposing a substantive change in the intent of the Bill. Also, motions are occasionally ruled out of order because of financial restraints. They cannot interfere with the Royal prerogative of deciding what sort of expenditures may be made. Another reason which is often put forward is that the motion is contrary to the purpose of the Bill.

I am having great difficulty with the announcement presented to us by the Speaker yesterday, as it applied to Motions Nos. 2, 3, 4, 5, 6 and 7. Even though the Chair in its ruling did indicate that some of these motions involved a simple transfer of definitions from Part II and Part III of the Bill forward to Clause 2 which offers definitions for the entire Bill, I fail to understand from the ruling of the Chair how this was out of order. I would like some further clarification on those particular motions because, I remind the Chair, those motions used exactly the same wording that is in the Bill. They do not change the wording. The fact that the spot in the Bill has changed does not change the meaning. It simply makes for a neater Bill. The attempt is to put all of the definitions in the initial part. Clause 2 begins "In this Act," and goes on to state the definitions and what those definitions shall mean. Part II and Part III begin, in each case, "In this Part", and go on to outline those definitions.

I would remind the Chair, therefore, that Motion No. 2 is simply a transfer from Clause 34 forward to Clause 2. Motion No. 3 has again exactly the same wording, being transferred from Clause 54 forward to the appropriate place in Clause 2. Motion No. 4 again has the same wording, being transferred from Clause 54 to Clause 2. Therefore, we have a clear definitions Clause in the Bill. Similarly, Motion No. 5 has the same wording one finds in Clause 34. The proposal is to transfer it under the definitions clause. As well, Motion No. 6 has the same wording as appears in the Bill in Clause 54. The same is true of Motion No. 7 which has the same wording one would find in Clause 54. So there is no change in the intent of the Bill. There is no change to the financial requirements and to the scope of the Bill. Nor, would I argue, is it contrary to the purpose and intent of the Bill. I fail to see, therefore, why those particular motions have been ruled out of order, given the reasons stated in the preliminary ruling which was presented to this House yesterday.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise on the same point of order. I would like to deal with the preliminary rulings made by the Chair relative to the group of Motions Nos. 20 to 23, 28, 36, 41, 54, 57, 80, 81, 85, 89 and 166 going beyond the scope of the Bill. Considering that we have nothing at all in the title of the Bill which deals with the Dominion coal lands, I can accept, perhaps, that Motion No. 20 is not within the scope of the Bill. However, the portion of the Bill dealing with Dominion coal lands has been accepted. Therefore, it is quite obviously within the scope of the Bill. My colleague, the Hon. Member for Kootenay-East Revelstoke (Mr. Parker) will deal with this subject more thoroughly, but I will say that Motion No. 20 should be recognized as well within the scope of the Bill since this Bill, although it does not say so in the title or in the preamble, does take into consideration those Dominion coal lands.

Motions Nos. 21 and 22 also are amendments dealing with the amount of money which is going to be paid to the railways. It seems quite logical to me, Mr. Speaker, that there should be some give and take in this matter. Is this Bill intended only to decide how much money is going to be given to the CPR or to the CNR, and it will not impose any requirements on those corporations in return? We require service in return. If they do not fulfil that service, we should put some penalties on them. Motion No. 22 really establishes penalties which should be levied against Canadian Pacific Railway if it accepts certain funds without providing the service which is needed.

• (1630)

Motion No. 28, Mr. Speaker, is also in that group. Again, Madam Speaker suggested that the motion was out of the scope of the Bill. I ask that you review that because all it is really doing is establishing the membership of certain groups which have a great deal to do with the Bill. Therefore, it would seem to me that adding or deleting members of that group would be quite within the scope of the Bill.

I think Madam Speaker's definition of "scope" takes in a lot of territory. If the mention of the coal lands, for example, is acceptable and we pass that as part of the Bill, then there is no reason why we cannot amend that part of the Bill which deals with the coal lands in Clause 20.

I also want to spend a couple of minutes on the second grouping, namely Motions Nos. 2 to 19 inclusive, including Motions Nos. 59, 64, 66, and so on. All of these amendments are housekeeping motions to make the Bill more clear as far as the public is concerned. Being a layman and having to refer to these kinds of Acts of Parliament quite often during my life, I always found it valuable to know exactly where the definitions were so that I did not have to spend a lot of time going to other parts of the Bill to find out what the particular definitions were.

The Acting Speaker (Mr. Blaker): Before I recognize the next speaker on a point of order, the House has given a considerable amount of time to examining the Speaker's tentative rulings. We do not have rules which specify how much time can be used by an Hon. Member on a point of order. Yet at the same time there is a responsibility on the part of the Chair to attempt to assist in bringing matters forward. I gave a great length of time particularly to the Hon. Member for

Regina West (Mr. Benjamin), the spokesman for the NDP on matters of transport, but I urge Hon. Members to determine whether it is in fact their intention to continue on points of order. If so, I think the time has come when the Chair should indicate that Hon. Members could be asked to be somewhat briefer. At least we might proceed that far to brevity.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I will try to be brief. I think it is important that I get on the record my concerns regarding the preliminary recommendations made by Madam Speaker. I want to deal specifically with Motion No. 20 and Clause 62 of the Bill regarding the coal lands. They are situated in my riding of Kootenay East-Revelstoke, 50,000 acres of them.

Clause 62 of the original Bill reads:

Notwithstanding the Crow's Nest Pass Act and any agreement—

This is the part I take exception to:

—any agreement made pursuant thereto, the Government of Canada may hold, dispose of or otherwise deal with the lands it selected under Paragraph 1(i.) of that Act . . . and on any conditions it thinks fit.

The Provinces have the right to be able to develop—

The Acting Speaker (Mr. Blaker): Order. I have to indicate to the Hon. Member that what is happening now is precisely the problem to which I was attempting to refer a few moments ago. The Chair has respected the right of all Hon. Members to rise on points of order throughout the entire afternoon. In some cases, Members have used a considerable part of their right to make a point of order to address themselves, in some degree or other, to the substance of the Bill. I am now asking Hon. Members if it would be appropriate and if the mood of the House is such that the Chair ought to suggest that points of order ought to be relevant to the procedures of the House. That is the issue in front of the Hon. Member who now has the floor.

This is not an opportunity to discuss the merits of the Bill. I think it is in order at this time to point out that points of order ought to be restricted to matters pertaining to the order of debate, the Standing Orders and the rulings of the Speaker.

Mr. Parker: Mr. Speaker, I will go directly to that point of order. I was trying to build up to it.

When the committee was travelling across the country it heard a submission from the Province of British Columbia. I think it is important that this amendment be able to stand, and I just want to outline very briefly the concerns of the Province of British Columbia as to why the amendment should stand.

The Acting Speaker (Mr. Blaker): I have to indicate to the Hon. Member that the merits of a political issue, if I may refer to it that way, or the merits of debate concerning a particular Bill, are not essentially the same thing as points of order. It makes no difference whether the Hon. Member's argument is the most justified political argument on the face of the earth; it stands as political argument. What the House is now involved in is points of order on the Speaker's ruling. This is not the time or place to make arguments as to the substance of the Bill.

I know I am becoming difficult in one sense because the Chair has recognized many other Hon. Members throughout the day. However, I think it has reached the point where Hon. Members should at least consider the request of the Chair to make sure that the debate on points of order is restricted to the technicalities of points of order, not the substance of the Bill.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, you are almost entirely right but Members should not only consider the position of the Chair, they should follow the position of the Chair. That is why we have a Chair. When Members are discussing presentations or representations made before the committee rather than discussing the procedural acceptability of these amendments, they are clearly out of order.

Mr. Parker: Mr. Speaker, the problem I am having is the title of the Bill. It says:

An Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

Motion No. 20 has been turned down by the Speaker on a preliminary basis. It is imperative to me as a Member of Parliament to discuss this legislation or this amendment in the House. This Bill will call upon me as a Member of Parliament to vote for $450 billion worth of coal reserves to be turned over to the federal Government. If I want to vote against that, I have to vote against some very important improvements to rail transportation in my area which every one of us feels must be done.

The title of the Bill has caused the problem. I say to you with all sincerity that I think it is an unjust act not even to consider that amendment which deals with coal, which has nothing to do with the transportation of grain or—

The Acting Speaker (Mr. Blaker): The Hon. Member for Northumberland-Miramichi (Mr. Dionne) is rising on an intervening point of order.

• (1640)

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, obviously, not only does the Hon. Member misunderstand the point of procedure but he also misunderstands the Bill. The Bill does not turn the coal lands in British Columbia over to the federal Government. The federal Government already owns those coal lands. All the Bill does is to lift the freeze in price, and he is arguing—

The Acting Speaker (Mr. Blaker): Order. I am having as much problem with that intervention as the one preceding it. The difficulty for the Chair is that over a period of time it appears appropriate to accept interventions by Hon. Members which are known and called by those Hon. Members as points of order, because it gives the House an opportunity to review the ruling by Madam Speaker and to determine whether or not there are certain points of parliamentary procedure which need to be addressed.

At a certain point, it is also the responsibility of the Chair to summarize in one's mind what is taking place in the House. I want to assure the Hon. Member that I regret that it is he, in fact, who happens to be subject to my intervention at this point, but I would have had to do it at some point or other. It is clear that during the course of the afternoon there has been an increasing tendency to use points of order to, in fact, cause debate. The Chair cannot go on all day and all week, or for whatever length of time, accepting a point of order which is not under a Standing Order as a point of order but which is in fact debate on the substance of the Bill.

I do most sincerely ask the Hon. Member to understand that it is not his case in particular that causes the Chair to come to this point, but the day is wearing on and I think the Chair must alert Hon. Members that there must be a distinction between debate on the substance of the Bill and debate on points of order.

Therefore, I ask for Hon. Members' kindness and consideration, if I may put it that way, but I will now ask Hon. Members first to be brief and, second, to ensure that their remarks are related to points of order. If an Hon. Member wants very seriously to make a point of order, I would want to ensure that he has that right. If he begins to quote Beauchesne at the beginning of his remarks, I will listen longer and more carefully. Without that, I will start cutting off people. I will recognize the Hon. Member for Kootenay East-Revelstoke.

Mr. Parker: Mr. Speaker, I have not tried to use up some extra time, however. I have been trying to make one specific point with regard to Motion No. 20.

Mr. Pepin: Hasn't it been made before?

Mr. Parker: I feel that there has been a preliminary decision made on this matter. It is important that my views be heard as to why I feel that this particular motion should be heard.

Mr. Evans: Procedurally.

Mr. Parker: I have not taken up additional time of the House. I will speak on this one motion and then I will sit down. I would like to be heard for another minute, if at all possible. We have been afforded some leniency.

The Acting Speaker (Mr. Blaker): One minute.

Mr. Parker: Thank you, Mr. Speaker. It is imperative that Motion No. 20 be given full consideration. It has nothing to do with the transportation of our grain. It is a consequential issue. It is one that we have asked to be separated from the Bill.

Mr. Pepin: You've said that 15 times.

Mr. Parker: Not only do I not want to support it being turned over to the federal Government, but the Province of British Columbia also feels it is the rightful owner and should not be included in this part of the Bill.

Mr. Pepin: You've said that 15 times, to my knowledge. There must be a limit somewhere.

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

The Acting Speaker (Mr. Blaker): The Hon. Member for Regina West has already spoken this afternoon on a point of order. Is it a fresh point of order?

Mr. Benjamin: Yes, Mr. Speaker. On the preliminary ruling of the Chair regarding Motion No. 20, the Hon. Member for Northumberland-Miramichi (Mr. Dionne) and I had some discussion on this matter in the committee. However, I want to ask the Chair to reconsider your preliminary ruling on Motion No. 20 on grounds that, according to the Chair, it goes beyond the scope of the Bill.

Since the intent of the legislation is to open up those lands as to the price, and the lands are under the jurisdiction of the Dominion Government according to the Crow's Nest Pass Act, I want to submit that since the Dominion Government has done nothing with those lands since 1897, has only held them in trust, therefore—

The Acting Speaker (Mr. Blaker): Order.

Mr. Benjamin: —it is not beyond the Bill—

The Acting Speaker (Mr. Blaker): Order, please, I think that as an exercise in parliamentary debate, from this point on the Chair ought to indicate that Hon. Members should proceed to give the Chair a capsuled understanding, within the first 30 seconds, of what the point of order is. I must make a distinction between debate on the substance of the Bill or any of the amendments and debate or comments that are related to a point of order. Otherwise, the House could continue for six months on what are called points of order. The reason Hon. Members place me and other people in the Chair is to ensure that the Standing Orders are enforced. I will listen for 30 seconds to the Hon. Member for Regina West.

Mr. Benjamin: Mr. Speaker, my 30 seconds were on the preliminary ruling of Madam Speaker, about the motion going beyond the scope of the Bill. I was trying to ask the Chair to reconsider that in fact it does not go beyond the scope of the Bill for the Bill to state the lands should be returned to the Province of British Columbia. I say that it does not go beyond the scope of the Bill because the lands have only been held in trust, formerly held by the Province of British Columbia. There is no impingement on the royal Recommendation. There is no impingement on the intent of the Bill to deal with the handling, transportation and shipping of grain.

I defy anyone to show that returning Dominion coal lands to the original providers, namely, the Province of British Columbia, goes beyond the handling, shipping and transportation of grain.

It is not a substantive amendment. I hope the Chair will take that into consideration.

Now I would like to refer to Motion No. 16.

The Acting Speaker (Mr. Blaker): Since the Hon. Member, himself specified that he was rising on a point of order on

Motion No. 20, the Chair will recognize another Hon. Member who had sought the floor. I will recognize the Hon. Member for Crowfoot (Mr. Malone).

Mr. Malone: Mr. Speaker, I was just rising in an attempt to try to be helpful to you. Since I noted that you were having some difficulty with points of order raised by Members of the New Democratic Party, might I commend to your attention how the Speaker in the legislature in British Columbia handles that Party.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): I will recognize the Hon. Member for Regina West.

Mr. Benjamin: Mr. Speaker, on a similar point of order, I am not as heavy as the fellow in British Columbia, so I suppose I would be easier to remove, but I know Your Honour would not want to be bereft of my company.

I do not think I need to remind the Chair that the Chair invited the House to comment on three efficient sets of documents on which the Chair made preliminary rulings and, in the third document, reasons for unacceptability, on a total of 174 amendments. In all reasonableness, how are Hon. Members of the House, in the matter of a day or two, to go over every individual amendment, to check it with the Speaker's preliminary ruling, to compare it with—

The Acting Speaker (Mr. Blaker): Order.

Mr. Benjamin: —what went on in the committee, to compare it to the original Bill, the Bill as it was reported back? I defy anyone to be able to deal with that in that amount of time. We have had an open invitation from the Chair, quite properly I submit, for Hon. Members to rise on a point of order to put forth arguments as to why they think a motion is acceptable and in order or why it is not acceptable or in order, and that is a proper decision of the Chair. I want to tell Your Honour that I have points of order to raise with regard to a number of other amendments, as to their acceptability, their admissibility, and so do my colleagues. Since these coal lands are all located in the riding of my colleague, Your Honour can understand and appreciate that he may stray for a moment or two from the point of order, but I am sure Your Honour can understand it. You would, too, if those lands were in your riding. Mr. Speaker—

The Acting Speaker (Mr. Blaker): Order, please. I think the Hon. Member for Regina West has done a very considerable favour to the House. He and I have now had an exchange of views. I understand he and other Members of his Party have a number of points of order to raise. At the same time he has indicated that he wants to keep his points of order brief, to the point, and within the procedural understanding of the House of Commons. I think that is a perfect understanding. Hopefully, the Hon. Member will proceed and perhaps allow other Hon. Members to have the floor in as short a time period as possible so they, too, will have their rights.

• (1650)

The Hon. Member for Regina West (Mr. Benjamin) for a moment.

Mr. Benjamin: Mr. Speaker, I do not want to appear to be monopolizing the floor. If other Members wish to speak, I will gladly give way to them on points of order on any of the motions which the Chair has some doubts about.

On Motion No. 16 the Chair has a preliminary ruling that says Motions Nos. 15, 16, 17 and 134 give the Chair similar problems. It appears to the Chair to be a substantive amendment to the interpretation clause and beyond the scope of the Bill. I want to argue in the case of Motion No. 16, the effect of which is to retain the statutory grain rate for the producers. It does not violate the long title. It does not call upon larger government expenditures. The funds provided for in the legislation, $651 million, will still be paid out. It in no way affects the Royal Recommendation. Now to the scope of the Bill. The Bill outlines a scale of rates in Schedule II, what is called the base rate scale. That Bill is the statutory grain rate as it relates to mileage. Motion No. 16 does nothing more than maintain the base rate scale outlined in Schedule II of the Bill. How in the devil does that go beyond the scope of the Bill? All it does is to maintain what is provided in the Bill, namely the base rate scale in Schedule II. I will not presume upon the patience of the Chair and read the whole darn thing, much as I would like to.

The maximum shipper share of the rate of cost change means zero, which is what my Motion No. 16 is. All it does is to maintain Schedule II which is in the Bill. How the dickens does that go beyond the scope of the Bill? Please, Mr. Speaker, will you and your officials spend this weekend coming up with an answer to that? I would appreciate it. On all sides of the House as well as across the country the pros and cons of maintaining the statutory grain rate for the grain producers are well known. The Bill outlines the statutory grain rate in Schedule II. Therefore, I submit to the Chair that Motion No. 16 does not go beyond the scope of the Bill.

Let us look at Motion No. 15.

The Acting Speaker (Mr. Blaker): Order, please. I think it is only fair, and the Hon. Member for Regina West is known for his views of fairness, that other Hon. Members who might want to speak to amendments in terms of points of order, be given that opportunity. The Chair will recognize other Hon. Members. Of course, I will return to the Hon. Member for Regina West on the next amendment. As I do not see another Hon. Member rising, I will recognize the Hon. Member for Regina West on Motion No. 17, I believe?

Mr. Benjamin: Mr. Speaker, I want to make the same submission as it relates to Motion No. 17. Pardon me, Motion No. 19 and Motion No. 70 appear beyond the scope of the Bill and in effect seek to destroy the Bill. Motion No. 19 reads:

—"tariff" means the tariff of rates and conditions of carriage for the movement of grain that were in effect on the sixteenth day of June, 1983.

The only reason June 16 is in the motion is that that was the day we drafted the amendment. It could just as well be October 1 or whatever. This does nothing more than maintain what is in the Bill, Schedule II, namely the base rate scale. Surely that is not beyond the scope of the Bill. Surely it is worthy of consideration by the House and of a political decision being taken by a vote in the House of Commons.

Motion No. 70 is in the same category. It reads:

—"tariff" means the tariffs of rates and conditions of carriage for the movmeent of grain in effect on the sixteenth day of June, 1983.

That is an amendment to Clause 34. The other one is an amendment to Clause 2.

Motion No. 70 would be consequential to Motion No. 19. But the argument still applies in both cases that this does nothing more than maintain a tariff that is already in Schedule II of the Bill. Surely you will want to spend the long weekend considering that, Mr. Speaker.

Mr. Malone: It would take a long weekend to comprehend it.

Mr. Benjamin: Let us go to Motions Nos. 22 and 23, which the Chair also in a preliminary way feels are beyond the scope of the Bill. We do not have to argue whether or not they go beyond the Royal Recommendation. Obviously the Chair does not feel they do. Therefore, it is the scope of the Bill.

The Bill is amending the Crow's Nest Pass Act of 1897 and all the agreements pursuant thereto. Part of the Crow's Nest Pass Act and all agreements pursuant thereto relate to the things provided to by way of grants, by way of lands or mineral rights and cash to Canadian Pacific Railway. Since the Bill purports to amend the Crow's Nest Pass Act of 1897 and all agreements pursuant thereto, surely it is not beyond the scope of the Bill to place in it any or all of the various conditions of the Crow's Nest Pass Act of 1897 and any agreements pursuant thereto.

If you are going to amend an Act then anything that is in that Act is not beyond the scope of this Bill because this Bill says we are amending that Act. I want to submit to the Chair that what we request in Motions Nos. 22 and 23 is nothing more than a further amendment to the Crow's Nest Pass Act of 1897 and agreements pursuant thereto and does not go beyond the scope of the Bill.

The Acting Speaker (Mr. Blaker): Order, please. First I should begin by indicating that the Hon. Member for Regina West has wished upon me on Thanksgiving weekend an enormous amount of work. It has been brought to my attention that I have a habit on Friday afternoon of wishing Hon. Members a pleasant weekend. I would want to do that more than ever because it is Thanksgiving weekend, except of course with respect to the Hon. Member for Regina West. To him I extend not only my best wishes for Thanksgiving weekend but I would suggest a very extensive study of the Standing Orders of the House of Commons, in particular Standing Order 79(10). He will find therein that it is the responsibility of the Chair to encourage Hon. Members to bring their points of order in a brief and very direct manner to the attention of the House.

With that, the House stands adjourned until Tuesday morning at eleven o'clock. Have a good weekend.

At 5.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 11, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Friday, October 7, 1983 consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 33 (Mr. Mazankowski).

The Acting Speaker (Mr. Corbin): When the House adjourned on Friday, the Chair was listening to Hon. Members on the procedural admissibility of motions in amendment to Bill C-155. So far, almost five and a half hours have been devoted to these points of order and the Chair feels that the major procedural issues have been addressed and will want to begin consideration of the points that Members have made in order that a final ruling may be rendered as soon as possible.

However, as a courtesy to the Hon. Member for Regina West (Mr. Benjamin), who had the floor when the House adjourned last Friday, the Chair will hear his argument and invites him to complete his statement. After the Hon. Member has been heard, the Chair feels that the House should resume consideration of Motion No. 33.

Mr. Deans: Mr. Speaker, I rise on a point of order. I recognize that it is the Chair's prerogative to make such decisions. However, during my presentation I indicated that the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) would raise a particular argument on one matter that I felt was beyond my competence in terms of its technicalities. I wonder if you would consider allowing a brief intervention by the Hon. Member for Humboldt-Lake Centre.

• (1110)

The Acting Speaker (Mr. Corbin): Is the Chair to take it, then, that the Hon. Member for Regina West does not wish to contribute further to his point of order?

Mr. Les Benjamin (Regina West): Mr. Speaker, I have an intervention on one more motion and my colleague, the Hon. Member for Humboldt-Lake Centre, has an intervention on another motion, as the House Leader has said. If we can proceed with those two interventions, then I think we will have pretty well completed our interventions on the matter of the admissibility of motions.

I would particularly like to refer to Motion No. 51; I did not speak to that motion on Friday. I would like to point out, Mr. Speaker, that that motion does not exceed the Royal Recommendation because the funds for branch line rehabilitation are provided for both in this Bill and in other measures. Therefore, the Royal Recommendation for the expenditure of funds is not exceeded in Motion No. 51.

Second, the Government has announced on numerous occasions its commitment to provide for the rehabilitation of branch lines, particularly those that have been put in the basic network, until the year 2000. All this motion does, Sir, is place in the Statute a provision for the carrying out of that commitment.

Rehabilitation is now taking place and has been for the last two or three years. It was the Government's intention, I believe, to have that branch line rehabilitation completed by the year 1986. My motion provides for it to be completed by July 31, 1987. This is another one of the fears of the people of western Canada. They want to see that that commitment by the Government cannot be undermined or revoked by either this Government or any succeeding government.

We were very careful with the wording of Motion No. 51. It does not go beyond the scope of the Bill because provision for the rehabilitation of those lines is in accordance with the long title of the Bill, which is to facilitate the transportation, shipping and handling of western grain. It is certainly within the scope of the Bill. It does not provide for any additional funding by the federal Government. Those funds were already committed both in this Bill and, as in previous years, through other means. Therefore on both counts, Mr. Speaker, I submit that Motion No. 51 is in order. I would urge upon the Chair that the final ruling of the Chair would be that it is in order and that it can be debated and voted upon.

The passing of Motion No. 51 is very crucial to the three prairie Provinces. As I said, we were most careful with the wording of it so that we would not go beyond either the scope of the Bill or the scope of the Royal Recommendation. I would urge the Chair and the officials to take a second look at that motion and I would hope that Madam Speaker would agree in her final ruling that it is in order.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise on the same point of order and I will be very brief. The Hon. Member for Regina West (Mr. Benjamin) outlined the acceptability of the motion and the necessity for it. I

should like to elaborate on some of the reasons why we would like to support the motion if it can be found to be in order—and we think it is in order.

• (1115)

I think the way the Bill stands indicates that the motion is admissible. The Government has made commitments for the next three years on branch line rehabilitation. There is no change in the Royal Recommendation with respect to the expenditure of funds.

Without presuming to say whether Motion No. 33 will pass or not, we know there is a recommendation for the retention of branch lines to the year 2000 and that exchanges of branch lines have been required by the Canadian Transport Commission to be extended to the year 2000. An example is the CN takeover from CP on the Matador sub in my part of the country, and the Dodsland sub with the reverse taking place. Those transfers cannot take place until the rehabilitation has been completed.

We would like to see this motion put because it would be consistent with the rulings of the CTC and the expressed desire of the Government that those transfers should take place. As things stand, they cannot take place until the lines have been rehabilitated or upgraded. Therefore, the requirement in the Bill for that that to take place does not change the intent or the Royal prerogative. It only puts into legislation something that would make the people who use the branch lines feel more secure than they would if it rested in an order in council or some other place. I hope that, in considering Motion No. 51 standing in the name of the Hon. Member for Regina West, the Chair will consider the statements of the Government and the fact that this does not in any way change the intent of the Government with regard to Bill C-155.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise on a point of order to discuss the ruling made on Motion No. 89 which was referred to my colleague, the House Leader of this Party.

The Acting Speaker (Mr. Corbin): Order, please. I am sure the Hon. Member appreciates that he is not questioning a ruling but a preliminary ruling. We are still discussing the general matter in that spirit, naturally.

Mr. Althouse: Thank you, Mr. Speaker; I had temporarily forgotten the word "preliminary". We have been discussing a preliminary ruling in the last day or so. The point I was making referred to the preliminary ruling on Motion No. 89. The preliminary assessment was that it was considered to be beyond the scope of the Bill.

I would remind the Chair that the Bill deals with the transportation of western grain. Motion No. 89 is a motion to clarify in that it describes what is and what has been the current practice. The motion itself is consistent with current practice regarding the rates for rapeseed and canola beyond Thunder Bay. Those rates are currently set at a minimum compensatory rate under Section 23 of the National Transportation Act. In committee the shippers expressed concern that, as it stands, the Bill may leave the impression that those rates would no longer be applicable. We are therefore anxious to have the Bill make clear that the rate provisions now available to them would still be available for shipment beyond Thunder Bay. In fairness, I think that is the intent of the Government.

During consideration of the Bill we heard many arguments from Members of the Government and the Minister to the effect that one of the secondary purposes of the Bill is to encourage processing in western Canada. The maintenance of these minimum compensatory rates would assist in this. I believe, therefore, that the title of the Bill, "an Act to facilitate the transportation, shipping and handling of western grain", should be interpreted broadly enough to include rapeseed and canola oil, and for clarification purposes the policy outlined in Motion No. 89 should be described in the Bill, so that what is now in effect can continue and the producers of those particular products in western Canada will continue to be treated on a basis consistent with what has been the case up until this point in time.

• (1120)

I suggest that the Chair review its initial ruling to call this particular motion beyond the scope of the Bill. Given these circumstances, I hope you will find that it is indeed within the scope of the Bill and should be allowed to be debated.

Mr. Benjamin: Mr. Speaker, I rise on the same point of order. I would like to add to what my colleague, the Hon. Member for Humboldt-Lake Centre, has said on Motion No. 89. The intent of the motion is to continue the present practice. I would again like to remind you, Mr. Speaker, that this does not exceed the Royal Recommendation and it does not go beyond the scope of the Bill, which says it is "to facilitate the transportation, shipping and handling of western grain".

Without Motion No. 89 Mr. Speaker, the intent of this legislation can be thwarted. Without this motion the intent of the Bill could be prevented from being carried out. That is the reason for the motion. We endeavoured to word the motion carefully so as to remain within the two bounds which must guide us on motions at report stage—that it does not exceed the Royal Recommendation and that it stays within the scope of the legislation. Surely, the scope of the legislation is the facilitation of the transportation, shipping and handling of western grain. Without this motion, Sir, the intent and scope of this legislation can be prevented in the case of a number of grains which move to eastern Canada either raw or processed. Certainly, it was obvious in committee from all sides that this was one area which needed to be addressed in this legislation, so that the intent of the legislation could be completely carried out. Therefore, Sir, I ask you to consider this additional point raised by myself in the course of the consideration by the Chair and by the officials in reaching a final ruling. I urge this motion be considered in order.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I rise on the same point of order. I would simply want to support the

two Hon. Members who have just spoken with respect to the admissibility of Motion No. 89.

There are two points which I want to make very quickly, Mr. Speaker. My first point relates to facilitating the movement of grain. As "grain" is described under the interpretation clause of the Bill, it is clear that the production of rapeseed or canola oil are included within the context of this Bill. Those products should be included when dealing with the movement, collection and handling of grain. Therefore, it really does not go beyond the scope of the Bill in so far as the definition of the product is concerned.

Second, if there should be any suggestion that it goes beyond the Royal Recommendation, I would simply like to say to you, Sir, that in my humble view it does not. What this motion is really asking for is the retention of the status quo on the freight rate beyond Thunder Bay, namely the minimum compensatory freight rate which is established by a formula through the Canadian Transport Commission. The amendment seeks to ensure the retention of that rate, because quite frankly with rapeseed and canola considered as grains under the statutory freight rate regime, it would move at the statutory freight rate from any point in western Canada to Thunder Bay and beyond that at a commercial rate. So the net effect on those two products would be perhaps worse than it was before. All this motion will do is compel the railway to prescribe a minimum compenstory rate beyond the Port of Thunder Bay. That in no way affects the Royal prerogative or the money package included in this Bill. I think that point has to be made abundantly clear.

• (1125)

To reiterate, if you are talking about the broad concept of the Bill, and since it appears the statement of purpose I so eloquently described is under attack, it is fair to say that one can only rely upon the broad title, which is an Act to facilitate the transportation, shipping and handling of western grain. Processed canola and rapeseed is classified as a grain.

So on those two counts, Mr. Speaker, the Royal prerogative, and qualification within the content and purpose of the Bill, I think this motion qualifies on both counts.

Mr. Bill McKnight (Kindersley-Lloydminster): Just briefly, Mr. Speaker, and I see the Parliamentary Secretary and the Chairman of the Standing Committee on Transport here, if the Allan Report had been made available to the Committee as we had requested, in al likelihood there would have been more amendments similar to Motion No. 89. That report was a study done by the Government which directly reflected what my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), has expressed on the ramifications of this motion. If the report was available to you, Mr. Speaker, I am sure you would be able to see that it does not in any way affect the Royal prerogative.

The Acting Speaker (Mr. Corbin): I am afraid the Hon. Member is discussing the relative merits of the substance of the amendment, not its procedural acceptability in the strict sense of the word. I invite him to address himself to that point.

Mr. McKnight: Mr. Speaker, that brief statement of purpose was so that Table officers and you, Sir, could ask for something we have been unable to obtain, the Allan report, which would allow them to reflect clearly on your judgment to be made on Motion No. 89, as to whether it is admissible and, within the Royal prerogative, whether it changes the intent of the Bill and its interpretation of grain as put forward by my colleague for Vegreville or the Hon. Member for Regina West (Mr. Benjamin), and whether that interpretation in any way, shape or form changes the intent of the Bill. That is the reason I was addressing myself to that report. It has not been available to members of the Standing Committee on Transport, but it may be made available to you, Sir.

• (1130)

The Acting Speaker (Mr. Corbin): The House will now proceed with debate, resuming consideration of Motion No. 33. The Hon. Member for Winnipeg-North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, while we have been debating the Bill for some weeks now, I could not help but think of last Thursday afternoon when we heard the very eloquent speeches of the Prime Minister (Mr. Trudeau), the Leader of the Official Opposition and the Leader of the New Democratic Party about how they foresaw Canada in the future as being a democratic, tolerant country in which the people who helped form this country, with its two official languages, would have equal rights. I could not help but think that none of that could have been made possible—in fact, we would not have had a country—if the Fathers of Confederation had not been far-seeing and daring enough to ensure that a railway was built from the Atlantic to the Pacific.

Any person who looks at a map of North America will realize that the economic line in this continent runs not east to west, but, rather, north to south. The people of Vancouver have much more in common with the people of Los Angeles and San Francisco than they have with those in Ottawa. The people of Halifax have much more in common with the people of Boston, New York and Philadelphia than they do with those in Winnipeg. The people in Winnipeg have much more in common with the people of Minnesota and Minneapolis than they have with those in Halifax. Therefore, without the railway there would not have been a country.

Sir John A. Macdonald gave all the support necessary, and that meant tens of millions of dollars and millions of acres of land, to the promoters who built the CPR. Then certain other businessmen who thought they could make a profit started to develop other railways. Eventually, we had not two railways but, rather, at least five railways. We had the Grand Trunk, the Grand Trunk Pacific, the Grand Trunk Northern, and several other railways.

Then it was realized that we had overbuilt railways and that they could not manage financially. They certainly could not all operate and make a profit. If they had not already become

bankrupt they would shortly be bankrupt. Therefore, the Government of the day nationalized the railways, took them over and amalgamated them, and created the CNR. We essentially had two transcontinental railways, the CPR and the CNR, one privately owned and the other supposedly publicly owned.

Both railways, like most other corporations, try to operate as profitably as possible, and that means profitable for themselves, not necessarily in the best interests of ordinary people. Therefore, we have two railways, each one determined, and we can understand why, to handle as much traffic as possible and to receive as much revenue as possible.

There is a ridiculous situation in many parts of Canada, although I will speak only of how it affects the movement of grain in western Canada, where grain is being shipped on cars belonging to the CPR or the CNR for hundreds of miles unnecessarily because the CNR and the CPR do not have lines which go directly to Vancouver, where most of the grain is going.

Let me just quote from the testimony of Mr. Justice Hall, who has done a great deal of work and headed a Royal Commission in this field. On August 9 of this year, he gave testimony to the Standing Committee on Transport, and I will just quote a part of it as follows:

> We heard a lot about efficiency, and the whole idea of the railways about efficiency was to get rid of the branchlines. That would have been very efficient from their standpoint. But on this question of efficiency, I am told by senior railway people, there is a railway philosophy that once the line gets hold of a commodity for transport, it will hang onto that commodity to the delivery points, come hell or high water. That works out this way and this is what we found, great quantities of grain grown on, say, the Goose Lake line . . . and now that may not mean too much to members from the east, but it is one of the great grain-producing areas in Saskatchewan between Saskatoon and Calgary served by the Canadian National Railways; it is closer to Vancouver at Rosetown than to Thunder Bay, so the trend is westward. Grain was taken to Calgary, but the CN has no line going from Calgary to Vancouver. So they hauled it then northward 200 miles to Edmonton so they can take it south again to Vancouver. That was the CN.

Then he went on to give a similar example about the CP, and I will quote again as follows:

> CP with the Hardisty line, which is another line going through Edmonton . . . all that CPR grain went to Edmonton, but there is no line from Edmonton into Vancouver—so it went south to go to Vancouver. Trainloads of grain were passing each other like ships in the night between Calgary and Edmonton.

I am not being critical of the railways. As I have indicated, they are out to move as much freight on their tracks as possible, to have as much traffic as possible, to move as many cars as possible and to make as great a profit as possible. However, that is not the efficient way. That adds to the cost and reduces the net return which the farmer receives. Because that is the situation, we believe it is necessary to give the Administrator the power to direct the railways to move grain as efficiently and expeditiously as possible.

While we argue there is no need for the Grain Transportation Agency, and that the Administrator already has too much power in the sense that his power would encroach upon the authority of the Canadian Wheat Board, we believe this is a good amendment and should be supported, because no matter what public agency has control over the transportation of grain, whether it be the Wheat Board, the Canadian Grain Commission, the Grain Transportation Agency or whatever, that person or agency should have the ability to direct the railroads to exchange cars to promote efficiency.

Mr. Justice Hall pointed out that the railways now hang on to loaded cars of grain for movement to export position even though the other line could move them to port over a more direct line, cutting the distance and costs and adding to the efficiency of the system. We say that this tends to undermine the assertions of the railroads that they lose money every time they move a carload of grain. If that were so, presumably they would lose more money for each additional mile they haul it and would do everything possible to get rid of it as soon as possible and stick their competition with the losses. We say that without the authority of the amendment, which we support, which would be vested in the hands of a public agency, we can be sure that there would be little, if any, exchange of cars of grain between the railroads for efficiency's sake.

What the Government is proposing in fact is that the railways should be paid for the grain they move on a cost-plus basis; in other words, the more their costs, the greater their profits. The longer they hang on to the grain, the more miles they move it, the greater the cost, and therefore their profits.

The Administrator on the Wheat Board—and in this case the Hon. Member proposes that there be an Administrator—must have the power to direct the railway to move the grain as quickly and as expeditiously as possible. There has been a great deal of evidence over many years that the railways have not done that and that they will not do it voluntarily. That is why we support the amendment.

● (1140)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to support Motion No. 33 which is in the name of the Hon. Member for Vegreville (Mr. Mazankowski). The effect of this motion is simply to change Clause 17(1)(d) so that it would then read: "The Administrator may "promote and shall require if necessary"—the words "shall require if necessary" are vital parts of this amendment—"reciprocal and other arrangements between the railway companies to facilitate the efficient and reliable movement of grain for the purpose of maximizing returns to producers". We support this amendment because we see the Administrator as being part of the Canadian Wheat Board, as was proposed in our Motion No. 32 which is yet to be voted on.

We believe that this authority is necessary for several reasons. Let me outline two or three cases in which we think this power could be used to increase the efficiency of the grain transportation system. Basically, the problem lies in the railways' insistence upon maintaining control of carloads of their own grain traffic over their own lines regardless of whether it is the shortest route to the port. In fact, as the Hon. Member for Winnipeg North (Mr. Orlikow) just stated, since the rates are distance related, the further that grain is transported the more money the railways can make because this Bill provides for their being paid on a cost-plus basis.

In spite of their allegations of losses, the railways seem to insist upon holding on to their own traffic over longer routes even though they allege the current rate structure loses them money. Their actions are not very supportive of their argument, however, since it is very difficult to believe that any corporate body would do something which would increase their losses.

The prime example which has been used in this debate to show how railways could co-operate and save producers money is that which Justice Hall raised in committee. Canadian National grain that is gathered in southern Saskatchewan must make the trip from Calgary to Edmonton in order to get across the mountains on CN lines. Meanwhile, Canadian Pacific grain which is gathered in northern Saskatchewan is normally transported to Edmonton and then south to Calgary in order to link with their main line across the mountains to get to the Pacific ports.

The railways have been convinced of the necessity to switch that traffic and have been doing so an experimental basis for a number of years now by simply switching cars at Edmonton and Calgary so that CP cars would go down CN lines and an equal number of CN cars would go through the mountains on the CP main line to Vancouver as well. This has been accomplished quite easily by keeping an equitable accounting of the bushels of grain transported. At the end of the year when an accounting is done, accommodation is made to equalize things between the companies at that time.

The grain companies established a similar arrangement through the Canadian Wheat Board where only certain amounts and grades are dumped at terminal locations on the West Coast and at Thunder Bay in order to avoid the necessity of breaking up the trains and sorting each individual company's grain for disposal at the required terminal. This procedure of dumping all the grain in each train at the terminal and using on accounting method to ensure that each gets its kind and grade of grain which has been shipped over a period of weeks or months has worked out quite well.

Rapeseed has been dealt with separately for some time but I understand that an agreement has been reached whereby rapeseed is bulked together and dumped at the terminal where the train is sent. An accounting is simply kept of who owns the rapeseed.

The interchange of rail company lines is extremely important not only in the Edmonton to Calgary corridor, where that co-operation pays the railways very well, but in the Vancouver area and in the shipment of grains to Churchill.

Travacon Research Limited issued a report on Vancouver rail access. It suggested that the rail lines in that area should be treated as if they belong to one company which could do an accounting procedure very similar to what the Canadian Wheat Board does with respect to the various grain companies. In other words, the transportation services could be treated as one company while ensuring that each participant is paid for the amount of work completed. It suggests that rather than a company shipping grain up to 60 miles further in a long, extended loop, simply to stay on its own tracks, the shorter distance provided by another company's line could be used to get the grain to port a day or two earlier. This would speed up efficiency while providing a lower cost to the companies involved, and ultimately a lower cost to the user, who in this case is the grain producer.

The use of other companies' lines has been practised at Churchill only in one season. While the CNR owns the line to Churchill, a good part of the CP gathering area exists in that Churchill corridor. Churchill usually requires one particular type of grain. Recently, this requirement has been barley, which is mostly grown in northeastern Saskatchewan and northwestern Manitoba. Half of that area is serviced by CP Rail, which has no access to Churchill without a reciprocal agreement. Therefore, the requirement of a reciprocal agreement would hasten the gathering of that grain, provide a shorter route to Churchill and make it far more efficient for both the railway company and the marketing system itself.

The railways say they are loath to do this because they like to maintain control of their cars. I suggest that is an important point to remember, particularly when one considers to whom these cars belong. The railways have not bought grain cars on their own since the early 1950s. Those boxcars are fully depreciated and they are only used in the rail system because the federal Government paid to have them refurbished so they could still be used on the low volume branch lines that are unable to facilitate hopper cars. The cars that the railways are fighting over are essentially cars that were brought by the people and farmers of Canada. Therefore, the railways' argument as to ownership and control is fairly weak.

The administration which has the overview of transportation—whether under the Wheat Board, as we prefer, or a separate transport authority, as the Government prefers—should have the power to require the railways to enter into reciprocal agreements to provide the shortest haul and reduce the costs to producers and, if this Bill becomes law, the federal treasury. We believe that it makes no sense to pay the railways for shipping on a circuitous route simply because they are being paid for the number of miles they must travel. When a shorter route exists, the Administrator should be able, as this amendment would provide, to force them to reach a reciprocal agreement to move the grain over the shortest possible haul.

● (1150)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise on a point of order. After having discussions with the Parliamentary Secretary to the Minister of Transport (Mr. Flis) and the Hon. Member for Regina West (Mr. Benjamin), I ask leave of the House to introduce a motion and to withdraw by leave Motion No. 10 standing in my name.

The motion I wish to introduce at this time with leave of the House reads as follows:

"export" in respect of grain means shipment by vessel within the meaning of the Canada Shipping Act to any destination outside Canada and shipment by any other mode of transport to the United States for use of the grain in that country and not for shipment out of that country;—

When I gave notice to the Chair last Thursday, I provided one English translation and two French translations of the motion. I would leave the correctness of that to the discretion of the Table officers. This motion would be seconded by the Hon. Member for Vegreville (Mr. Mazankowski), and I hope the unanimous agreement of the House would occur when it comes time to vote affirmatively on the motion.

Mr. Les Benjamin (Regina West): Mr. Speaker, there was lengthy discussion on this in committee. Both the Hon. Member and I had motions in the committee attempting to accomplish what we were all agreed upon. The wording the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) has now presented was on the advice of the legal counsel for the Department of Transport. We are perfectly prepared to give unanimous consent to Motion No. 10 being withdrawn by leave and to have the substitute motion put on the Order Paper in its place. Would Mr. Speaker entertain argument now as to its acceptability, or would you prefer to obtain unanimous consent first?

The Acting Speaker (Mr. Corbin): The Chair would want clarification by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) as to whether or not the lead-in to the text of the proposed new amendment is the same as Motion No. 10 as printed on page VI of today's Order Paper, which has the effect of striking out certain lines and substituting the following therefor. Is that the intent of the new amendment?

Mr. McKnight: Yes it is, Mr. Speaker. The lead-in is to amend Clause 2 by striking out lines 7 to 9 at page 2 and substituting the following therefor. It would remove those words that appear in the Bill as amended from committee.

The Acting Speaker (Mr. Corbin): I am sure the Table officers will be satisfied with that explanation.

Is there unanimous consent to withdraw the existing Motion No. 10 as printed on today's Order Paper?

Some Hon. Members: Agreed.

Motion No. 10 (Mr. McKnight) withdrawn.

The Acting Speaker (Mr. Corbin): Does the House give leave to the Hon. Member to present his new Motion No. 10?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): I should indicate that this does not infringe in any way on the Speaker's obligation to rule as to its procedural acceptability.

If Hon. Members wish to contribute argument as to its procedural acceptability, the Chair is disposed to hear those arguments at this time.

Mr. Benjamin: Mr. Speaker, the Chair made a preliminary ruling on the original Motion No. 10. We now have a motion from the Hon. Member for Kindersley-Lloydminster reworded in a manner recommended by legal counsel for the Department of Transport on which there was unanimous agreement in committee and unanimous agreement in the House.

That does not gainsay that the Chair may have a problem about its acceptability. It is within the scope of the legislation. The legislation would provide for a statutory rate regime to export position which would be Prince Rupert, Vancouver, Churchill, Thunder Bay or any other port of exit between Canada and the United States in the western region. Up to the point of exit, whether it is a sea port, an inland port or a port of exit along the forty-ninth parallel, it would be eligible for the statutory regime.

This would ensure that grain or grain products from western Canada would not get the statutory regime, then cross the border into the United States and be exported a second time from the United States to some overseas point at the expense of Canadian shippers and Canadian ports. By Canadian shippers, I am thinking of barley maltsters and other grain producers who would be put in somewhat difficult positions.

• (1200)

The motion does not exceed the Royal Recommendation. The cost will be no more with this amendment than it would be without it. It is purely for the protection of Canadian grain producers and processors.

Second, it remains within the scope of the legislation. As was argued on the first dozen or 15 motions following Madam Speaker's preliminary ruling, on both those grounds those motions, like Motions Nos. 2, 3, 4, 5, 6, 7, 8 and 9 and so forth, remain within the scope of the Bill and do not exceed the Royal prerogative. We appreciate that the Chair and the officials may not be fully up to date on all the details and ramifications regarding the movement of grain and grain products to export positions in Canada, but we want to assure

the Chair that Members on all sides were very alert when presenting motions at report stage after what we found in committee. We made every effort to word it in such manner as to be acceptable.

I find no grounds for its not being acceptable. The motion meets the two criteria. I urge that the Chair rule that it is in order, not only because it is, but because there is unanimous agreement on it following much discussion and consultation among ourselves and with legal counsel. I hope the Chair will be guided by that and will find the motion acceptable.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I wish to make a few remarks on the acceptability of Motion No. 10. The guides used to present this motion were guides that Members of this House and members of the Standing Committee on Transport used in presenting all of our motions. The rationale for the motion which makes it acceptable is that it treats all parts of Canada equally.

When the Bill was presented, the intent of the Government was to provide a less than commercial rate for the movement of grain and grain products both east and west. Through an oversight, the transportation of grains to western Canada for export to the United States was not included whereas the transportation of grain east to Armstrong and Thunder Bay and for export to the United States was included. The intent of the Bill was to facilitate the movement of grain and grain products. Through an oversight, the drafters neglected to look at western Canada in the same way as they looked at the eastern section.

After consultation among all Parties in the House and with the Department of Transport on the acceptability of Motion No. 10, it was agreed that the intent was carried out in this motion. The increase in cost to the public treasury was not evident. Grains moving westerly would be at the statutory or less than compensatory rate regardless. If they are moved west at the statutory rate, the final destination of those grains does not impinge upon the public purse. That is movement from the western part of Canada into the western United States for consumption.

That briefly is the rationale as to why Members feel that Motion No. 10 is in order. It carries out the intent of the Bill. It may in some way relieve the public purse of some transportation costs, because it is very explicit that grains shipped under the statutory rate or less than compensatory rate are not for export after arrival in the United States. The concern has been expressed by some people across Canada and by some members of the Transport Committee that the cost to the public purse could be increased by the movement of grain into the United States and then further exported.

I thank my colleagues for consent in giving me leave. I await the Chair's ruling as to the acceptability of this motion.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I will be very brief in, hopefully, assisting you in making a ruling. The original definition for export in the Bill was a very easy one, but it caused a great deal of difficulty, particularly for maltsters in western Canada.

The Hon. Member for Kindersley-Lloydminster (Mr. McKnight) made several attempts in committee to amend that definition. He was finally successful, only for the committee to find that it would cause great consternation for the Port of Vancouver, a consternation which some members of the committee did not share but which nevertheless was very disturbing to port authorities in the Port of Vancouver.

In committee we made several attempts to find an acceptable definition of "export". I believe the definition which the Hon. Member is proposing is acceptable and will not cause difficulty for either the Port of Vancouver or the maltsters. In fact, it will include the maltsters in the purview of this Bill. I am sure I speak on behalf of the Minister and his Parliamentary Secretary when I say that we find the motion in order and acceptable. I would therefore urge the Chair to rule in that regard. It is my opinion that the motion does not exceed the Royal Recommendation and will not place an additional financial burden on the Crown. Nor will it in any way subvert the meaning and intent of Bill C-155.

Mr. Les Benjamin (Regina West) moved:

Motion No. 34

That Bill C-155 be amended in Clause 17 by striking out lines 20 to 25 at page 8.

He said: Mr. Speaker, Motions Nos. 34 and 35 are related. Madam Speaker said that they should be debated separately and voted on separately. The intent of my motion is to delete lines 20 to 25 at page 8.

Before speaking in support of my motion, as all Members are aware, tens of thousands of farmers truck their grain to the shipping points. Many hundreds of small commercial truckers haul grain for grain producers to the local shipping point, alternate delivery point, flour mill or rapeseed crushing plant. They have been doing that for a number of years and they have been doing an excellent job of it. Those small commercial truckers have meshed in well with the farmers' own trucking operations. However, Mr. Speaker, the legislation without this amendment allows for a commercial trucking system that can do nothing more than speed up the abandonment of branch lines and transfer costs from the federal treasury to the treasuries of the municipalities and provincial Government.

• (1210)

A week ago, Mr. Speaker, some members of the railway unions reminded me of their experience with the railways. As soon as officials of the railways saw an opening that would allow them to move into the trucking business, no matter what the commodities were, that is exactly what they did and they did it in a big way. I recall many years ago a railway officer said to me: "Heck, if we can haul it on a right-of-way that has been built and maintained by somebody else instead of ourselves, we are going into the trucking business". In my own experience with the railways, Mr. Speaker, I have seen many little commercial truckers run right off the road by the big guys who quite often were from CN and CP.

I say that this legislation would hasten the abandonment of branch lines, but I would like to remind the House that the Government gave a commitment of $1,072,000,000 for the rehabilitation of branch lines. Department of Transport officials have said that it will cost $1,600,000,000, leaving a $528 million shortfall, to rehabilitate the remaining branch lines that are in the basic network of lines which are supposedly guaranteed until at least the year 2000. The Government, on the pretext of giving the little truckers a share of statutory and subsidized grain rates and products, is doing nothing more than abandoning at least another 1,500 miles of railway lines in western Canada, an area that has already lost something in the order of 3,000 miles of railway lines.

I would like to bring to the attention of the House a telex sent by the Saskatchewan Wheat Pool to the Minister on September 21. That telex pointed out the extreme concern of the Saskatchewan Wheat Pool at the inadequate level of funding to upgrade the western network of grain-dependent branch lines and it pointed out the shortfall. It was obvious from the answers of the Minister in the House the other day that at the moment the Government wants to be able to abandon 1,200, 1,500 or 1,800 miles of branch lines and shift the cost of moving the grains from those lines to the municipalities and the provincial Governments.

I would like to describe the experience of the State of Iowa a few years ago. A large number of branch lines were to be abandoned in Iowa and many of them were abandoned. The State of Iowa after a few years found that it would have been cheaper, as a result of the higher county and State road and highway construction and maintenance costs, to subsidize the railway to allow for it to maintain the branch line. Iowa then began to do so because it had already lived through the bitter experience that is now being planned for us in western Canada.

I want to assure you, Mr. Speaker, that this motion is not intended to harm and will not do any harm or damage to the many hundreds of small commercial truckers who are currently trucking grain in western Canada. They will still have an important part to play. However, if the door were left open for the Administrator to make agreements, that Administrator would, I predict, make agreements in relatively large volumes and would endeavour to make those agreements with one or two of the larger trucking companies. The little commercial trucker would be left out in the cold. That is the reason for this motion, Mr. Speaker.

The main purpose of this motion is to preserve that basic network of branch lines so that an opening would not be provided for CN and CP trucks to move into the large towns and small cities in rural parts of the Prairies and run the little commercial truckers off the road. This has been known to happen on many other occasions with many other kinds of commodities.

It is most important that the Government has made a commitment to rehabilitate those branch lines. We look upon the provision for the Administrator to make agreements as a neat method for the Government to get out of that commitment and transfer costs that would otherwise fall upon the railways and the Government of Canada. I submit that those increased costs would fall upon the grain producers, rural municipalities and provincial Governments.

The national railway systems are the responsibility of the federal Government. I would not like to see the situation that occurred in the State of Iowa occur in my Province. If that were to happen, the Province would find itself faced with two choices. It could either pay more direct expenditures for provincial highway and municipal road construction and maintenance or pay a subsidy to keep the branch lines. Surely that is not the role for a municipality or provincial Government to play. That is the responsibility of the federal Government.

There are several kinds of betrayals contained within this legislation and I think this is another one. Announcements have been made two and three times a year in the last six or seven years with reference to the Government's commitment to rehabilitate the lines in the basic network. Some lines are still in question, Mr. Speaker. A decision has not yet been made as to whether some of those lines would go into the basic network or would be subject to abandonment. Until all that is sorted out, the Government should not have the opportunity through this legislation to speed up the abandonment of lines so that those lines cannot be put in the basic network or to allow the abandonment of lines that are already in the basic network. That is the intent and the purpose of this legislation.

Perhaps, Mr. Speaker, you might think that I am being a little paranoid or falling victim to a conspiracy theory, but our experience with the federal Government regarding branch lines has in the past been bitter, to put it mildly. I believe that in this instance it is the intent of the Government to use the little truckers as the vehicle by which it can abandon more lines. As larger and larger trucks haul for longer and longer distances, the big trucking companies move in and the little commercial truckers on the Prairies have not got a chance to compete with them. The small truckers do not have the capital and resources to purchase a fleet of trucks. I know one of my colleagues will illustrate how a little trucker in Saskatchewan has already been taken over by CP trucks in anticipation of this kind of legislation, because CP wants one of its branch lines abandoned.

As I said, if my motion were to be accepted by the House, it will do no harm to the many hundreds of small commercial truckers who are presently operating in the three prairie Provinces and it will certainly do much to protect and preserve the branch line system and get the balance of it rehabilitated.

● (1220)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be able to speak on this amendment which is meant to undo the harm done by the Conservative-Liberal coalition in committee. The motion would amend Clause 17(4), which reads as follows:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

We recognize that truckers need a fair deal, even to the extent that, in the situation in which they find themselves on the Prairies when moving grain, there is possible justification for a subsidy. The trouble with subsidies is that they seem to help out the larger operations the most. At the present time the grain on the Prairies that is moved by truck is moved by the small operators basically, although they are having a difficult time making a go of it. Although we would support the truckers in this way, we do not want to assist by allowing this clause to stand and our amendment would delete it. If the clause were to stand, we believe it would assist in the abandonment of branch lines and we do not want to assist the CNR and the CP to take over the small trucking industry on the Prairies, which would be the result.

Our amendment would delete Clause 17(4) of the Bill and it is based on trust. If we could trust the Government of Canada not to use the clause to abandon lines which are necessary for the continued movement of grain, we might consider its retention.

Anyone who has attended a hearing on rail line abandonment anywhere in Canada will recognize that the railways have a propensity for using any excuse available in order to abandon lines. When the Hon. Member for Saskatoon West (Mr. Hnatyshyn) and I attended a hearing on the Carleton line which goes through communities in both our constituencies, the railways took a variety of suspect positions to attempt to put that line in a light that would justify the CTC's abandoning it.

This Party believes that if the clause is retained it will give the railways one more vehicle, one more trick, one more instrument with which to aid the abandonment of lines in western Canada which are needed to move grain. Those lines should be retained in order to keep down costs, not only for the farmer but for the municipalities and Provinces which are responsible for road building. We feel strongly that the clause should be deleted, Mr. Speaker.

It may be asked why we are so sure that the clause would be used to promote the abandonment of railway lines. I just have to refer to the proceedings of the Transport Committee which show that a number of members asked where the money would come from. Obviously if it were to come from the Crow benefit fund, the clause would have been ruled out of order because its effect would have been to increase costs. It was not ruled out of order, however, and so it is still in the Bill. Members asked where the money would come from to pay for the implied cost of agreements with truckers. It would not come from the Crow benefit but from the money allocated for the rehabilitation of branch lines.

We have the word of the Deputy Minister of Transport for this. In answer to a question by the Hon. Member for Vegreville (Mr. Mazankowski) in Committee, as reported at page 128:9 of the proceedings, Mr. Kroeger said:

> No, Mr. Chairman. I think the trade-off most likely to be made, certainly the trade-off foreshadowed in the CCA Task Force report, is a trade-off between branch line rehabilitation money, which is not part of this bill, and some kind of trucking assistance program. The analysis in the CCA Task Force report indicates that potentially very large savings could be achieved if instead of transporting grain on certain high-cost branch lines—

I put it to you, Mr. Speaker, that this is proof enough for us who have little trust that either the railways or the Government wants to maintain those branch lines. This is proof enough that the clause is meant to eliminate as many branch lines as possible. The money for the rehabilitation of branch lines is available to keep them going. If that money is going to be available, there is the implication that it is because the branch lines are to be abandoned and therefore it could be used to assist truckers.

The Central Co-ordinating Agency Task Force report referred to in Committee by Mr. Kroeger states that payment should be made not only to the truckers but also to producers in order to help them effectively deliver to alternate points, if they are on an abandoned branch line, to municipalities which, in many cases, will have to improve the roads and pay considerably more to maintain them when the amount of grain being carried is increased. This task force report suggests that payment would also have to be made to the elevator companies who may require some capital increase. Therefore, Mr. Speaker, the money which is to come from the rehabilitating of branch lines is going to be used to abandon those branch lines, and this clause will assist them to do that.

● (1230)

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity once again to enter into the debate on the Crow rate. I wait with interest to see whether or not the Tories are going to take their turn and enter into this debate, but they continue to sit there and allow this Crow Bill to go through the House, easing its passage in order to facilitate a quick adoption. It is really sad, Mr. Speaker, that the Tories are not speaking on this amendment and are not really helping us to fight this Crow legislation, particularly with this amendment.

When the Party first enunciated its position with regard to the Crow rate, Mr. Speaker, it was not sure whether what the Government was doing was right or wrong. It was pretty wishy-washy about its position. Later on, though, Mr. Speaker, we welcomed the fact that it firmed up its position and indicated the Crow rate should not be changed, "at least right now", as it was put.

Therefore it is with some dismay that I observe the lack of participation by the Tory Members of Parliament in this debate. I call upon those Hon. Members to rise to their feet at the earliest opportunity in order to offer their views with regard to this amendment. I would like to hear the Conservative Party speak out with regard to this amendment, which allows the Government to subsidize the trucking of grain—

Mr. Mazankowski: It does not say that at all.

Mr. Keeper: —because I would like to know whether or not it is going to support our amendment. I wonder if that Party is as concerned as we are with the abandonment of branch lines and the closing of country elevators. I wonder if it is as

concerned as we are with the threat that this change in the Crow rate has—particularly this aspect of the Bill—with the continued survival of small town prairie Canada.

We have put forward this amendment, Mr. Speaker, to eliminate the possibility of the Minister entering into agreements to provide for the movement of grain by motor vehicle transport in a subsidized fashion. We are concerned, Mr. Speaker, that what is going on here is not a way of making the transportation of grain more economical and efficient, but rather is a move which simply involves the transfer of the cost of the transportation of grain from the railroads to provincial and municipal governments and farmers. If grain starts to be moved on the Prairies in an increasing way by trucks rather than by railways, this will cause greater wear and tear on the roads and increased expenditures for provincial Governments.

I see one of my Liberal colleagues smiling. I would say to him, Sir, that in the case of Manitoba, for example, this particular move by the Government will mean an additional $40 million in road costs. This is a significant figure for a Province like Manitoba. Not only is it a matter of dollars and cents, Mr. Speaker, and the transfer of costs from the railways to provincial and municipal Governments and the property taxpayer, but it is also going to cause considerable inconvenience. We know that once these heavy trucks start chewing up the small country roads and wearing them down, the people who presently live along those roads, which were not designed for this heavy traffic, will have to suffer the inconvenience of cut up roads. In these days when governments are so reluctant to spend money, obviously these people will have to wait a long time in order to have those roads repaired.

We in this Party are concerned that, if we allow this provision of the Bill to go through, advantage will be given to the private sector of the grain industry and much will be taken away from the orderly marketing of grain. Larger costs will be placed on the pools. In this country, Mr. Speaker, there is a long tradition of the orderly marketing of grain, with good reason. Farmers in this country have experienced the wilful action of international grain markets which can bankrupt the farmer and leave a family without income, and can even leave whole communities devastated because of the difficulties associated with not being sure of a fair price for their grain at the end.

Because of the vagaries of the international grain markets, it has been necessary in this country to move to a system of orderly grain marketing. This has benefited not only the farmer but the consumer as well, because it assures people of a continuous supply of grain, that the basic ingredients for the making of bread are there and are not subject to the whimsy of some fluctuation in international markets. We have set up a system to supply ourselves with these basic human needs. We in this Party are concerned that this provision in the Bill will mean that the orderly marketing of grain will be threatened, that the prairie Wheat Pools, along with the provincial and local governments, will be paying the costs, and the real beneficiaires of this change in policy will be the railroads.

I would like to give an example of the reason why this change, which envisages the greater movement of grain by trucking rather than by rail line, is not necessarily a cost saving arrangement. There is some experience in this area. The State of Iowa went into a program which involved the transfer of grain movement from rail to road and from country elevators to inland terminals. It was very similar to the program envisaged today. The result of that program was that the State of Iowa found its highway system being worn out by trucks at a rate two to three times as fast as the government of Iowa could afford to repair those roads. Are we asking the Governments of Manitoba, Saskatchewan and Alberta to face this kind of situation?

It is not good enough simply to bow to pressure from the railroads. It is not good enough for the Conservative caucus to sit in silence while this Government moves to transfer costs from the railroads to provincial and municipal governments, to the farmers and to property taxpayers. I call upon the Conservative Party, Mr. Speaker, to enter into this debate with regard to this specific amendment. Speak up for the Prairies! Join our Party and fight this transfer of costs from the railways on to the backs of the farmers.

• (1240)

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my colleague says I should not really bother speaking, but I am sure those who are watching this debate must find it amusing to watch the NDP. They say they are engaged in this all-out fight against the dismantling of the Crow, but instead of dealing with the specifics of this legislation and chastising its authors, they choose to fight the Conservative Party.

I think it is fast becoming quite evident that their so-called fight to retain the Crow is becoming phonier every day. It is pretty shallow because we all know that through the course of this summer the Bill was fought in committee by the "Lone Ranger", the very dedicated Hon. Member for Regina West (Mr. Benjamin). All these fellows come in here now, the instant experts, and read out speeches prepared by their researchers which really do not add a whole lot to the debate.

Quite frankly, Mr. Speaker, I think the NDP should be ashamed, because if anyone is responsible for this legislation, they are. They are the ones responsible for returning the Liberal Government to office and thereby bringing forth this legislation. They should hang their heads in shame. I will tell you something else, Mr. Speaker. If they were given the chance, I would lay you ten to one odds they would do the same thing again. Rather than attacking the authors of this Bill, they choose to attack the Conservative Party. That is consistent with the same old hypocrisy we have heard from that corner ever since I have been a Member of Parliament.

The NDP proposes to delete those words which say that the Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

Some Hon. Members: Shame.

Mr. Mazankowski: The Chairman of the Committee asks, how did it get there? It got there because of an amendment proposed by our Party and supported by the majority of Members on the Transport Committee. The actions of the NDP, in its desire to withdraw that particular clause, demonstrate two things. First of all, the NDP are against the trucking industry, the little trucker who buys his vehicle, has it serviced in a small town and hires local people to do the job. They are against the small trucking industry in western Canada. They are also against the producer because the motive behind this amendment is to maximize the return to the producer.

The authority of the Administrator is based upon the fact that the trucking of grain should be done only when it is in the best interests of the producer to do so. So that is a concomitant of this Party's determination to bring about a transportation system which is not only effective, efficient and reliable, but indeed one which will utilize all modes of transport to the greatest possible extent to ensure we can move more grain efficiently and reliably.

I find it very difficult to follow the twisted and warped logic of the NDP. I guess it is because they really do not know what is going on. They do not have representation in the farming community. If they had, they would know that producers are very keenly interested in bringing about a system which will be efficient, reliable and utilize all modes of transport. But once again they are employing their traditional scare tactics. They are saying: "If you do this, you are going to wipe out all the branch lines, destroy the Wheat Board and orderly marketing". That is all they rely on, scare tactics and their own ideological and philosophical beliefs. I submit to you, Sir, that following that logic is not in the best interests of the grain producer. That should be the bottom line of this whole Bill, even though there is much in it which will be very detrimental to the producer.

It has been universally accepted by everyone in this House, and anyone who knows anything about grain handling and transportation, that we do need an efficient, effective and reliable handling system. That really has a nice ring to it, but really there is not much in this legislation to promote efficiency. What we are doing is promoting the status quo, promoting a cost-plus regime. We are promoting a guaranteed annual income for the railways, which the NDP so universally embraces. They support that guaranteed annual income to the railroads and then cry about the fact that there is not enough efficiency. There again is the hypocrisy of the NDP. There are no rewards in this Bill for cost cutting, streamlining, speeding up deliveries or improving dependability. This particular clause we believe at least opens the door to allowing some of those things to develop.

In order to have the kind of system we are all desirous of achieving, we must make the best available use of all transport modes. Very basically, Mr. Speaker, trucks can play a complementary role in facilitating grain movement, all in the name of the producer. The trucking industry has been involved in the movement of grain for many years, they are not strangers to it, but this Bill really closes the door to their involvement. The fact that the Government switched its option of payment really closed the door to any meaningful participation by the trucking industry.

We should really consider this very carefully, Mr. Speaker, because I think it is fair to say that in some instances savings can be accrued. The NDP asks who is going to pay the additional subsidy. We are looking at this as a cost saving to the producer and taxpayer, not as an additional expenditure. That is why the Chairman of the Committee ruled this particular provision in order. The Central Co-ordinating Agency Task Force report outlines the potential on some light and medium density branch lines to save something in the order of 41 cents a bushel. That is the difference between maintaining a branch line with light density and moving grain by truck. I suspect in some cases the individual producer would end up getting better service. So those are things which should in fact be taken into consideration.

We have the concept of the off-line elevator advanced in the Hall Report, which goes on to say this:

> There are stations where some type of transportation service to grain elevators is imperative in order that producers in that area are not left in an impossible situation. The Commission has examined and evaluated a number of suggestions for the retention of service. In many cases present rail service was the more expensive option available. The Commission examined in some depth the concept of a mini-train operation, involving the use of lighter power and car equipment and transloading facilities. The Commission found that the mini-train concept while operationally feasible was not as practical a solution as the establishment of certain elevators as "off-line elevators". Grain receipts at these elevators would be transported to main line elevators by commercial truck at no additional cost to the producer.

Here we have the NDP wanting to close that option, a very important recommendation advanced by Mr. Justice Emmett Hall. We always hear them heaping accolades of praise on the former Chief Justice, but here is one very important recommendation, and all this enabling provision will do is give the Administrator the power to do some of those things advanced by Mr. Justice Emmett Hall.

• (1250)

I could go on and speak of the importance of the trucking industry and how it can play a more vital and integral part in facilitating the movement of grain, but perhaps I can save that for the debate on the next clause.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, it may be a good idea to set the record straight with a few facts.

Some Hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): First, the Hon. Member for Regina West (Mr. Benjamin) accused the Government of putting this amendment in the Bill because it wanted to abandon branch lines. I think that was his contention. I would like to point out to Your Honour and to the House that the Government did not have this provision in the original draft of the Bill. As the Hon. Member for Vegreville (Mr. Mazankowski) said, it was he who proposed the amend-

ment in committee, the amendment that the New Democratic Party would now like to remove. It concerns a subclause of Clause 17.

Mr. Mazankowski: They don't believe in democracy, either.

Mr. Dionne (Northumberland-Miramichi): The committee decided to accept the amendment because, in its view, it would provide more efficient transportation of grain.

The Hon. Member for Winnipeg-St. James (Mr. Keeper) really said nothing, because I suspect he does not know anything about the Bill. Rather, he filled his speech up with "Mr. Speaker', repeated over and over again. Whenever one hears that, one knows an Hon. Member does not know very much about what he is discussing. Otherwise, he would be able to make a speech without constant reference to Mr. Speaker every second or third word.

Mr. Hnatyshyn: What he said was "Mr. Keeper".

Mr. Dionne (Northumberland-Miramichi): I can discount that intervention because it did not have any substance to it whatsoever.

There are areas in western Canada, and we had these kinds of representations before the committee, where at times it is more efficient and cheaper to move grain by truck than by rail. The NDP has constantly harked back to the damage it will do the highways of the various Provinces if the grain is hauled by truck. I have some difficulty accepting that argument because trucks move on the highways all the time, whether they are hauling grain, gravel, fertilizer or any other commodity. The highways, one would assume, are built to a standard that will sustain that kind of traffic. If they are not, then I suggest it is time they were.

An Hon. Member: They are heavily subsidized.

Mr. Dionne (Northumberland-Miramichi): The various provincial Governments have means at their disposal to raise funds for the construction of highways, and trucks pay a very heavy part of those means of raising funds for the construction and maintenance of highways. I do not believe it is the concern of the Bill or the role of this Parliament to decide how the highways in any particular Province are to be utilized. I think it is the role of the House at this time to deal with the provisions of the Bill. I hope we can go on and do that without, as the Hon. Member for Vegreville has said, the instant experts, suddenly rising to remind us that there is a Speaker in the House by constant reference to him, without there being any substance to their speeches.

I agree with him that the Hon. Member for Regina West spent much time in the committee. In fact, he barely missed a sitting at all. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) spent much time in committee as well and certainly knows the Bill. The same is true of the Hon. Member for Prince Albert (Mr. Hovdebo). When those three Hon. Members speak, I assume they have something to say and at least they know what they are talking about.

However, this particular amendment by the Hon. Member for Regina West is, in my opinion, one which will weaken the Bill. I believe the Bill was strengthened in committee with the 89 amendments that were accepted, this particular subclause being one of them. I would certainly hope that the House would now deal with it expeditiously and defeat the amendment so that that subclause will stay in the Bill.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I want to make a few comments with respect to this particular amendment presented by the Hon. Member for Regina West (Mr. Benjamin). I have waited this long to comment on the amendment. The Hon. Member for Winnipeg-St. James (Mr. Keeper) has asked where Members of the Conservative Party are with respect to this matter. Quite frankly, I was waiting to see whether or not I would hear an explanation of the purpose of the amendment. I was unable to understand its purpose on the basis of the provisions of the particular subsection of Clause 17 of the Bill, which does provide for the possibility, in the interest of the producer, that provision will be made for the trucking of grain.

I simply want to bring a couple of examples of the availability of such provision, as brought forward by my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), in the committee stage, with reference to my own constituency. I know the New Democratic Party has now trained its guns on the Conservative Party. Its Leader, the Hon. Member for Oshawa (Mr. Broadbent), said that his Party's preoccupation is now to attack the Conservative Party. That was his objective at the beginning of this sitting of the session.

I want to tell the NDP that that has never succeeded in the past as a way by which to accomplish what must be done for western Canadians. The people of western Canada are fed up with the kind of attitude that has been taken by the Leader of the NDP, of cosying up to the Government on every occasion, supporting it whenever it comes close to a confidence vote, and attacking the Official Opposition, the Conservative Party. The people of western Canada do not understand that. What they do understand is circumstances such as those in my own constituency.

In the Asquith subdivision, there was a very serious situation over the course of the last year, one in which we came very close to violence. I called upon the former Minister of Transport to have a meeting with representatives in my constituency regarding rail line abandonment. The Minister would not meet with my constituents and the order proceeded for the removal of the branch line. The results are now being manifested in the village of Arelee, which has now lost its village status. It has turned in its village status because the elevators are gone.

One of the proposals that I wanted to make to the Minister at that time concerned alternatives which should have been considered in terms of keeping the elevators operating in that particular community. One of the possibilities concerned trucking. However, the Minister refused to meet. He was insensitive to the needs of people in that very important area, one which is growing in terms of production of grain and population, but which is now faced with the situation where

the branch line has been torn up, removed by the CPR. What is wrong with having the option available under this legislation, in the interest of keeping the elevators operating in the community, to allow the community to carry on with its small businesses as a centre of commerce for farmers who come in to deliver grain? What is wrong, I ask Members of the NDP, with having the option available in Arelee Saskatchewan, to truck grain?

Mr. McKnight: And Sonningdale.

Mr. Hnatyshyn: The same situation obtains in Sonningdale, my colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), points out. Members of the NDP want to remove from the legislation the possibility of alternative methods with respect to the shipment of grain and maintenance of elevators.

What about the other branch line which is under review in my constituency, the Carleton line, as mentioned by the Hon. Member for Prince Albert? This line extends from my constituency. Mr. Justice Hall, in his examination of that particular line, did not allow it to be maintained as part of the permanent network.

I see, Mr. Speaker, that it is now one o'clock. I would like to continue my remarks after resumption of the debate.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NUCLEAR ARMAMENTS

SOVIET MISSILE STRENGTH

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, world history has proven that the matching of aggressive power with the balancing power structure tends to maintain peace, but any signs of weakness simply invite an aggressor to move forward.

Let us remember and state very clearly that we wanted no missiles but that the Soviets would not have a zero zero solution. Let us not forget that while Cruise missiles are said to be unverifiable, Soviet proposals have never allowed for verification. Let us remind ourselves also that the Soviet Union has already tested the Cruise missile.

When we weary of being told that we must not deploy, that we must negotiate, and that we are fuelling the arms race, recollect for a moment just who has hundreds of intermediate range nuclear forces in the field and who has none. NATO has none at the present time but, as a contrast in part, the Soviet Union has more than 360 SS-20s with a range of 5,000 kilometres, or more than 3,100 miles, and each SS-20 has three warheads.

Who proposed negotiations in the first place? NATO. Who dismissed negotiation out of hand four years ago? The Soviets. Who is withdrawing more warheads than may be deployed? NATO. Who deploys new missiles and keeps the old ones as well? The Soviet Union. Who is seeking balance? NATO. Who is threatening to field even more weapons if current imbalances are remedied even partially? The Soviets.

Madam Speaker: Order. The Hon. Member's time is finished.

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INDUSTRY

COST OF ESTABLISHING HELICOPTER MANUFACTURING PLANT

Mr. Girve Fretz (Erie): Madam Speaker, it has finally been announced publicly that Bell Textron has received the contract to build helicopters. Every Canadian man, woman, and child will be subsidizing the plant to the tune of $10.60. That represents over $5 million from the Niagara region alone, a region that is known as the unemployment capital of Canada, with a staggering unemployment rate of 21.7 per cent as of January, 1983. In September that figure was still 16.3 per cent, the highest in the country. Yet the Niagara region, where plant, facilities and skilled workers are available, loses contracts to other areas of the country where unemployment is less serious.

The Bell helicopter decision is only one example. Another is the case of the Port Weller drydock which did not receive a contract for building an icebreaker despite all the money which has been directed to improving the shipbuilding industry.

Most of these funds, unfortunately, end up in the ridings or home towns of Liberal front benchers. When will the Government throw aside political considerations and give thought to the crucial issue of regional unemployment levels, expertise, and plant facilities, in deciding where the taxpayers' money is directed for creating jobs in this country called Canada?

* * *

[*Translation*]

EMPLOYMENT

ESTABLISHMENT OF HELICOPTER MANUFACTURING PLANT AT MIRABEL, P.Q.

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, last Friday, the Government of Canada announced that Bell Helicopter would establish a plant at Mirabel for the manufacture of light twin-engine helicopters. Contrary to what my hon.

colleague said earlier, this plant will represent an investment of $514 million and create 2,775 high tech jobs. The Canadian Government will contribute $165.2 million or 60 per cent of total government subsidies.

Bell Textron will create a new Canadian company that will build and run a plant covering 27,000 square metres in the Mirabel industrial park. The plant will start manufacturing helicopters in 1985. The Canadian Government will invest another $100 million in the manufacture of helicopter engines at Pratt & Whitney Aircraft of Canada in Longeuil. Together, these two projects will create 3,775 high tech jobs, in addition to considerable economic spin-offs for the greater Montreal area and neighbouring counties.

Through these subsidies, the Canadian Government is demonstrating the importance of maintaining and developing expertise in the Quebec aerospace industry. Job creation is the Government's foremost priority, and I think this proves once again that it has not forgotten the Mirabel area.

Madam Speaker: Order! The Hon. Member's time has expired.

* * *

[*English*]

LABOUR CONDITIONS

CONSEQUENCES OF GOVERNMENT'S ECONOMIC POLICY

Mr. Jim Hawkes (Calgary West): Madam Speaker, the Government announced last Friday that the unemployment rate was declining. That was good news. However, good news sometimes covers up the reality of the situation.

I would like to bring to the attention of the House that there were 499,000 more unemployed Canadians last month than were unemployed on the day that the Liberal Government took office in 1980. That is one-half million more unemployed Canadians as a direct consequence of government economic policy.

We have heard statements in the House about public expenditures for huge signs to be put on buildings that are make-work projects. While that is good news for the few Canadians who get to work on those projects, it is Government economic policy over all that has thrown an additional one-half million Canadians out of work in the last three and a half years. It is time for all Members of this Chamber to consider Government economic policy and examine whether a proposed change in policy will have a positive or negative impact on the labour force.

When the Minister stands outside the Chamber and announces he will pinpoint the new job locations in the future, we are wise to remember—

Madam Speaker: Order.

ST. LAWRENCE SEAWAY

INCREASED TOLLS—COST TO WESTERN GRAIN PRODUCERS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I would like to raise the problem created by legislated increases to costs. I am speaking of the proposed increases to St. Lawrence Seaway tolls. Just over half of western Canadian grain goes through the St. Lawrence Seaway. The tolls are set by the federal Government through law. This year they averaged more than $1.60 per tonne, and are paid in full by the western grain producers. Last year's toll cost western grain producers just over $24 million. These increases have been ongoing from the period 1977 to 1980 when the tolls increased by just over 100 per cent. In the last two years, notwithstanding the six and five guidelines, the increases were a total of 28 per cent in the two years.

Through an Act of Parliament the Government is required to recover all operating costs regardless of traffic conditions. I suggest that when considering these traffic conditions we should take into account that grain traffic has increased but the rest of the traffic through the Seaway has declined abysmally to the point where the formula will require a large increase in grain tolls even though the Seaway is well maintained and has shown a real cost decline per unit of about 12 per cent over the last two years.

I submit that an increase is unfair and uncalled for in light of current economics, and that the whole process should be reviewed.

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[*Translation*]

LABOUR RELATIONS

HIGH UNEMPLOYMENT RATE IN GASPÉ REGION OF QUEBEC

Mr. Alexandre Cyr (Gaspé): Madam Speaker, on February 7 of this year, I said the following in the House: "If the situation continues, the entire Gaspé area is heading for an economic and social catastrophe in 1983". Today, Madam Speaker, I would like to talk about that situation. It is often said that where there is a will, there is a way. However, when the decision-making power is in the hands of Government, what are people going to do, when they have been waiting for years and years? Something had to give, and it finally did last week at Grande-Vallée, which is typical of the situation in the Gaspé area, and especially in the riding of Gaspé which is now in a very serious economic slump. Four sawmills are shut down, the newsprint industry in Chandler and the copper mine in Murdochville are operating at a fraction of their capacity, the fishing season was one of the worst we ever had and the tourism industry is only seasonal. Elected representatives and organizations that are concerned about the region's economic development have submitted briefs to government authorities and have even suggested solutions, but all this is taking a very long time. The people have no choice but to demonstrate

openly. It is sad but true. It is high time both Ottawa and Quebec showed some political will and tackled these problems seriously. We have been able to clear up worse situation in the past, and it is time to show that distributory justice is possible.

* * *

● (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

RESIGNATION OF UNITED STATES SECRETARY OF THE INTERIOR

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, the sudden resignation of James Watt as U.S. Interior Secretary drew cheers from a wide array of Watt's foes. As someone put it, for people concerned with natural resources, the environment, acid rain, and so on, he was the epitome of all that is not good. Now that all of the politicking and fuss is over, let us get back to the important issues.

Over the weekend I was delighted to hear the Governors and officials from various midnorthern U.S. States met and discussed in earnest the issue of acid rain. In view of Mr. Watt's resignation and the importance Canada places upon his position, it is hoped the American administration will make an early appointment of someone who is more acutely aware of and sensitive to the international importance of air pollution, especially the acid rain issue.

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INDIAN AFFAIRS

STATUS OF NATIVE WOMEN

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, in marking the tenth anniversary of the Murdoch case last week I was able to note that substantial progress had been made in redressing the injustices committed on Canadian women. The House will remember that the amendments passed last Spring on unemployment insurance corrected the discriminatory measures against which Stella Bliss had unsuccessfully complained. Regrettably the same cannot be said for injustices to native women.

Ten years ago the Supreme Court of Canada decided against Lavell and Bedard. With an astonishing lack of logic the Supreme Court held that no discrimination had taken place, although the loss of Indian status through Section 12(1)(b) of the Indian Act deprived these women of the right to live on their reserves, run for band council or chief, be eligible for education grants, housing, welfare, and ultimately even burial on reserves. Since then Canada has been humiliated internationally by being convicted of violation of the United Nations Human Rights Convention.

There is still no action on the part of the federal Government, only excuses about the delicacy of the situation and advice to native women to be patient. The word "soon" has become a four-letter word to Canada's native people. We need a firm promise and an early date for repeal of Section 12(1)(b) of the Indian Act and reinstatement of the women who were deprived of their status, with their children.

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PUBLIC SERVICE

HOSPITAL INSURANCE PREMIUMS—SUGGESTION GOVERNMENT DISCONTINUE CONTRIBUTIONS

Mr. Hal Herbert (Vaudreuil): Madam Speaker, last Thursday in an exchange with the President of the Treasury Board (Mr. Gray) I suggested that the federal Government should discontinue its tacit support for a regressive form of taxation in its contribution to hospital insurance premiums of federal public servants. In a subsequent exchange between the Minister of National Health and Welfare (Miss Bégin) and the Hon. Member for Provencher (Mr. Epp), the Minister said that the premiums were a very regressive form of taxation. I was happy to hear the Hon. Member for Provencher say in response:

—if the Minister says this is a regressive form of taxation, I agree.

I suggest that the federal Government discontinue as quickly as possible its contribution to the payment of hospital insurance premiums of federal public servants in the three provinces where they are paid, inasmuch as the Provinces are now using the non-payment of a regressive form of taxation in order to stop benefits to which every citizen should be entitled.

* * *

INCOME TAX

INTERPRETATION OF NORTHERN REMISSION ORDER

Mr. Dave Nickerson (Western Arctic): Madam Speaker, everyone knows that the taxation problems facing residents of northern Canada will not be solved until the Income Tax Act is amended to reflect northern financial realities. Indeed it is unfortunate the liberal Government obstinately refuses to address the issue except to demand more and more taxes from northerners. Now the Government has sunk to a new low as it seeks to penalize and harass employees of small businesses.

Ottawa tax sleuths have been examining the books of small companies and, if there has been the slightest possibility that their accounting terminology or practices do not correspond with the Remission Order, employees have been assessed back taxes of which they had no prior anticipation. It is grossly unfair to single out employees of small usiness for discriminatory and arbitrary tax treatment. The Minister of National Revenue (Mr. Bussières) ought to reconsider his jaundiced procedures in light of the spirit, not just the strict legal interpretation, of the Northern Remission Order.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

REQUEST FOR NEW INITIATIVES TO COMBAT YOUTH UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Over the weekend the Minister mused publicly about new initiatives, saying that new training programs aimed at young people would be announced within a few weeks. Given the fact that, even though the figures, generally speaking, are encouraging, the labour force survey on Friday indicated that we still have 19 per cent unemployment among young people, representing about 556,000 unemployed young people, are there new initiatives? Why cannot we have these new initiatives announced now because the need is urgent?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, it is not a problem that was discovered by us simply last Friday. We have a variety of proposals, programs and initiatives which we are considering. There have not been definitive decisions taken about which of these would be the most cost effective way of responding to the problem. I would hope we could bring forward these initiatives in the broad framework of a Speech from the Throne so that it could be seen how they would relate to the whole variety of government programs we would like to bring forward. I urge Hon. Members on the opposite side of the House to help us arrive at that position by expediting the passage of the Crow Bill.

Mr. McGrath: The only program we have so far is the Access Program. It represents if it reaches its target—and it is just starting—31,000 jobs and 4,000 conservation jobs, or about 6 per cent of the total unemployed youth in the country.

REQUEST FOR EARLY ANNOUNCEMENT OF PROGRAMS

Hon. James A. McGrath (St. John's East): Madam Speaker, since youth unemployment has been at 20 per cent proportions for the last several months, why is it necessary to wait for a new session of Parliament? If there is anything left in the cupboard, why cannot the Minister announce the programs now so that desperate young people can take advantage of them?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I would partially reiterate my previous answer. We are considering a whole variety of approaches that we think would be beneficial. It is a question of trying to determine which of these will be most effective.

I would like to point out to the Hon. Member, as we have in the past—and I suppose we will have to do it again in the House—that at the present time the federal Government is spending approximately $2.5 million a day to help young people with employment problems, across the country. Close to $1.5 billion for the year 1983-84 will go to assist young people with training, job creation, and matching their capacities to job opportunities. A great deal is being done within the context of the revival of the economy as a whole to help them, but we have some new ideas we want to bring forward. We want to bring them forward in the proper way after we have ascertained they are cost efficient and see how they relate to other government programs.

USE OF SKILLS TRAINING FUNDS

Hon. James A. McGrath (St. John's East): Madam Speaker, the Minister complained about having surplus funds in a program called the Critical Trade Skills Training Program. So far this year only 11 per cent of those funds has been spent. This means there is still $70 million sitting in that Program; we know that is in the cupboard. Last year only 66 per cent of funds for that Program was spent. Why cannot that money, which is not being utilized, be redirected to wage subsidies to the private sector to provide jobs now, not some pie in the sky musings of the Minister about some pre-election Speech from the Throne?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, as I have already pointed out to the Hon. Member, there is money available now under the Career Access Program which is directed toward providing, through job subsidies, assistance to young people entering the labour force. Our estimate is that something close to 25,000 young people have been helped by that Program or predecessor programs in this year. We expect another 33,000 or so to be assisted in the forthcoming year. There are already these programs in place.

The reason the Skills Training funds have not been taken up to the degree we expected has been a certain reluctance in the private sector to use the funds, given the overhead costs involved. Given the strength of the recovery that is taking place in the country we believe there will be an opportunity, not only this year but next year, to use these funds. I am not convinced by the Hon. Member's argument that the appropriate thing to do at this time would be to shift funds away from training into the Career Access job creation program. As I said earlier, that program is operating and seems to be operating effectively and, who knows, may be able to be expanded in years ahead.

* * *

● (1420)

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

IMPLEMENTATION OF PROJECTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would like to direct my question to one of the Government's harshest critics, the Minister of State for Economic Development. According to reliable reports the Government is lagging by one-third, $250 million in the present fiscal year alone, on the planned projects which were to be fast-

tracked under the Special Recovery Capital Projects Program announced by the Minister of Finance on April 19. Are these delays in any way a consequence of the kind of ministerial laziness or incompetence cited in the documents authored by the Minister of State for Economic Development and widely publicized in *Macleans's* magazine last week?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will deal with the last part of the question first. There is no such criticism that has been uttered by me verbally or in writing to my colleagues, as they testified during their responses to a barrage of questions last week.

With respect to the fast-track program, I hope the Hon. Member has had the opportunity of reviewing the material which I promised to send to him and which I have now provided to him. Indeed, there is less money being spent this year because of the management of the program as we tried to ensure that it was managed effectively and efficiently. We are certainly not going to throw out money in order to meet a target which was established before even preliminary project approval had been given to a number of these projects. However, I am pleased to report that, as matters stand, more than the 60 per cent that is to be spent within the first two years will in fact be spent by March, 1985.

During the period when Canadians will be looking for work across this country, in hamlets, towns, villages and major centres, we will have a lot of work that will be performed. I might also say that a great deal of construction is already under way in the current period, as the Hon. Member knows from the material which I furnished to him.

REPORTED DELAYS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, noted economists have indicated that these delays could indeed contribute to further inflationary pressure by the middle of this decade. If these delays are not the fault of Ministers, how does the Minister of State explain statements in his own secret status report to Cabinet on the Special Recovery Capital Projects Program, dated September 16, to the effect that "the New Brunswick regional Minister has yet to advance proposals", and how does he explain Annex F to that report which lists specific projects valued at over $1 billion where slippage has occurred or acceleration is required? What success has the Minister of State had in getting these negligent Ministers, who are fingered in this cabinet document, moving down the fast track, or are Canada's unemployed to be left sitting in the station?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Frankly, Madam Speaker, I find those allegations quite extraordinary. Since the Hon. Member likes to read publications, I suggest he look at *The Financial Post* of last week where he will see an article which expressed surprise at the extent to which this program has been implemented in such a short period of time. With respect to New Brunswick and his statement that projects have not proceeded, some of the most significant projects which have been undertaken within this program are taking place in New Brunswick. Ask the people what they think of the work created at the Saint John Drydock and the Maritime Forestry Research Centre at Fredericton. The facts are there for all to see. New Brunswick has been looking ahead rapidly. Those are only two of a number of examples which are available.

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EMPLOYMENT

COST EFFECTIVENESS OF PROPOSED YOUTH PROGRAMS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Employment and Immigration. It concerns the fact that over 500,000 young people are unemployed today, as they were in September, August, July, June, May, all the way back. I return to the Minister's answer which he gave just a minute ago. He said the reason the Government has not announced something, if I got the phrase correctly, is that it wants to get the cost effectiveness of the programs assessed. The Minister has now had this job for about two months. Is he telling us that two months are insufficient time for him as Minister, with that important kind of responsibility, to make up his mind on the relevance of his own programs?

Hon. John Roberts (Minister of Employment and Immigration): No, Madam Speaker, that is not what I was saying. I was saying that there are a whole variety of programs worth examining. That examination is taking place within the Cabinet system. Ministers, including myself, are assessing the alternatives available to us to try to understand the way in which we can get the most effective creation of jobs for young people, given the funds available to us.

REQUEST FOR EARLY ANNOUNCEMENT OF JOB-CREATION PROGRAMS

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister has had the job for over two months. The problem for one out of five young people has gone on for over six months. The Minister's own Department says that one out of five people will remain unemployed through 1985. As every Canadian knows, the situation worsens in the months and weeks ahead of Christmas. Will the Minister tell us why the Government will not make an announcement within the next week in terms of job-creation programs so that young people who want work instead of collecting some form of welfare will be able to get jobs?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Madam Speaker. I indicated to the Hon. Member earlier my view about that. The problem has been a continuing one and a great deal has been done about it in terms of the funds which we are expending this year. As I mentioned

earlier, we are spending something like $2.5 million a day. In the year 1983-84, close to 180,000 young people will have been assisted by these programs. The most expeditious way the Hon. Member could help would be by getting his Party to let the Crow legislation pass through the House because that would create jobs for young people as well as others. It would enable us to bring forward within the structure of a Speech from the Throne those programs which are needed by this country. He can help a lot more. He has been in his job more than two months and he still has not responded to that problem.

REQUEST THAT MINISTER MAKE ANNOUNCEMENT WITHIN TEN DAYS

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister talks about what the Government has done. I repeat, there are over 500,000 young Canadians who are out of work. The Government's total program so far for the youth of this land are concerned will provide jobs for fewer than 5 per cent. Considering that legislation is not required, will the Minister give a promise to the young people of this country that, within the next week or ten days, he will make an announcement about job-creation programs so that at least a number of them will have jobs by Christmas who would not otherwise have a job?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the implications of the Hon. Member's question, which are in effect that nothing has been done, are entirely inaccurate. Close to $600 billion has been spent on training programs. Almost $400 million has been spent on direct job creation. Something like $136 million was spent on matching opportunities and training for jobs for young people. A great deal has been done. He could get a lot more done quickly if he would get the Crow through the House.

* * *

THE ADMINISTRATION

APPOINTMENT OF NEWFOUNDLAND REPRESENTATIVE TO CABINET

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister. Is it his intention to delay the appointment of a Newfoundland Minister and Minister of State for Mines until the charges now pending against the Hon. Member for Burin-St. George's have been finally disposed of by the courts?

Right Hon. P. E. Trudeau (Prime Minister): Possibly, but not necessarily, Madam Speaker.

POSSIBLE REAPPOINTMENT OF FORMER MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Prime Minister has bungled this appointment, caused great disappointment to the people of Newfoundland, and has left a very important portfolio vacant while he muses about whether or not to make an appointment. I would like a clear answer as to whether it is now the Prime Minister's position that, if the Hon. Member for Burin-St. George's is successful in his defence of this particular charge, which we all hope he will be, he will be reappointed to the Cabinet in the position from which he resigned? Also has the Prime Minister any thoughts at all about the position he takes as Prime Minister of interfering with the judicial process, that is to say, giving clear signals to the prosecutors and judges that, if the Member for Burin-St. George's is successful in his defence, he will receive the reward of being reappointed to the Cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the first part of the question regarding portfolios, the Hon. Member will know that we already have an excellent Minister of Mines, Energy and Resources.

Mr. Hnatyshyn: Not in that order.

Mr. Trudeau: He is doing a very good job. I am not saying that assistance would not be welcome, but I am sure he can bear the burden for another few weeks or months according to what the Cabinet decides. So far as the second part of the question is concerned, if the Hon. Member is concerned about the judicial process in the sense that he indicates, he should rule himself out of order.

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AIR CANADA

GIMLI ACCIDENT—REQUEST FOR PUBLIC INQUIRY INTO SAFETY PROCEDURES

Mr. Bill Domm (Peterborough): Madam Speaker, in what appears to be a sham and a cover-up, the President of Air Canada, Mr. Claude Taylor, has seriously, intentionally or otherwise, misled the Minister of Transport on matters relating to the safety procedures of Air Canada. In turn, the Minister, intentionally or otherwise, has misled the House and the Canadian people into believing that Air Canada is clear and free of any problems dealing with safety. We have learned just today that the Gimli incident was not—

• (1430)

Madam Speaker: Order, please. I wonder if the Hon. Member is aware that this is Question Period.

Mr. Domm: Madam Speaker, we have learned just today that the Gimli incident in which an airplane ran out of fuel was not discussed at the hearings on air safety conducted by Bob Buck. Would the Minister now call for a public inquiry without asking the Cabinet for permission? Will he demand a public inquiry into the safety of Air Canada, and not go by the word of the President of that Crown corporation?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I think the Hon. Member is either unintentionally or deliberately misleading the Canadian public with the kind of

question that he is asking. If he would examine the facts he would see that we are proceeding with the utmost care to ensure the safety of the travelling public. One of the important steps in that direction was to have a discussion with the management of Air Canada to determine what steps they have taken in terms of their own authority, and at the same time to come to an agreement to go ahead with a public examination of the Gimli incident. That is exactly what the Hon. Member has said should be done and in fact that is what we are doing. However, we must follow the proper procedures, acquire the proper person, and develop terms of reference which must be approved by Cabinet. If the Hon. Member is not aware of those basic preliminary steps, then he should go back to school for a primer course.

Mr. Domm: Madam Speaker, I would suggest that the Minister review his own statements about the public inquiry. After eight weeks of questioning in the House, we had not been assured of a public inquiry until just now.

DISCIPLINING OF EMPLOYEES—REQUEST FOR POSTPONEMENT

Mr. Bill Domm (Peterborough): Madam Speaker, my second question is also directed to the Minister. Would he agree to a stay of execution for five employees of Air Canada until such time as the public investigation takes place? Why is the Minister prejudging five employees of a Crown corporation, using information wrongly supplied to him by the President of Air Canada?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, if anyone in the House is guilty of prejudging it is the Hon. Member who in his statements and questions has made a number of assertions concerning the actions taken by the management of Air Canada, without knowing whether they are correct or not. That, Madam Speaker, is the height of irresponsibility for a Member of Parliament.

We are proceeding as we should by asking for an open public examination, and that examination will reveal all of the relevant and pertinent facts. I would expect that the Hon. Member would wait for that open examination without going ahead with the kind of witch burning that he is engaged in this afternoon.

* * *

THE ARTS

TAX DEPARTMENT'S TREATMENT OF WEST COAST ARTIST

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Communications. The Minister will of course know that a very prominent Canadian artist from the West coast will be burning a number of his art works on Thursday morning rather than be forced to pay income tax on art works that are not yet sold. He is doing this as a consequence of a long period of harassment by tax officials of this particular artist and of artists in general. I would ask the Minister if he has done anything to intervene with his Cabinet colleagues in order to put a stop to this shameful situation and save this Canadian art, or if he expects to sit there while the art burns.

Hon. Francis Fox (Minister of Communications): Madam Speaker, as the Hon. Member knows, the question he is raising at the moment is essentially a tax matter and should be directed to my colleague, the Minister of National Revenue. As Minister of Communications I personally have indicated, time and time again, our interest in seeing that people in the cultural and artistic community are dealt with as fairly as are other Canadians under the tax Act. I have already drawn this case to the attention of the Minister of National Revenue and I am told that he is examining the real facts of the case.

Mr. Fraser: Madam Speaker, for a Minister whose responsibilities include defending and advancing the causes of artists, that answer is a cop-out.

REQUEST FOR MINISTERIAL ACTION

Hon. John A. Fraser (Vancouver South): Madam Speaker, on Thursday morning that artist will burn his art works unless something is done. As recently as September 23, 1983, the Minister received a copy of a long letter from representatives of Canadian artists. That letter described this situation and asked for a moratorium on harassment until the tax laws dealing with artists can be re-examined. Is the Minister prepared to stand in the House today and say that that will be done and that this shameful situation will be put right? If not, we will become the laughing stock of the art community.

Hon. Francis Fox (Minister of Communications): Madam Speaker, I know that the Hon. Member very much enjoys playing games in Parliament, and he very much enjoys the charade he has just put on. He knows full well that this is a matter that falls under the jurisdiction of my colleague, the Minister of National Revenue. He also knows full well that these questions must be handled directly by the Minister of National Revenue. I have clearly indicated to the Hon. Member, in response to his first question, that I had already brought the matter to the attention of the Minister of National Revenue. I have done so, and I will continue to pursue the matter with the Minister of National Revenue. To take the attitude taken by the Hon. Member is to play a charade in an attempt to score a few political points.

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ENVIRONMENTAL AFFAIRS

PROPOSED SASKATCHEWAN WATER AND SEWAGE PROJECTS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is directed to the Minister of the Environment. He, on behalf of his Government, has entered into agreements under the Special Recovery Program with the Regional Municipality of Sudbury, the Regional Municipality

of Niagara, the City of Timmins, and the Province of Ontario. These agreements provide for the federal Government to share 50 per cent of the costs of water and sewage projects in those areas. Will the Minister enter into the same agreement with the Province of Saskatchewan and the City of Regina in order that Regina may receive the same treatment as those other municipalities?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, the agreements the Hon. Member has just referred to were made under that special program. We have taken into consideration the elements of high priority and urgency which are the main guiding principles under which these projects are undertaken. Each case has been and will be considered on its own merits.

Mr. McKnight: Madam Speaker, the municipalities involved are of equal or larger size than the City of Regina. The matters of putting people back to work in steel mills in Regina and of supplying the citizens of Regina with drinkable water should have high priority.

REGINA WATER SUPPLY

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would ask the Minister again if he would consider treating the Province of Saskatchewan and the City of Regina in the same way as he has treated the Province and municipalities that I mentioned previously.

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, it is my understanding that the people of Regina do have drinkable water. However, I will keep my mind open to further suggestions made by the Hon. Member.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY MR. ABDOU DIOUF, PRESIDENT OF THE REPUBLIC OF SENEGAL

Madam Speaker: I have the honour to draw the attention of the House to the distinguished presence of His Excellency Mr. Abdou Diouf, President of the Republic of Senegal.

* * *

[*English*]

BANKS AND BANKING

PENALTIES IMPOSED FOR RENEGOTIATION OF MORTGAGES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I would suspect that every Member of Parliament has, on his or her desk, a stack of letters from constituents who have been trying to renegotiate their mortgages out of the 18 per cent to 22 per cent range and are quite prepared to provide the necessary prepayment of a three-month penalty but have in some cases been asked to pay many thousands of dollars more.

My question is directed to the Minister of Finance who, in March, said that a three-month penalty would seem reasonable and that if there were such cases as those that had been mentioned, they should be brought to his attention and he would undertake to have them submitted to the institutions involved in an effort to prevent those financial institutions from being unfair to some citizens. We have received letters two and three times from those same people saying that absolutely nothing has been done. I know it would not be the intent of the Minister of Finance to mislead the people, but what on earth did he mean by that comment?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I myself have received many similar letters and have handled them personally. When Hon. Members referred the letters to me, I had them sent to the authorities concerned at the various financial institutions, asking them to give particular attention to those cases. The Hon. Member is of course aware that I sent each Member of this House a list of the names and addresses of mortgage officers in all financial institutions. From the results that were obtained, I know that in many cases it was possible to renegotiate mortgages on the basis of a three-month payment. It seems there are a number of cases that have not yet been settled, and I shall continue to put pressure on the institutions and hope my hon. colleague will do the same, as is his duty, so that only a three-month penalty will be required.

• (1440)

[*English*]

Mr. Riis: I want to remind the Minister that he is responsible for the banks.

PROVISIONS OF BANK ACT

Mr. Nelson A. Riis (Kamloops-Shuswap): We understand that the Minister and the Government are now prepared to open up the Bank Act for the first time in some 60 years that this has been contemplated, other than on the regular ten-year period. The Minister is prepared to do that to assist the foreign banks in this country. Is he prepared to do the same thing to assist the hard pressed Canadian home owners? Is he prepared to give them the same treatment that he is giving the foreign banks?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the probem concerns not only the banks but all lending institutions in Canada, including trust companies and all other institutions that are involved in loans.

I feel that my hon. colleague is making a very superficial analysis of the situation. The point he has raised is one that I

am concerned about, however, and quite frankly, I think the financial institutions in question should be satisfied with a three-month payment, and I am now re-examining—

[*English*]

Mr. Riis: Do something. You said you would do something in this House.

Mr. Lalonde: Madam Speaker, the Hon. Member should be as polite as I was in listening to his question and try to listen to my answer. It will not cost him anything.

[*Translation*]

Madam Speaker, I said that I was re-examining the situation in the light of the fact that a number of institutions do not seem to be willing to co-operate.

I am discussing the matter with my colleague, the Minister of Consumer and Corporate Affairs, and we are trying to find out whether there are any specific measures that should be taken in this respect.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN BOW RIVER CONSTITUENCY—ALLOCATION OF FUNDS

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is for the Minister of Employment and Immigration. In 1982, 685 people were unemployed in Bow River and we received a grant of $200,000. In 1983, 1,893 people were unemployed and we received a grant of $100,000. Could the Minister outline the formula that gives this result?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Madam Speaker. Indeed, the formula is outlined in the correspondence that was sent to the Hon. Member and he might refer to it. In the allocation of funds under the Canada Works Program, which is the equivalent of the Community Development Program of the past, a minimum of $100,000 was spent for the constituency and the rest of the funds was allocated to those areas which had a higher than average labour surplus rate. The information is contained in the material that has already been sent to the Hon. Member. He can find it in great detail in that kit.

Mr. Taylor: Madam Speaker, it is an odd formula that provides that, the higher the unemployment, the lower the grant.

APPLICATION OF GRANT FORMULA

Mr. Gordon Taylor (Bow River): Madam Speaker, I should like to ask the Hon. Minister if the same formula is used in the ridings held by Liberal Members.

Hon. John Roberts (Minister of Employment and Immigration): Yes, Madam Speaker, the answer is—

Some Hon. Members: Oh, oh!

Mr. Roberts: The answer is yes, Madam Speaker. I admit that this sometimes brings forward rather bizarre results.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Look at them all over there.

Mr. McDermid: Keep going.

Mr. Roberts: For instance, the allocation to the constituency of Central has dramatically increased this year.

* * *

UNITED EMPIRE LOYALISTS

BICENTENNIAL ACTIVITIES IN ONTARIO

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, my question is for the Secretary of State. On previous occasions I have asked the Minister what he would do to assist the United Empire Loyalists' bicentennial activities in the Province of Ontario during 1984. At that time he indicated the possibility of joint financing. What is the Government presently doing to encourage United Empire Loyalists' bicentennial activities in the Province of Ontario during 1984?

Hon. Serge Joyal (Secretary of State): Madam Speaker, I am pleased to announce to the House that I have already written to the Intergovernmental Affairs Minister of Ontario to announce that the Canadian Government would participate in the celebration of the centennial of the major early settlements of Ontario. There is no doubt but that in forthcoming days a detailed statement will come from us explaining how the plans will be implemented.

Mr. Vankoughnet: Madam Speaker, this event marks a very significant and important aspect of the heritage of Canada, and I certainly hope the Minister will take it under consideration very soon.

FUNDING OF CELEBRATIONS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I should like to ask the Minister what plans are under way to make funds available. Does the Minister have anything concrete to tell us? Many municipalities, organizations and individuals are making plans, but they do not know how far to go. Does the Minister have anything to tell them now—not weeks or months from now, but today?

Hon. Serge Joyal (Secretary of State): Yes, Madam Speaker. Our plans are twofold. Money will be made available for the enrichment of already existing programs such as that of the Canada War Museums which has put together an exhibition on the Loyalist history of the country, that will tour Ontario; the enrichment of the Fort William activities; the

exchange of youth programs during the summer period, and an additional tour of the National Arts Centre. Moreover, funds will be made available to all citizens, groups, municipalities and localities in Ontario interested in applying for grants in the same format as that in which we implement the Canada Day celebration programs. Next week the details will be made public so that everyone who wants to participate in the celebrations will have an opportunity to file a request.

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ENERGY

PROPOSAL TO SHIP PRUDHOE BAY GAS VIA COOK INLET

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, if he could put his coffee down and come into the House.

Is the Minister aware of a serious proposal being made by an American company, the Yukon Pacific Corporation, on the board of directors of which sit two former Governors of Alaska, to pipe Prudhoe Bay gas to Cook Inlet where it would be liquefied for shipment to Asian markets? If so, does the Minister share my view that were the United States administration to approve such an undertaking it would constitute a breach of the spirit of the 1977 treaty between Canada and the United States which contemplates shipping Prudhoe Bay gas to the lower 48 States through a pipeline via Canada?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, of course I had to take a coffee because the Opposition is so dull that I wanted to remain awake.

Mr. Nielsen: When are you going to start?

Mr. Chrétien: Madam Speaker, we made a deal with the American administration many years ago, and I think it will want to keep its word. If the administration in Washington decides to take gas from Alaska to its markets it will use the Canadian route.

CANADIAN POSITION

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a supplementary question. Since this proposal has been advanced, can the Minister of Energy, Mines and Resources, or perhaps the Secretary of State for External Affairs, tell us what formal communication has taken place between the Government of Canada and the Government of the United States to reiterate our position, that it was in keeping with the original treaty that the gas not go to Cook Inlet and be exported that way but, rather through a pipeline built on Canadian soil?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not think that I need to reaffirm our position to the American administration. It is well aware of it. The proposition is not one advanced by the public sector in the United States; it is a project of private entrepreneurs. Personally, I do not think that it seriously threatens the building of the pipeline. That is not being built at this time because there is no need for the gas in the American market.

* * *

EMPLOYMENT

FUNDING FOR YOUTH JOB-CREATION PROGRAMS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Employment and Immigration. On numerous occasions he has indicated that one of the stumbling blocks to creating employment is a shortage of working capital to fulfil the Government's needs. Last year the Government handed out $1 billion in PIP grants to the oil industry. The industry has indicated that this encourages the drilling of dry wells rather than encouraging self-sufficiency in energy. Will the Minister meet with his colleagues, the Minister of Energy and the Minister of Finance, and redirect that $1 billion into youth employment in order that we might have sufficient money to begin to meet some of their needs?

● (1450)

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, my recollection is that those grants were brought in to replace the change in various tax provisions which had been designed to encourage that kind of activity. I am not sure whether it would be appropriate to refocus them in the way in which the Hon. Member has suggested. However, since he has asked me to discuss this with my colleagues, I will follow his advice and do so.

USE OF PIP GRANTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my supplementary question is directed to the Minister of Finance. The Minister is well aware, from his previous involvement, of the actual use to which the PIP grants are now being put. He surely must recognize that the PIP grants are not creating energy self-sufficiency but are in fact simply government money being handed over to oil companies without any tangible return. Does the Minister of Finance not agree that this billion dollars could be better spent in creating employment for the half million young people who, up to this point in time, have not been able to find any employment, rather than simply handing it over to the oil companies without any return?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is showing incredible ignorance of the situation in the energy field and how the tax system operates in Canada. As my hon. colleague said earlier, the grant system was introduced to replace a measure that provided for deductions on the basis of depreciation, which tended to be particularly profitable for foreign companies. We introduced a new

system that encourages the expansion of Canadian companies in the gas and oil industry. Companies that are in the oil and gas discovery and exploration business contribute to Canada's self-sufficiency in oil products and also spend money in Canada that is used to employ Canadians. This money does not disappear into thin air. It is used in prospecting for the resources Canada needs today and will need in the years to come. Meanwhile, I repeat that this money is being spent inside the country to employ Canadians.

* * *

[*English*]

CITIZENSHIP

APPLICATION OF SIDNEY JAFFE

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is directed to the Secretary of State. As a result of last week's Florida court decision Mr. Sidney Jaffe may now return to Canada, thereby addressing the larger question of our sovereignty rights. My question concerns Mr. Jaffe's citizenship status. Is the Minister and is the Government now satisfied that Mr. Jaffe's application for Canadian citizenship contained no false representations, or concealment of any circumstances material to his application?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, according to the information provided by Mr. Jaffe, a citizenship judge has already determined that he has fulfilled his citizenship requirements. No evidence has been provided to date establishing that at the time the information was given by Mr. Jaffe, it was false or erroneous, in which case I could exercise the authority I have under the Citizenship Act to review a decision made previously by a citizenship judge.

[*English*]

RESIDENCE REQUIREMENTS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, in view of the fact that Mr. Jaffe claimed three years of residence at 1000 Green Street in San Francisco, California, on a bail bond application dated August 7, 1980, and that, according to the Secretary of State, he was granted citizenship under Section 5(1) of the Act, Mr. Jaffe may not have fulfilled the sesidence requirements under Section 5(1)(b) of the Citizenship Act. Will the Minister now meet his commitment to provide the information requested to the House, or in writing, particularly the date of application and the date on which Mr. Jaffe received his citizenship?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, the question which the Hon. Member has asked me in the House before is an important one, because it raises the possibility of a conflict between the Citizenship Act and the Privacy Act. On the Basis of Section 3 of the Privacy Act, unless the person concerned gives his consent, I am not prepared to disclose the date on which a person was granted citizenship.

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[*English*]

AGRICULTURE

CANADIAN EGG MARKETING AGENCY—APPLICATION OF GOVERNMENT RESTRAINT PROGRAM

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct a question to the Minister of Agriculture. Marketing boards which come under the National Farm Products Marketing Act, specifically CEMA, have a built in formula whereby prices paid to farmers for products sold are based on costs of production formulae. Is that cost of production formula subject to the six and five program of the Government?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I know full well what the Hon. Member is talking about. It is a dispute which CEMA has with the Government of Canada on the six and five formula. CEMA had agreed to that. We are asking it to stay within the six and five formula as best it can.

EGG PRICING FORMULA

Hon. Jake Epp (Provencher): Madam Speaker, along with the problems Canadian farmers are facing with cash flow, the cost-price squeeze, the withholding of money in the western grain stabilization program, we have a situation where farmers, under formulae agreed to by the Government and the farming community that they would be entitled to a 4 cents per dozen Grade A large egg increase, have now been told by Cabinet, through CEMA, that they would be restricted to two cents of the price increase in order to stay within the six and five program. Could the Minister of Agriculture explain how he is protecting Canadian farm interests? How can Canadian farmers, facing increased costs—for instance, feed has gone up tremendously in the last few weeks—survive under broken agreements which they entered into with the Government in good faith?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the Hon. Member knows that the formula which farmers abide by has been a good formula. It is working well. Of all the farmers who, it has been reported to me, have gone bankrupt, not one egg producer has gone broke. They are under a marketing board. It runs supply management. The efficient operators are still making a dollar. We are reviewing the problem with which they are confronted at the present time because of the extra increase costs of protein and grain, due mainly to the dry weather, and also because of the payment in kind program in the United States of America.

Oral Questions

INCOME TAX

DEPARTMENT'S TREATMENT OF ARTISTS

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of National Revenue. It concerns the current tax treatment of artists in Canada. A moment ago the Minister of Communications indicated in answer to a question that he had intervened with the Minister of National Revenue on a number of occasions with respect to artists. As the Minister knows, we have a current problem which needs a quick solution. Would the Minister not now commit himself and his Government to imposing a moratorium on the tax situation for artists until he can carry out a review of the interpretations mentioned by the Minister of Communications?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am a little surprised at the question and especially at the member's request. I may remind him that the general provisions of the Income Tax Act that apply to individuals who deduct expenses from their income should also apply to artists. I realize there may be special circumstances a person may encounter in the exercise of his profession and that this may be the case for a great many artists. I would therefore like to point out to the Hon. Member that when applying the general rules of the Income Tax Act, departmental officers responsible for assessing the situation allow for any special circumstances mentioned by the taxpayer, so that when artists submit their expenses with their income, they are given special treatment because of the particular circumstances in which they exercise their professional activities.

[*English*]

REQUEST FOR MORATORIUM

Hon. David Crombie (Rosedale): Madam Speaker, surely the Minister understands that his own Department is treating the artists of this country as manufacturers for the purpose of tax. That is the issue. Surely the Minister can understand that if we are to have creative arts in this country, artists must be treated as creative human beings and not as manufacturers of plastic hose. The reality is, Madam Speaker, that unless the Minister acts now, we will have a demonstration in Vancouver and in other parts of the country, with artists trying to speak out in order to get a tax situation which is only fair and congenial to them. Why will the Minister not at least place a moratorium on those interpretations so that artists can have a chance, as the Minister of Communications, as well as we and the artists, would like him to do?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am rather surprised at the Hon. Member's question and at his interpretation of the facts. If the Hon. Member knew what he was talking about, that is, how the Department of National Revenue treats artists—like other taxpayers—he would not ask such questions. We do allow for special circumstances as I indicated in the first part of my answer. I also wish to remind the Hon. Member that an artist's inventory is not taxable. They can deduct expenses on each piece they sell, and income is not taxed until it is actually received by the artist. There is a set of special conditions that applies to artists and does not apply to manufacturers, and we treat them as individuals, which is the same way we treat other taxpayers in our society.

* * *

PETITION

MR. RIIS—WINNIPEG—MORGENTALER CLINIC

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Friday, October 7, 1983, does not meet the requirements of the Standing Orders as to form.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. DEANS—EXTENSION OF UNEMPLOYMENT BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have the privilege of presenting a petition on behalf of more than 3,000 citizens of Sault Ste. Marie and the District of Algoma, petitioning the federal Government and the Minister of Labour (Mr. Ouellet), in light of the present economic situation where jobs are not in plentiful supply, to present to the House for approval a Bill to extend UIC benefits beyond their expiry limits.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,639, 4,809, and 4,816.

[*Text*]

GOVERNMENT POLICY CONCERNING FOREIGN SPIES

Question No. 4,639—**Mr. Kilgour:**

Is it government policy to try to convert foreign spies to work for Canada rather than prosecuting them and, if so, has there been any change in this policy?

Hon. Bob Kaplan (Solicitor General of Canada): On detecting foreign intelligence activity in Canada, it is the policy of the Government to consider how best to protect Canada's over-all interests given the particular circumstances of each case. Seeking the co-operation of individuals suspected of involvement in such activities is one action that may be considered in the execution of this policy. In the event that the most appropriate action is judged to include the institution of a prosecution under the Official Secrets Act, it is a requirement of that Act that in each case the consent of the Attorney General of Canada must be obtained in order for such a prosecution to proceed. Such a decision is made in relation to the particular facts of each case. This approach cannot be considered to be a change of policy.

CANADIAN HOME INSULATION PROGRAM

Question No. 4,809—**Mr. Blenkarn:**

1. Are audit proceedings made by the Department of Energy, Mines and Resources in managing the CHIP program to make sure that materials allegedly supplied on insulation contracts are in fact supplied and are in fact a fair valuation for the materials intended to be supplied and, if so, what are such proceedings?

2. Did the Department investigate Imperial Ener-Sav Inc. of 3710 Chesswood Drive, Downsview, Ontario, with respect to a contract made between it and Mr. George Gow of Cedar Grove Park at 1749 Dundas Street East in Mississauga, Ontario, concerning the charge of $282 for two tubes of silicone construction sealant?

3. Did the Department price the cost of the tubes and the sealant and did the Department determine that the price of $141 per tube was at least six times higher than fair market value for the sealant?

4. Does the Department intend to prosecute Imperial Ener-Sav Inc. for attempting to defraud the government with respect to a contract dated

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

1. Approximately 8 per cent of all homes insulated under the Canadian Home Insulation Program are inspected to ensure that the materials specified on the CHIP grant application have been installed.

Incoming grant applications are screened for the prices charged for caulking and weatherstripping. Price guidelines for determining CHIP contributions for these products were implemented in November, 1982.

2. Prices charged by Imperial Enersave Inc. and other companies were considered for instances of inflated materials costs. These considerations resulted in the introduction of price guidelines for determining CHIP contributions. The account of Mr. George Gow has been looked into by departmental officers and legal counsel.

3. The Department agrees that the amount Mr. Gow charged was substantially above the going rate. The regulatory mechanism required to enable the Department to refuse payment in cases such as this was put in place as of May 12, 1983, but was not in place at the time of the incident referred to by the Hon. Member. In formulating the policy which led to a change in the Regulations, various factors were taken into consideration, including the desire not to interfere more than necessary in the normal workings of the marketplace and the degree of success of the less formal pricing guidelines instituted by CHIP in November, 1982.

4. Mr. Gow's case was referred to EM&R's Legal Services Branch for legal advice and recommendations. The Department does not expect to instigate a prosecution against Imperial Enersave Inc. in connection with the contract in question.

LIVESTOCK FEED BOARD OF CANADA ADVISORY COMMITTEE

Question No. 4,816—**Mr. Mazankowski:**

1. Is there a Canadian Livestock Feed Board Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount has each member received (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes. Pursuant to Section 15 of the Livestock Feed Assistance Act, the members are:

(a)	(b)(i)	(b)(ii) Term	
Members	Expertise & Organization Affiliation	Appointed	Expires
Peter Hannam	Pedigreed seed specialist Past President of the Ontario Federation of Agriculture and current President of CANFARM Co-operative Services in Guelph	1980	1984
Hollis W. Duffett	Livestock producer Past President of Newfoundland Federation of Agriculture and current President of Newfoundland Swine Producers Association	1981	1985
Charles Munro	Dairy farmer Past President Canadian Federation of Agriculture and Ontario Federation of Agriculture	1979	1983
Arthur Porter	Dairy farmer Past President Nova Scotia Holstein Friesian Association and President of Nova Scotia Animal Breeding Cooperative	1982	1986
John F. (Jack) Reams	Swine producer President of British Columbia Pork Producers Association and member of the Executive Committee of the British Columbia Federation of Agriculture	1980	1983

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Léopold Harvey	Dairy farmer Past and founding President of Federation of Industrial Milk Producers of Quebec (1966 to 70), President of La Chaine Cooperative du Saguenay	1982	1986
Laurent Mercier	Poultry and grain producer President of Federation of Chicken Producers of Quebec	1980	1984

(c) Remuneration and expenses are fixed by the Governor in Council pursuant to Subsection 15(2) of the Livestock Feed Assistance Act:

Members	
Peter Hannam	$4,000.00
Hollis W. Duffett	1,875.00
Charles Munro	2,787.50
Arthur Porter	1,625.00
*John F. (Jack) Reams	1,875.00
Léopold Harvey	1,250.00
Laurent Mercier	1,625.00

The members all receive the same per diem of $125 per day for attendance at meetings of the Committee, plus travel and accommodation expenses.

*As Secretary to the Advisory Committee, Mr. Reams receives an additional $100 for the preparation of the minutes of the Board and Advisory Committee meetings.

(d) No other direct funding is provided. However, certain secretariat costs, such as office supplies, stationery, etc., are covered by the Canadian Livestock Feed Board budget.

2. (a) The Advisory Committee advises the Livestock Feed Board of Canada with respect to matters arising under the Act and as are referred to it by the Minister or the Board.

(b) The Committee reviewed: (i) grain and livestock market conditions across the country; (ii) the domestic feed grain policy; (iii) the Gilson report; (iv) Feed Freight Assistance.

(c) It met twice in fiscal year 1982-83, once in Ottawa and once in Montreal. It is required to meet at least once a year at Board Headquarters.

(d) No reports or recommendations of the Advisory Committee were published in 1982-83.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 34 (Mr. Benjamin).

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, prior to the luncheon recess I was addressing myself to Motion No. 34 and asking in a rhetorical way what the NDP hoped to accomplish with it. Unfortunately, notwithstanding the fact that they had a number of people stand up and speak to this issue, the answer is still unclear to me. I was making the point that on occasion there are times of legitimate concern with respect to the provision of trucking services to communities in western Canada. I gave the example of the Asquith subdivision in my constituency where communities are now simply folding up. The village of Arelect had handed in its charter as a village because people and businesses are moving out. Now these communities are simply shrivelling up, an unfortunate happening we have experienced in western Canada because of the transportation policies generally of the Liberal Government over the years.

Another area which has been affected in my province is that of the Carleton subdivision. Mr. Justice Emmett Hall, considering the rail line abandonment question, indicated that the Carleton subdivision would not be part of the permanent network but suggested that the elevators remain in towns like Waldheim, Saskatchewan, a thriving and progressive place, and Hepburn, Saskatchewan. These towns are very vital parts of Sasktachewan and of Canada. The suggestion was that the elevators remain and provision be made to truck out the grain from these elevators.

I am glad to say that due to the intervention of people in the area, together with representations made by Members of Parliament such as the Hon. Member for Prince Albert (Mr. Hovdebo), who was there and spoke up on behalf of his constituents as I attempted to do, the western branch of the CTC has now recommended that a good portion of the Carleton subdivision be included in the permanent network. We are awaiting the final decision in that regard.

No matter what we think of the pre-eminence of the railway system in western Canada—and I stand second to no person in supporting proposals and policies which will give us a viable rail network in western Canada and stop this disintegration of branch lines—we have to look to efficient alternatives. I hope the NDP can clarify this for me because all I see this motion as being is a blind, cleaver-like approach to this legislation. It goes against the interests of the communities I have referred to in my constituency. I have had representations from the Great Lakes Waterways Development Association with respect to the increased cost to the western producer.

We should be looking at ways to increase efficiency. From 1977 to 1980 St. Lawrence Seaway tolls have increased by 100 per cent, 28 per cent in the last two years, the six and five guidelines notwithstanding. These are direct costs to the producer. Even though this affects grain shipped through the Lakehead, the fact is that because of the pooling system it diminishes the price received by the producer. We can bring forward, and I suggest we tried, constructive suggestions to this unfortunate Bill to try and demonstrate that we at least are trying to improve as much as possible this very badly thought out and unfortunate legislation.

I see my time has expired, Mr. Speaker, but I wanted to make a strong representation on behalf of the people in my area concerning some of the realities in western Canada today.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in commenting on Motion No. 34 standing in the name of the Hon. Member for Regina West (Mr. Benjamin), the Transport critic for the NDP, I would comment first of all in response to the question raised by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) who has just concluded his remarks. He said he was unclear as to the purpose of the amendment now before us, although he says he listened with care. The reason is very obvious. The NDP wants the best service possible for the least possible money, and rail, not roads, is the way to get it.

That is the object of our amendment and I would have thought that, if the Hon. Member was listening with anything like the degree of care he suggested, this should have been obvious even to a Conservative. The Hon. Member for Saskatoon West had some good facts but, as usual, he, as a Conservative, drew the wrong conclusions from them. Judging by the substance, as opposed to the form, of his comments, at least those made before lunch, with regard to the situation facing the community of Arelee, Saskatchewan, it appears that he drew his base information from a recent fourpart series in the Saskatoon *Star-Phoenix* by a Mr. John Gallagher. I would say that the Hon. Member is to be congratulated for his source. Mr. Gallagher is, after all, a research assistant to the Hon. Member for Regina West (Mr. Benjamin), the Transport critic for our Party and our key spokesman on all of the matters relating to the Crow rate. Mr. Gallagher is also the author of "To Kill the Crow", one of the best, definitive studies of that entire issue currently available to the people of Canada. However, we in the New Democratic Party do wish that if the Hon. Member for Saskatoon West wants to use our material, although he is very welcome, he would read and use it all rather than just selected parts of it.

● (1510)

The Hon. Member for Saskatoon West, in reference to the Arelee line, suggested that trucking would save money as compared to using the railway. For his edification, I should like, in correcting his error, to quote the segment of the *Star-Phoenix* series that he either failed to read in full or failed to understand. I quote from the third article in the four-part series entitled "Few Savings in Abandonment". This article of very recent vintage states:

> We have seen how, abandoning the CPR line through Arelee, Struan and Sonningdale will about double the cost of shipping grain to area farmers and how highway costs will increase because of greater truck traffic. It remains to be seen whether or not abandonment will increase total transportation costs, but it is a distinct possibility.
>
> The 1981 hearings that confirmed the abandonment of the line concluded the CPR had expenses in 1979 of $447,219 on the 29.2 miles of line while grain shipped from it generated $137,181 in revenues to the company for an "actual loss" of $310,038. This does not take into account the branch line subsidy paid to the company by the federal government.
>
> According to the Canadian Wheat Board, 236 farmers designated the three stations on the line as their primary delivery point in 1981. Assuming they ship the provincial average of 7,254.3 bushels of wheat the average extra distance of 20 miles, according to the University of Regina study, then the increased cost to them will be $213,816.
>
> In other words the CPR, by abandoning that line, has transferred $213,816 of the ost of transporting that grain from itself to the farmers. The net gain to the railroad, however, is the full $447,219,since it will still receive the same payment to move the grain to export position from the alternate delivery points.
>
> The CPR grains; the farmer loses.
>
> And the public loses too.
>
> Working from the same averages, it would require 1,863 semi-trailers loaded to a gross weight of 72,000 pounds to move the grain from this line 20 miles for delivery.
>
> As noted previously, construction and maintenance costs for a road surface vary directly with the number and weight of axle loadings.
>
> Every semi-trailer that moves over asphalt concrete highway would cost the taxpayer between 52 cents and $1.11 per mile in construction and maintenance costs according to the Iowa Department of Transportation formula.
>
> Each mile over gravel roads would cost the taxpayers about 84 cents in maintenance costs according to a formula published by the Transportation Agency of Saskatchewan.
>
> On intermediate paved highways, the first four semi-trailer loads per day each way would add about $1,250 per mile to the annual maintenance costs, or $1.25 per truck mile. And these figures presume there is no other truck traffic contributing to traffic volumes greater than the structural capacity of the highways.
>
> Maintenance figures like that make continued repair of intermediate pavement uneconomic and it is necessary to rebuild and upgrade. That means costs between $100,000 and $200,000 per mile in 1980 dollars, according to the TAS, depending upon what standard the highway has to be built to.
>
> The CPR estimated it would cost $4,078,203 to bring this line up to standard, but it did not include the revenues the company would receive from salvage during upgrading.
>
> But highway 376, which runs alongside the railroad from Sonningdale to Asquith, is topped with intermediate pavement. To bring it up to the structural capacity needed to move the grain produced in the area would cost $8,470,000 in 1982 dollars, more than double the cost of upgrading the rail line.

Again, I wish that the Hon. Member for Saskatoon West and other speakers for the Conservative Party, who say they cannot understand, would read a little more fully the documents from which they derive their information and opinions and would listen a little more carefully when we submit and clearly state, time and time again, that our objective, both in this amendment and others that we are placing before the House of Commons on this whole issue, is to get the best results for the people of Canada for the least possible dollars. That makes sense to us. It may not make sense to a Conservative, and judging by all of their past performance it certainly does not make sense to Liberals. However, to us, ordinary people who represent ordinary people, it just happens to make

a lot of common sense. I would think that if they would look, listen and read a little more carefuly, a little more completely, then maybe, just maybe, it would make sense to them as well.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to defer to my good friend, the Hon. Member for Provencher (Mr. Epp), if I could, or the Hon. Member for Lisgar (Mr. Murta), for that matter.

Mr. Epp: Or any one of us.

Mr. Nystrom: "Either" one.

Mr. Epp: Either one.

Mr. Nystrom: Either one. Watch your grammar.

I think Motion No. 34 is fairly important. It is a motion placed on the Order Paper by the Hon. Member for Regina West (Mr. Benjamin) and would amend Clause 17 of the Act. The clause, Mr. Speaker, just to refresh your memory, gives the Administrator, on behalf of the Minister, the power to "enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producer".

I have a couple of concerns about this as a Member who comes from a very rural riding with many branch lines and small towns. I have concern about the small towns themselves and their future. My second concern, and it is the reason I think the Conservatives should be supporting the motion, is that I hesitated once again to give one person so much power. Why centralize so much power in the hands of one person, in the hands of the Administrator? That is a very valid criticism of our bureaucracy today, that too few people have too much power here in Ottawa. That works against the wishes and the best intent of what we want this country to be all about.

I know my friend, the Hon. Member for Provencher, who sat for many long hours on our Constitution committee a couple of years ago, certainly agrees with that as a principle. We should certainly work toward a more centralized Canada, more local control, local people having more say over their lives and more input over the direction of their communities. Therefore, I believe the Hon. Member for Regina West is going in the right direction here by ensuring that the Administrator, acting in concert with the Minister, would not have the power arbitrarily to abandon, in effect, certain rail lines. That is the power we are asked to give this individual if Motion No. 34 does not pass. In fact, it is a Conservative motion, and I am sure that Members of that Party are not very proud of that fact, I just ask Hon. Members to consider it very closely because it does give the Administrator tremendous discretionary power.

I am very leery of giving a public servant or any one person, be it a public servant or a private bureaucrat in a private company, that much power. I believe we should decentralize powers as much as possible for the benefit of the ordinary people of Canada, because they know best what decisions to make affecting their own community, whether it be Lethbridge, Yorkton, Trois-Rivières or anywhere else in Canada. I just do not like this trend of centralization that I hear being discussed by so many Members of the Liberals and Conservative Parties. I know my friend, the Hon. Member for Provencher, would certainly not agree with that trend and that is why he will be rising in a few minutes to agree with the Hon. Member for Regina West, because he, too, does not want to centralize more and more power in the hands of one bureaucrat. He also wants to have a more democratic society and a more decentralized society where ordinary citizens have more power.

● (1520)

An Hon. Member: A community of communities.

Mr. Nystrom: I am sure he is very interested in a community of communities. That cannot occur when we centralize power in the hands of the Administrator to make arbitrary decisions over rail lines.

Under a democratic socialist government, I am sure there would be a very decentralized economy. Let me cite some history for the Member from New Brunswick. Saskatchewan has the most decentralized economy in the country. We have the country elevator systems which are very decentralized. The Wheat Pool ships over half of our grain that is owned by the farmers themselves, with one farmer, one vote. There are co-op stores found in every community as well as co-op pharmacies, co-op cafeterias, co-op garages and so on. It is very decentralized.

An Hon. Member: Co-ops are not socialist. That is capitalism.

Mr. Nystrom: In all of these places we have co-op committees, Wheat Pool committees and UGG committees. In this democratic socialist society, or economic model, they make the decisions that control those economic enterprises. I would like to see a greater economic democratic system in our country.

Mr. Thacker: People had to leave for generations to get a job.

Mr. Nystrom: People had to leave for generations because we had Jimmy Gardiner, Patterson, that famous Conservative, R. B. Bennett, and Ross Thatcher, another famous Conservative who called himself a Liberal. Of course, when Allan Blakeney was elected, the population of the Province went up.

Mr. Deputy Speaker: Order. I call to the attention of the Hon. Member that debate at report stage should be strictly relevant to the amendments before the House.

Mr. Benjamin: He was reasonably provoked.

Mr. Nystrom: I guess I am no more unreasonable than the hecklers, Mr. Speaker. I should refrain from replying. I just wanted to say that unemployment has almost doubled in our Province in the last 18 months and I think that answers the question.

Mr. Epp: Manitoba's went up too.

Mr. Nystrom: The reason I support Motion No. 34 is that I come from a very rural riding. There are many rail lines in that community and the farmers in my constituency overwhelmingly support the idea of maintaining their rail lines and not trucking their grain to market. They support that contention for a number of reasons. First, it is more convenient for them from a cost point of view that the rail lines remain and be there as a service to the farmer for shipping grain to market. It is a system that works well. It can even be more efficient with rehabilitation of the rail lines.

As well, this not only affects the farmer but small-business people in all the towns and villages through which those rail lines pass. If a rail line is abandoned, many of the farmers will shop elsewhere and many businesses will be forced to close down. It even affects the people who live in the community, including many senior citizens. There are many people in communities such as Kelvington and Lintlaw and many other communities in my riding who have told me that even their senior citizens are concerned about rail line abandonment. If the rail line goes, fewer people will shop in town and fewer businesses will be in town. Therefore the services will be that much poorer and senior citizens will not be able to get the medical and dental facilities they want in their senior years. For those reasons they believe the rail lines should stay. I think those are important points.

In my riding during the last few years there have been a number of fights with the CTC, the CNR, the CPR, Otto Lang and others over maintaining the rail lines. For example, I can think of the tremendous fight we had to maintain a rail line that went into Preeceville, which is a very large community in my constituency. In that instance many people got together to form a "save our rail line committee". They wanted to make sure that the rail line to the community of Preeceville was preserved. After going to the CTC, lobbying and fighting for a number of months, they were able to maintain and preserve the rail line.

Another success story in my riding concerned the rail line that goes to Rosthern Calder and MacNutt. Once again, the people of those communities banded together. They are from small communities: Rosthern has perhaps 100 people, Calder has approximately 300 and MacNutt is somewhat smaller. They did their research and lobbying and put up a fight. They persuaded the CTC and the powers that be that those rail lines should stay and be upgraded. Their present concern over upgrading those rail lines is that the money in the rail line rehabilitation fund actually goes into upgrading rail lines and will not be spent in trucking grain to market.

I am very concerned about this because the smaller a community and the smaller the group of people affected, the more difficult it is to persuade the CTC or the Minister that they are important. It is more difficult for smaller groups to present their arguments. It is more difficult for a smaller community to get a share of the money which is in the rail line rehabilitation fund. If some of that money is diverted to trucking, the likelihood of remaining funds being used in smaller communities will diminish. For those reasons I cannot sit idly by and allow that to happen without speaking out. It is important to the Rostherns, Calders and MacNutts of the country that the money be used to upgrade their rail lines and ensure their efficiency.

There are other rail lines that are being seriously considered in my riding and which may be affected by Bills such as this. I am holding a copy of the *Western Producer* dated September 29, which carries an article entitled "Rail Lines Under Study". It has a list compiled by the Saskatchewan Wheat Pool of rail lines that are under study by Transport Canada. It lists approximately 35 different rail lines of which two happen to be in my constituency. One subdivision which is under review is Rhein, a town of about 500 people. According to the Wheat Pool, Transport Canada is studying 25 miles of that rail line. There are 475 producers who deliver their grain to points along that rail line.

The second review taking place in my riding is on a subdivision point called Tonkin. That community is much smaller, with a line of only approximately 17 miles. However, there are 197 people who deliver their grain to points along that line. The line is very important to them and they are very concerned that the rail line rehabilitation funds are used to upgrade the lines and preserve them and not be drained for trucking. If that happens, the rail lines and elevators disappear and we see more centralizing with huge inland terminals. Where does it stop?

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I rise to speak on Motion No. 34 which was moved by my colleague the Hon. Member for Regina West (Mr. Benjamin). The effect of this motion is to strike out Clause 17(4) which gives the Administrator power to enter into agreements which would basically provide funds for those who want to move grain through the trucking mode.

In rising to support this motion, I would like to use my constituency of Dauphin-Swan River as an illustration since the situation there is not unlike that outlined by my hon. friend for Yorkton-Melville (Mr. Nystrom) with respect to some of the problems and issues we face in our rural ridings. I want to underline some of the concerns that we have and perhaps give some concrete illustrations. Sometimes a picture is worth a thousand words, and if we can give a concrete illustration of our situation perhaps it would help Hon. Members opposite and some of my friends to my right understand the situation better. Hopefully it will enlighten them. Their situations and problems are somewhat different as they are south of the Trans-Canada Highway and have easy access to large highways, big trucks and all the other benefits of living in that particular part of Manitoba. They do not really appreciate some of the difficulties in areas further north.

● (1530)

In striking out lines 20 to 25 of the trucking subsidy, we are trying to stand up for the small towns of our areas. If a trucking subsidy is provided by way of inducement or encouragement for the movement of grain by trucking companies, we can rest assured that there will be a greater degree of branch line abandonment. It would then become somewhat more economic for trucks to compete with the shipment of grain on branch lines. When the western division of the Canadian Transport Commission looks at branch line abandonment, it does not look at branch line abandonment, it does not look at the viability of small towns. In fact, I have never found any economic impact assessment in any of the CTC hearings. I have always been concerned that in any branch line abandonment induced by trucking subsidies there has never been any mention of the community-wide impact.

Small towns such as Fork River and others in my constituency at this stage have perhaps only one general store. The people of the area should not have to travel 30 miles or 40 miles to shop. The viability of many of these small towns is maintained when they have elevators in their communities. With branch line abandonment there is also the abandonment of elevators. As the Hon. Member for Yorkton-Melville (Mr. Nystrom) mentioned earlier, many pools have established elevators and, if there were a continuation of branch line abandonment, the pool elevators would be disproportionately affected. It would also affect farmers because they are the people who co-operate and work together to build and maintain these elevators. It, as a result of branch line abandonment and trucking subsidies, many more inland terminals were to be developed, the pools would have to invest inordinate amount of moneys to build new elevators when they already have existing ones which they could maintain if the branch lines were kept. In addition, there is a disproportionate impact in terms of highway costs. The Government is not prepared to pick up the cost of maintaining highways in these areas. In many areas where there is branch line abandonment, the highways are of poor quality and do not have the necessary strength to accommodate heavy trucks such as the highways in the ridings of the Hon. Member for Provencher (Mr. Epp) or the Hon. Member for Lisgar (Mr. Murta).

I would like to give an indication of why people in constituencies such as mine are concerned. For example, I received a letter from the former Minister of Transport after I wrote to him concerning highway costs. He wrote:

Dear Mr. Lewycky:

Thank you for your letter of June 1, 1981, concerning financial assistance for road upgrading which might be necessary as a consequence of rail line abandonment.

As former Minister of Transport surely he knew that it would be necessary, not might be necessary. He went on to indicate:

At the present time I am not contemplating the provision of such assistance.

His letter was dated July 22, 1981. He continued:

As you know the federal Government is faced with very limited resources for the purpose of initiating new assistance programs. In the case of road and highway construction, this is principally a provincial and municipal responsibility . . . I would find it very difficult at the present time to consider initiating new programs of the type you have suggested.

Yours sincerely,

Jean-Luc Pepin.

I have it in black and white. The Government clearly indicated that it would be unable and unwilling to look after the added road costs. He should travel to constituencies such as mine and ask the municipalities, some of which are poor, whether they can afford additional road costs that would result if elevators were not functioning in their areas. If we take a look at the 1981 census results, we find constituencies such as Dauphin-Swan River have average incomes that are almost two-thirds the national average. How can we ask these farmers to face the added burden of higher costs for transporting grain? They cannot afford to purchase new trucks. They cannot afford to do what would be necessary to haul grain to a larger area. Their land values have dropped in light of possible rail line abandonment. These farmers are in dire straits and would be seriously jeopardized if there were further rail line abandonments. Some of these areas are not even full-fledged municipalities. They are local government districts. They do not even have the base to support or sustain a municipal structure.

It is on behalf of such areas that we plead when we fight this piece of legislation or certain clauses in Bill C-155. I know it might be difficult for Members with different situations. I empathize somewhat with them and understand why they cannot experientially feel for these smaller areas because in their situation it might be beneficial to take the angle they are taking. When pools such as these are disproportionately affected, when there is a potential for elevators to close down and for communities to die, I think the House will understand why I support the motion of my colleague the Hon. Member for Regina West. I thank the House for the opportunity to share our concerns on behalf of constituents—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but his allotted time has expired.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, it is a pleasure to rise to take part in the debate. The amendment put forward by the New Democratic Party is typical of what it has been trying to do in this Bill. Whenever anything is put forward, regardless of what we in the Conservative Party see as being wrong with it—and they are too numerous to go into in ten minutes—our job is to try as hard as possible to amend a bad Bill. It is to this that we have devoted the last three months, to trying to point out what is wrong with the Bill. There are still many glaring errors in the draftsmanship in the way it affects producers in western Canada. Therefore, it is impossible for anyone on this side of the House to support this Bill.

● (1540)

In coming to that conclusion, we started from a different place than the NDP. The Bill was put forward. We in the

Opposition have a responsibility to our constituents to try as best we can to change the mind of the Government on this Bill, what it thinks is good in the Bill and what we think is good. At times we can come to mutual agreement, even with the NDP. There were times in committee when amendments were passed unanimously. In fact, the first amendment accepted was put forward by the NDP which was going to kill the Bill.

With this amendment, the NDP is attempting to remove an amendment which states "if the Administrator enters into an agreement by motor vehicle to move grain, he does so in the best interests of the producers". It is in the best interest of the producers, not in the best interests about which we hear from the NDP railroad flakes and not in the best interest of the railroads, but of the producers, the grain farmers, the men and women who grow and sell the grain. It is not in the best interest of the railroads, the elevator companies or the provincial Governments, but in the best interests of the producers.

We hear a lot of crying from the Members on our left about saving branch lines. I hear one of those Members "crowing" now. Let us go back in history. In 1979 when the Hon. Member for Vegreville (Mr. Mazankowski) was Minister of Transport, he appointed the Hon. Member for Moose Jaw (Mr. Neil) to make a report on branch lines in western Canada, including the region I represent as well as those represented by some NDP Members.

The Hon. Member for Moose Jaw made a decision and made recommendations to the Hon. Member for Vegreville as Minister. He recommended that 490 miles of branch lines in western Canada be maintained in the permanent network until the year 2000. He made another recommendation, that is, that 236 miles—there are three of those branch lines in my riding—be frozen for five years so that we can review the proposal put forward by former Justice Emmett Hall as to the effectiveness of off-line elevators. He wanted to try them at Fisher Branch. He felt the producers in that area could benefit from an experiment. The Members for Moose Jaw and Vegreville wanted to freeze those lines, not abandon them, not to tear up the steel as they did in Arelee and Summingdale and the riding of the Hon. Member for Provencher (Mr. Epp). They wanted to freeze them until they had time to assess the benefits of off-line elevators.

What happened in the meantime? The NDP Members voted that Government out of office. They, along with the Liberals, said that the Member for Vegreville and the Member for Moose Jaw, who tried to save branch lines, are not serving the best interests of the producers of western Canada. They voted that Government out of office. They let the Liberals come in.

Do you know what the present Government did as soon as it was elected? It rescinded the Order in Council which would have saved 236 miles of branch lines. That is the way the NDP Members protected the branch lines in Saskatchewan. That is how they did it. They brought those people in to take away that freeze. The Minister who did that is in the Chamber at this time. I am sure we will hear from him. Brass-Kelfield is a line that runs from Brass to Kelfield in my riding. We went through the process of a CTC hearing. We did not have to go through that process so long as the Hon. Member for Vegreville was Minister of Transport, but the NDP Members did not like that. They said he was not serving the best interest, they would have the Liberals in. What did the Liberals do? They abandoned 236 miles. This is the way they serve their constituents.

Now what did the people in Kelfield, Handel and Leipzig have to do? They no longer have a rail line. CTC said, "No, dont blame the trucker". The people responsible for that, along with the former Minister of Transport, are the NDP. They helped the Liberals come in. That is what they have done for branch lines. If I sat down now, would the former Minister of Transport like to speak?

Mr. Pepin: I would not dare intervene in a personal quarrel with the NDP.

Mr. McKnight: The people on the Kelfield branch will now have to haul their grain an additional 23 miles, on average. They have one hope with this amendment. Their line has been abandoned effective October 31. With this amendment and with the Bill, when it is put through, if ever, or even without it, with the good graces of the Minister of Transport (Mr. Axworthy), he could establish a trial off-line elevator service. The people in Leipzig, Kelfield and Handel will say that it will be harder on the roads. It will be. However, it won't be harder on the roads than hauling gravel or moving an oil rig or construction machinery. If its hard to haul grain, it will be no harder on the highways and grid roads of Saskatchewan than if the farmers hauled it themselves. Somebody will have to pay.

These people want to save their branch line. That is their first choice. Their second choice would be to have a form of transportation so that they do not have to haul it. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) knows the cost of a tandem straight rig or a tractor to haul grain, or even the price of an ordinary three-to single-axle truck. Farmers do not have the ability to adjust that readily to those changes. However, the Administrator, working only in the best interests of the producers, has the ability to enter into agreements with trucking companies to move grain from a country elevator to another point. The cost of that would not be borne by the producer but by the Administrator out of the general revenues of this country.

I listened to the Hon. Member for Yorkton-Melville (Mr. Nystrom) and other Members talk about the vibrancy of the rural towns. I recognize that. The community I come from has a population of about 25. We have a post office and a couple of elevators. We want to keep our elevators and our branch lines.

Do not be fooled by thinking it is only the elevators and railroad companies which make the small towns in Saskatchewan vibrant. It is the people. In their belief, it has nothing whatsoever to do with elevators and railroads. It is a benefit, but it has nothing to do with the strength and fabric of those communities.

In conclusion I want to say that that is not only my idea. Former Chief Justice Emmett Hall at pages 79 and 80 of the Hall Report said: "It is the people and the spirit of the people which gives a community viability, not the railroads, not the elevators". If we had our druthers, we would have the elevator served by trucks rather than elevators served by nothing.

● (1550)

Mr. Gordon Towers (Red Deer): Mr. Speaker, in taking part in this debate I would like to tell the House just exactly how wrong Members of the NDP are in trying to debate the amendment proposed by the Hon. Member for Vegreville (Mr. Mazankowski). If NDP Members could remember as far back as the time the Hall Report was tabled in the House of Commons, they would remember that certain rail lines were taken out and at that time there was supposed to be a trucking program put in place for those farmers who were going to be affected by the abandonment of that rail line and money would be paid to a central agency. In this case, the line from Cremona to Crossfield, which is in my constituency, was affected. Farmers in Cremona now have to haul their grain over a distance of approximately 30 miles. However, it is interesting to note that those farmers are not necessarily hauling that grain to Crossfield where it must be put through an elevator system and would further clog up the grain handling industry. Instead, the farmers went to British Columbia to find a market for their grain and are shipping it in that direction, thereby relieving the rail system of the overload. That makes sense to me.

If farmers were to have the freedom of choice to receive a portion of the funding, then the system would be relieved of the overload and trucks would be allowed to roll. I find it incomprehensible that if this amendment is deleted, farmers in that area will have to accept the extra cost of moving grain on their own when their tax dollars go right to the railway.

The railway is to receive $650 million, but there is no money for the truckers or the farmers. The money is going straight to the railways. Not only do the farmers have to pay for transporting their grain into central British Columbia, they must also pay for the other farmers who are moving grain on the rails.

That notion is grossly unfair, and I hope that Hon. Members of the Party to my left who claim to have a conscience—and I sometimes wonder if they have one at all—will give consideration to this motion. After all, it hits the people very, very hard.

There is a great deal of grain, primarily barley and feed grain, moving out of central Alberta into the central British Columbia market as well as the southern Alberta market. Some of these hauls are anywhere from 2 to 500 miles in distance. It would seem to me that it is only honest, straightforward and reasonable that consideration be given not only to the producers but to the truckers as well. The truckers are taxpayers as well. They are also competitive. Hon. Members opposite do not really care whether or not taxpayers have to subsidize Crown corporations that operate in competition with those taxpayers. My hon. friend over there is smiling. He recognizes what the Government is doing. Government Members should change their minds about this and allow for friendly competition.

There has been a great deal of talk about the effect the implementation of this motion would have on the highways. It is true enough that it will have a certain effect on the highways. However, every time a trainload of grain goes over a track, it too has an effect on that track and that track must be upgraded. Besides, many of these truckers travel at night when the traffic is not very heavy and they do not interfere with the automobile traffic to any great extent.

These are matters to which Hon. Members of the NDP should give consideration if they are going to keep on proposing that this amendment be deleted. The amendment is of fundamental and basic importance to the people who live in our constituencies. Perhaps Hon. Members of the NDP do not realize that in southern Alberta, large numbers of cattle are fed. A large amount of barley is produced in my constituency. My colleague, the Hon. Member for Medicine Hat (Mr. Hargrave), recognizes this fact. His constituency relies on my constituency for moving that barley to Medicine Hat and southern Alberta where the cattle are fed. It only makes sense that if there are producers who want to move their grain in that direction and if there are feeders there who require that grain, the truckers who have to move that grain should have compensation for doing so.

Members of the NDP are isolated and narrow-minded in their thinking. They have tunnel vision, if you will. It is totally incomprehensible to me that they should want to delete this amendment. I suppose, Mr. Speaker, that that spells out exactly why there are no NDP Members from the Province of Alberta. We in Alberta are far beyond that type of thinking. I would hope, Mr. Speaker, that the Hon. Members to my left would reconsider their amendment to delete the amendment proposed by my colleague, the Hon. Member for Vegreville (Mr. Mazankowski).

Mr. Jack Murta (Lisgar): Mr. Speaker, you are quick on the draw today. I am happy to participate in this debate on what I consider to be a very important question and one that is fundamental to many, many areas of western Canada. It is generally felt in most areas of the Prairies that in order to maintain the small communities, there may be from time to time some supplementary form of transportation needed. That supplementary form of tranportation, of course, must in many cases be the trucking industry. That is why the amendment which proposes to delete an entire transportation industry is one that I believe is ill-advised, ill-considered and has been put forward by a group of people who keep trying to harken back to a time in the 1940s and 1950s when everything on the Prairies occurred in a way which they would like to see now. In other words, they are harkening back to a time that is not applicable to the present time.

The amendment that has been proposed, Mr. Speaker, would delete the following from the Bill:

The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

Hon. Members of the NDP want to delete that portion from the Bill and lock the farmer into hauling grain by rail and by rail alone.

If we could ultimately design a system in the country that was ideal, I believe that most farmers from the Prairies, and probably from any country of the world that sells grain, would ideally like to move grain by rail. Of course, the ideal situation does not and cannot occur.

Literally millions of bushels of grain have been moved from Manitoba, Alberta and Saskatchewan by truck over the last number of years. That grain has been transported by truck primarily because farmers have felt that in many cases the railways have not done a good enough job. Farmers have to keep money for their own needs and to use for cash flow within their own farms. If the railways were not going to move their grain, then some other method had to be found. Of course, that method was trucking.

Many farmers began to haul grain by truck because they had no other choice, and if you look at those farmers now, Mr. Speaker, you will see that almost without exception they are in a better financial position than the farmers who sat back and, as many of the Members of the NDP would like us to believe, did nothing but cry, complain and scream. The farmers who were aggressive and found a way to move their grain by truck are now in a better cashflow position and a better financial position than are the farmers who were not aggressive.

The history of the whole question of trucking goes back some years to the Hall Commission Report which has been mentioned by other Hon. Members in the House today. Members of the NDP have described this as the Magna Carta of western Canada. The Hall Commission Report contains Mr. Justice Hall's recommendations for the establishment of a grain handling system on the Prairies.

In those recommendations, Mr. Justice Hall very wisely recognized that in a perfect world, we would all like to move our grain by rail. However, the situation is not perfect and never has been. The report dealt with the many small communities on the Prairies that, because of isolation, topography and a number of other factors, could not support a rail service but were perhaps able to support another method by which grain would be delivered to the local elevator thereby keeping that particular community viable. From that point, grain would be trucked to an elevator on a main line with a higher throughput which could move greater volumes of grain than by other methods.

• (1600)

This idea of hydbridization between truck and rail would make sense. Judge Hall came out clearly in favour of it. At that time it was called the off-line elevator concept, and the Conservative Party was giving consideration to establishing it in the very area recommended by Judge Hall, Fisher Branch, in the central part of the Province. Because of the location and the facilities and the grain production in the area, however, it was judged that a rail link with that particular community would no longer be viable. Judge Hall said that there should be an off-line elevator-trucking experiment. Grain within 40 or 50 miles of the elevator could be brought in more cheaply and efficiently by truck than by running half empty rail cars over a line that would cost millions and millions of dollars to upgrade. It would also keep Fisher Branch as a viable marketing community. If this motion were accepted, we would not be able to have trucking supplement movement by rail.

I come from a part of Manitoba that has a long history of trucking. In southern Manitoba all kinds of grain has been trucked fairly long distances for a number of years. Most of the trucking was done by very small firms. If this motion were passed, again the NDP would lock out the very people they claim to support in the House of Commons, the small businessman and the small firms. Most of the trucking in southern Manitoba is done by the small trucking companies, using semi-trailers.

There has been very little damage to the road system in southern Manitoba because the people who operate the trucks, the small independents, operate according to the weight and other regulations set down by the Government of Manitoba. The local area benefits because the truckers buy their fuel, oil, meals and have repairs done, in the local communities. We all know that this is not the case with the railways. A trucking program brings many benefits. I do not speak of a trucking program that would do away with the railways, because that is impossible and impractical, nor a trucking program that would establish five or eight or ten large inland terminals on the Prairies, because we all know that will not happen either. Anyone who raises that spectre is being dishonest with the producers of western Canada. I speak of a trucking program that would supplement, where needed, the movement of grain to the main lines and allow the railways to move fully loaded hopper cars in unitrains, perhaps, or certainly in large numbers to Vancouver or Thunder Bay.

This amendment should be defeated, Mr. Speaker. It is a foolish amendment, ill-thought out, proposed by a Party that is trying desperately to cling to the past.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Mission-Port Moody (Mr. St. Germain)—Employment—Request that Government disclose plans. (b) Need for long-term jobs; The Hon. Member for Surrey-white Rock-North Delta (Mr. Friesen)—The Adminis-

tration—Personal correspondence of Ministers. (b) Interdepartmental correspondence; The Hon. Member for Yorkton-Melville (Mr. Nystrom)—Labour Conditions—Unemployment in Saskatchewan.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 34 (Mr. Benjamin).

Hon. Jake Epp (Provencher): Mr. Speaker, I want to put some comments on record regarding the motion proposed by the NDP to amend Bill C-155. It would allow the Administrator to make arrangements with the trucking companies for one purpose and one purpose only. Clause 17(4) of the Bill, referring to the Administrator, states as follows:

—in his opinion, such agreements would be in the best interests of the grain producers.

I can only surmise that the NDP wants to delete this section because it is not interested in what is in the best interests of the grain producers, and I want to show why I think so.

My good friend, the Hon. Member for Yorkton-Melville (Mr. Nystrom), said that if we do not accept this amendment then we are interested in the centralizing of powers. If he looked at the effect of the amendment he would see that it would centralize all grain movement in the hands of the boardrooms of the CPR and the CNR. That is what Members of the NDP want, apparently. When they talk about centalization they should look very carefully at the effect of the amendment.

It is beyond question that if trucking of grain were allowed, we would get a competitive system which is sorely needed in the transportation of grain in western Canada.

I should like to give an example not related to the grain industry to make a point. At one time almost all new cars manufactured in Ontario were moved to western Canada by truck. Previously they had been moved by rail, but for two reasons the change to truck was made. The first reason the switch was made to trucking was that delivery dates could be more closely met, and the second reason was that damage to the vehicles was less than when they were delivered by rail. At that time most cars were put on boxcars at an angle and damage resulted. Today cars from Ontario and Quebec are moved to western Canada almost totally by rail. The reason for this is that the trucking industry was competitive and forced the railways to give better service and bring in new modes of handling the cars. That would be the effect of this amendment.

At the present time grain on the Prairies is moved by truck. I do not want to refer to my home community but I know that when people say communities cannot survive because they do not have a railway, it simply is not true. My home community never had a railroad. For certain historical reasons, when the railroad was to go to that community, the people asked that it not come through. Perhaps it was the only exception on the Prairies; I do not know that. The fact remains that it never had a railroad, but two excellent highways go into the community and serve the area. This means there is competition within the trucking industry.

When the NDP says time after time, that trucking communities will suffer in that way, they are expressing a valid fear, but I do not think history backs that up.

I can give another example of what trucking will do for competition. In Manitoba there was a virtual monopoly on cement. What the producers discovered was that they could buy cement in Ontario, in Central Canada, put it on an empty grain lake carrier and drop it into Duluth, Minnesota. From there a fleet of trucks would haul that cement from Duluth, Minnesota, right through Manitoba. There is no duty on it because it is a Canadian product in transit. They are delivering cement, Mr. Speaker, by truck and boat into Manitoba from Ontario cheaper than they could buy it in Manitoba. That is what monopolies do, Mr. Speaker. The only reason I point this out is that the more modes of transportation there are, the more competitive will be the market, the better will be the price for the movement of grain and the better will be the service to the producers. That is why this clause appeals to me, because it can be put into effect in the best interests of the producer. I cannot understand why the Hon. Members in the New Democratic Party—and I am not trying to belittle their arguments and the regions they represent—if their argument is as valid as they honestly and sincerely put to the House, would not allow another mode of transport that might be valid in terms of that competitive edge in another part of the Prairies. It is one way or the other. They do not want to see it any other way, Mr. Speaker.

• (1610)

What is also of importance is the brief the Manitoba trucking industry presented before the committee. We find out, for example, that in Manitoba alone, a Province of one million people, 10,000 people are employed in the trucking industry, with an annual payroll of $140 million. Hon. Members from the NDP are saying, "We want to give it all to the railroads. We want the railroads to have the monopoly. We want to give all the money to the railroads and we do not want these Manitobans to have a share of the market." That is what these Hon. Members say in the House. What do they say out in the country when they are confronted by the trucking industry? We should listen to no better an authority than the transport critic, the Hon. Member for Regina West (Mr. Benjamin) who, before the Manitoba Trucking Commission in

Winnipeg, said this—his words, I believe, should be immortalized in *Hansard*—and I quote:

—I have a large amount of sympathy for the small, independent truckers because in my years in the railroad I watched a lot of good, independent little truckers with one, two, three or four trucks get run right off the road by the railroads when they went into the trucking business.

The NDP motion would do just that, Mr. Speaker. Not only would it run the truckers off the road, it would not even allow them on the road. Are we really to believe that Members of the NDP are saying one thing in the House against trucking, against 10,000 employees in Manitoba, against companies which are just asking to be competitive, but when faced by these people in Manitoba it is a different story? They say there, "Look, fellows, we have a lot of sympathy. We understand. We like you". When they come in here, however, they move motions against the very people they are trying to say they understand.

Yesterday afternoon, Mr. Speaker, I had a conversation with a trucker and a farmer. The trucker is independent. He has one truck. The farmer is very progressive. We talked about this very subject, and in the five minute conversation we had, those two fellows were ready to make a deal if the Crow rate would allow it. It was the marketplace in action, Mr. Speaker. The trucker was willing to move the grain. The farmer wanted the grain moved. What these two people were asking for was a fair deal under the Crow Act. The New Democratic Party would say, "No, you cannot make those deals. But if you make those deals, the railroads will still get the money, and the trucker will not and the farmer will not". When the New Democratic Party Members rise in their seats time after time and say they are for the little guy, it is time their motions showed it rather than again and again defeating the competitive edge which so many ordinary Canadians want.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, this is really a notable day. I never thought I would see the day in the House of Commons when the Hon. Member for Provencher (Mr. Epp) would defend in such glowing terms a Liberal piece of legislation. I never thought I would see the day when the Hon. Member for Provencher would be favouring programs which would inevitably lead to the death of many prairie towns. I found it surprising when he said there was no historical evidence of that ever happening. All the Hon. Member has to do is to look around the Prairies. Indeed, he should turn to his right and talk to the gentleman beside him, the Hon. Member for Saskatoon (Mr. Hnatyshyn) who spoke of a community by the name of Arelee which had that very thing happen to it. I never thought I would see the day when the Hon. Member for Provencher, who I would have thought was an otherwise intelligent person, would so completely misconstrue the sense of the amendment which we have put before the House.

This Party has proposed a number of amendments to this piece of legislation. Indeed, I believe it is over 100. If Hon. Members in the Party to my right will take a look at these amendments as a whole they will realize that these amendments have to be accepted as a whole. If they are viewed, in this way, it will be seen that, what we will be doing is saving the Crowsnest Pass rates as they now exist. We are not prepared merely to modify the Bill to make it slightly less harmful to western farmers, as Hon. Members in the Conservative Party seem inclined to do. I am really quite disappointed, Mr. Speaker, in some of the speeches we have heard this afternoon from the Conservative Party. However, that is not entirely surprising. That Party has been all over the map on the Crowsnest Pass legislation for some time now. I am sure that before this piece of legislation finally gets through the House of Commons, it will be further all over the map.

I would like to speak a little more specifically to Motion No. 34. It is an amendment which is particularly important to people trying to farm in relatively remote grain growing regions of the Prairies. I am thinking particularly of farmers in areas such as Fisher Branch, which has been mentioned once or twice this afternoon, and other communities in my constituency such as Riverton and Arborg which sit at the end of rail lines. Defending branch lines against railway plans to abandon them has become a life and death struggle for many of these prairie communities. That may sound like a bit of an overstatement. However, when one sees elevator after elevator closed because the branch line has been abandoned, and when one sees countless prairie towns and villages, which are dependent on those elevators for their survival, die and all but blow away, it becomes very clear that what we are talking about is indeed a life and death struggle. For communities like Riverton and Fisher Branch, saving branch line abandonment is doubly critical. Not only are these towns, like many prairie towns, dependent on the branch line and the country elevator for their wellbeing, but because of the greater distance to major grain delivery points, the farmers in those regions depend to a greater extent on the maintenance of branch line service in order to keep their costs of production somewhat manageable.

Motion No. 34, which was put forward by my colleague, the Hon. Member for Regina West (Mr. Benjamin), would strike from Bill C-155 Clause 17(4). By doing that this motion would strike from the Bill a clause which would only encourage branch line abandonment. Most Hon. Members will know, I am sure, that with abandonment go the elevators. In their place we would get large inland grain terminals serviced by truck rather than rail.

• (1620)

I am not supporting this motion because I want to make it tough for small trucking firms on the Prairies, but rather because I think it is in their interest, just as it is in the interest of prairie communities and farmers, to preserve our system of branch lines and country elevators. What benefit can there be to these small trucking companies in the slow demise of prairie communities? Without this amendment it will be wide open for the Administrator of the Grain Transportation Agency to give subsidies to truck grain or ship it by rail. By doing that, the Bill will open the door for trucks to compete with the shipment of grain by rail on branch lines. That will lower the traffic and revenue on those branch lines and contribute to the

statistical justification that the railways are always looking for excuses to seek abandonment of their branch lines.

Who loses in that kind of situation, Mr. Speaker? The community itself loses. Most of our prairie communities are dependent for their very survival on these branch lines, but when it comes to a situation where the railways are able to argue that the line is no longer economical, then it is only a matter of time before the CTC gives its okay to abandon it. Once that happens there is no reason for the country elevator to continue operation, so it goes and takes a handful of jobs with it. After that there is no grain traffi to the elevators. Then the implement dealer, the grocery store and cafes see their business dry up. Once the decline starts there is not much to stop it. But that is not where it ends. It is common sense that if you increase the heavy truck traffic on a road, you are going to increase the maintenance costs of that road as well. Who is going to pay for that road maintenance? Not the railways, not the federal Government. It is the rural municipalities and the provinces that end up paying for it.

Mr. Speaker, I have been working for the people in the Fisher Branch, Broad Valley area of my constituency to save the CN branch line from Grosse Isle to Fisher Branch. The hearings were held last October. Then on March 17 of this year, the Canadian Transport Commission ruled in favour of CN's bid to abandon the line. We appealed that decision to the review committee of the CTC, but on August 22 of this year, we learned that the review committee too had decided in favour of CN. We are now at the last stage open to us to stop this abandonment; we have appealed the decision to the Privy Council.

One of the important points we raised with the CTC, Mr. Speaker, was the highway construction and maintenance costs that would have to be picked up by the Province and the rural municipalities. The Province of Manitoba estimated that if that branch line were abandoned, an additional $8 million in costs would accrue to the Province alone as a result of the increased traffic on the highway system. Eight million dollars, Mr. Speaker, and that is only one branch line.

In the State of Iowa, grain used to be shipped primarily by rail, as it is shipped in our own prairie Provinces. But then the railways started to abandon the branch lines in Iowa, and grain transportation moved from rail to road. The result of that, Mr. Speaker, was that the State of Iowa found its roads and highways deteriorating under the traffic of heavy trucks at a rate two to three times faster than the State could afford to repair them. What did they do? Did they encourage more branch line abandonment? No, they did not. They decided to introduce a program to subsidize existing railway branch lines in order to keep as much of the grain as possible moving by rail. And you know, Mr. Speaker, they found that to be less expensive than paying for the extra highway maintenance and road repair. Iowa State learned its lesson, Mr. Speaker. It is now warning other jurisdictions not to permit branch lines to be abandoned and grain traffic transferred from rail to road.

The other big loser in this kind of situation, Mr. Speaker, is the prairie Wheat Pools. The pools, owned by farmers themselves, now own most of the existing country elevator system. When branch lines are abandoned and grain delivery is consolidated into large inland grain terminals, the pools will lose the capital they have invested in the country elevators. They do not stand to gain very much at all from selling the elevators or from scrapping them. At the same time, they will have to invest incredible amounts to construct inland grain terminals themselves if they hope to be able to carry on competing with the prairie grain companies.

Let me wrap up, Mr. Speaker, by saying that without this amendment, the Bill we are debating will do much to encourage branch line abandonment and, as a result, the deterioration of our grain delivery system. Railways are the most efficient way to move heavy loading bulk goods like grain. Without this amendment, this Bill will undoubtedly lead to more branch line abandonment and elevator consolidation. Rather than saving money or providing for a more efficient delivery system, it could very well increase the total cost of getting grain from the field to port. The losers there would be the producers, Mr. Speaker.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am pleased to participate in this trucking amendment, and I do so with considerable pleasure in that I follow the last three speakers from the Conservative Party, the Hon. Member for Provencher (Mr. Epp), the Hon. Member for Lisgar (Mr. Murta) and the Hon. Member for Red Deer (Mr. Towers). Those three Members are very knowledgeable about the importance of the trucking of grain throughout the western Prairies. As far as I am concerned, they are exceedingly knowledgeable about its special importance to the livestock sector and that of feed grains for cattle and hogs. That is an enormously important industry in western Canada. That has been overlooked to a great extent in this legislation.

I am speaking in total opposition to Motion No. 34 in the name of the Hon. Member for Regina West (Mr. Benjamin). While I have great respect for his tenacity and the service he has given to the committee, especially when we were travelling, on this particular amendment he is way out to lunch. He is talking nonsense. I have to say it as bluntly as that. It is regrettable that this amendment would negate our, and I emphasize "our", Conservative committee stage amendment, already agreed to, which would allow the Administrator to enter into agreements to provide for the movement of grain by motor vehicle transport where in his opinion such agreements would be in the best interests of grain producers. That is nothing but plain common sense. It will certainly improve the Bill, in fact it already has in that it is now part of the Bill. We should never, never take it out.

The thrust of Bill C-155 is to facilitate the transportation, shipping and handling of western grain. That is the purpose, and surely our amendment goes right to the heart of fulfilling that purpose. Our amendment simply says that, where appropriate, trucks be used in the best interests of grain producers. It allows the natural and most efficient use of a grain transportation system which is most efficient, especially for the short haul. Surely that is where trucking comes into its own. I would

say very bluntly that the use of truckers is an invitation for private enterprise to function properly.

• (1630)

I want to digress a moment and talk about an interesting part of the committee stage when we were travelling. On one occasion when we were spending a weekend in Regina, various people arranged, for the benefit of some of the members of the committee and some of the staff people, to visit the Weyburn terminal grain elevator, which is a marvellous piece of construction that is a great credit and tribute to the number of farmers who were behind it and built it a number of years ago. When we had some time off, we were taken on a tour. It was a beautiful day, a Sunday afternoon. We stopped in at one of the grain farmer's on the southwest corner of the city of Regina. He was just getting ready for harvest and told us about trucking his own grain well over 100 miles to the Weyburn terminal elevator, which he decided entirely on his own. He had no trouble making the decision because he felt it was worthwhile for him to hire commercial truckers to haul that grain well over 100 miles from his farm, just on the outskirts of Regina, to the Weyburn terminal.

When we arrived down at the terminal, we found 50 loaded hoppers cars on a track ready to be hauled away, and another 50 that had been spotted on the very day we were there. So here was a total of 100 grain hopper cars ready to be moved. However, the grain was coming in, of course, by truck. The think that made the system work in this case, according to the farmer we saw from over 100 miles away, was that he was able to pay the trucking, hauling it those 100 miles, then receiving cash for his dockage and screenings, enough to pay the costs of the trucking. Surely that was a lesson to us all on that occasion. I see the Chairman of the committee nodding his head. I think it is regrettable that the whole committee did not have the opportunity to see that special demonstration, if you like, of what a combination of a good, modern, efficient trucking system and railway system can do for our grain handling and transportation system.

I want to say very briefly that I cannot agree with some of the arguments that have been advanced by the New Democratic Party on this particular amendment, when it was in committee stage, suggesting that by encouraging, shall we say, a modern network of market roads and an efficient trucking system, we will damage those roads. This is nonsense, of course. There was a time when we were travelling with perhaps fairly heavily loaded grain grucks on dirt roads that were not properly built, but no longer. Surely, this is the situation, that no longer is it a viable argument at all to say that just be trucking grain we will wear out our roads. they are well constructed now, and it is nothing but nonsense to advance that argument.

I want to describe another situation where the trucking industry, closer to my own home on the Alberta-Saskatchewan border, is of special significance. I cite the branch line to a branch line that ends up at the towns of Schuler and Hilda, very close to the Saskatchewan-Alberta border. From those points, there is no connecting railway direct to the main line into Medicine Hat or, for that matter, directly into Swift Current. There is a very roundabout way. One must travel a long way north to reach the subdivision that runs between Swift Current-Empress and ends up on the CPR main line again at Bassano. One must travel well over 100 miles to haul grain from Schuler and Hilda by rail into Medicine Hat, a distance of only about 40 miles. Here is a situation where grain trucking by the private sector, by the farmer himself, by the flour mills in Medicine Hat, is just nothing but good common sense in moving grain.

I would like to describe one other situation for the House. Throughout southern Alberta and a good bit of southwestern Saskatchewan, we have only one railway system. That is the CPR. There have never been branch lines of the CNR in southern Alberta or southwestern Saskatchewan. It is true that in the very early days there were reported to have been branch lines surveyed and the possibility of building them into both Medicine Hat and Swift Current was discussed, but they were never built. Today we have what I would describe as an adequate system of branch lines and the main line, of course, all CPR, supplemented by a very good, efficient, market road system in both our Provinces and a good commercial trucking system whereby the farmers themselves are willing and able to truck their own grain.

I see that Your Honour is becoming anxious. I would just like to end by saying that to deny in any way or even to discourage grain trucking when appropriate would be a seriously retrograde step.

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, wish to join in the debate on Motion No. 34 that would strike out the section in the Bill that would allow the Administrator to enter into agreements to move grain by motor vehicle. This is one of the most mischievous aspects of the Bill in front of us, one of the most mischievous clauses. We have heard today, mainly from Members of the Conservative Party, all sorts of reasons for which trucking should be encouraged and that trucking can indeed help grain producers. Some sexy arguments have been advanced in favour of trucking. Of course, the long-term effects, the over-all effects, the more global effects that trucking would have on the grain transportation system in western Canada have not been discussed or mentioned by Members of the Official Opposition.

There might be cases in which it can be argued that trucking is to the immediate advantage of certain individuals at a particular time. However, what the amendment allows is trucking on a much larger scale. It opens the door to trucking as a major competitor against the rail system of moving grain. Some Members of the Conservative Party would object to this; but surely, going through the speeches we have heard this afternoon, we find it is admitted by most of the Conservatives speakers that they want to see a competitive system where trucking competes against the railroad. I do not understand that argument. One does not have two different highways running beside each other, competing with each other. One does not have two different power lines and power companies

running side by side, competing with each other, nor does one have two different sewage lines or telephone lines, because it does not make economic sense.

To advance the argument that we need competition between trucking and railroads is to say that we need competition between the power lines and that we need competition between telephone companies. The capital cost of having two viable systems of transporting and shipping grain would be so prohibitive that, in the end, it would be the taxpayers of Canada and the farmers, the producers, who would end up having to pay for the maintenance of those two systems. Personally, I suspect that in the end we will have only one major system, and that will be roads, if the Bill, plus its amendment, is passed.

● (1640)

This clause, proposed by the Conservatives and voted for by the Conservatives and Liberals in the committee and which the present amendment by the Member for Regina West (Mr. Benjamin) is seeking to delete, will allow the gradual introduction of trucking of grain on a piecemeal basis. It will allow certain lines to become abandoned.

When we talk about trucking, we are really talking about CP and CN. They are the major truckers, and this measure would allow them to move shipments of grain from their railway lines to their trucks. Why should they not be in favour of that? The roads are maintained through municipal and provincial taxes. That is one less responsibility for the railroads, so they would obviously like to see many lines abandoned and grain shipments revert to being trucked. It is in their interest to have this particular amendment introduced and passed. Therefore, when we hear Members of the Conservative Party talk about the interest of the producers, it is really the talk of George Orwell in "1984" where words are one thing but their real meaning and intent is something else.

Why is it so important for us in the NDP to support this amendment and fight against opening the door to trucking? First, we feel that the branch lines must be protected. We must establish the principle once and for all that the major vehicle for moving grain in western Canada is our railroad system. We should not allow little tricks like this piece of legislation begin to whittle away at our rail line system.

Our second concern is that by allowing trucking we are only encouraging more inland terminals. The Hon. Member for Red Deer (Mr. Towers), who just spoke, essentially proved that point when he gave his impression of how great the Weyburn inland terminal is and how it is able to exist because of trucking. A few inland terminals in Saskatchewan would undoubtedly destroy the social fabric of our Province. Trucking would lay town after town in ruin.

We will fight this because we believe that people should be able to control their own destiny rather than that the railroads and a few large grain companies should control the health and well being of rural Saskatchewan. It should be in the hands of the people and not just in a few corporate boardrooms.

The other big loser as a result of this legislation will be the whole pool system. The Wheat Pools are based upon the notion of a decentralized grain collecting and handling system. They are based on a notion which keeps many small towns and rural communities viable. There is a tremendous capital investment in that system. If trucking is allowed to take place, many of those rural elevators and towns will become obsolete and a major capital investment by the pools will be wiped out. The Cargills and major private grain companies will be encouraged to move in.

I predict that if this piece of legislation passes and our amendment today is defeated, the pools will see a steady erosion of their market position over the next decade. Instead of being the major handler of grain in western Canada, their importance will decline steadily. The private grain handlers such as Cargill will have achieved their victory and we will see the destruction of the pools.

The other major loser from this will be the local municipalities. We have heard arguments suggesting that our roads are of such good quality today that grain trucks could travel on municipal roads without doing any damage to them or necessitating an increase in municipal and provincial taxes for their upkeep. I wish that were true, but surely the facts speak against that. We have heard Members of my Party use the State of Iowa as an example. It has been found that large scale trucking of grain in that State was so expensive that it decided to supply subsidies to the railroads and use them as the major source of grain transportation. That was my experience as well when I visited the States of North Dakota and Montana in the spring of 1982. At that time I talked to elevator operators, producers and to the Commissioner of Agriculture in the State of North Dakota. Without exception, they told me time and again that trucking of grain was detrimental to the small elevator points and that it meant tremendous increases in the cost of road maintenance. I believe that to suggest otherwise is very foolish indeed.

In closing I wish to talk briefly about the role of the small trucker. Small truckers to whom I have talked have said that the majors are not allowing them to exist. In Sasktachewan, for example, as recently as September 22 of this year, CP trucking bought four of our larger trucking firms in Saskatchewan. This deal with the four firms, which had revenues of over $10 million last year, is another illustration of the concentration of powers by the railroads in the trucking business.

I see that my time is up, Mr. Speaker. I seek unanimous consent of the House to close my remarks.

The Acting Speaker (Mr. Corbin): Is there unanimous consent to allow the Hon. Member to continue his remarks?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I would like to make a few comments this afternoon concerning Motion No. 34 to Bill C-155 which has

become better known in the area that I represent as the Crow Bill. The motion itself, which was presented by our Party, seeks to delete Clause 17(4) of the Bill which states:

(4) The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

While this may sound acceptable, when one analyses this clause further it causes some concern. First, the best interests of the grain producers are to be judged by some Administrator whom the Liberals want to be responsible to the Cabinet. I could perhaps agree with this provision if the best interests of the grain producers had been protected up to this point, but I do not think this Liberal bag Government has protected the interests of the producers. In fact, their interest have been eroded. Otherwise, why would we be even debating this Bill in terms of the content that specifically refers to the statutory rate or the removal of the Crow rate on which western Canada has come to rely for so many years to keep farming viable and which we really felt is part of our Confederation bargain?

I really question whether the Government ever had the best interests of the grain producers at heart. If it did and had demonstrated so in the past, perhaps I could agree with leaving this clause within Bill C-155. We have heard some talk this afternoon that it would be the large trucking companies which would benefit from this. That may be so. There should be some subsidy given to people who have to truck grain through no fault of their own. By moving to delete this part of the Bill, I am not against grain producers or small independent truckers. There are areas within my constituency where there is a need for more fair and equitable treatment of farmers who have to get their grain to market through the existing elevator system. I could think of places like Goodsoil in my constituency where producers and farmers have to truck grain in some cases 45 miles to the nearest elevators. Why do they do that? They do it because there is no rail line in the area which could be used to get the grain out.

● (1650)

As I mentioned in earlier speeches on Bill C-155, there are other areas in my constituency where elevators are plugged for a good part of the year. The rail transportation system is so bad that the elevators are plugged because the grain is not moved out when it is supposed to be. Farmers who want to haul grain to the elevators find they cannot do so because the elevators are plugged. The rail into the Meadow Lake delivery point, the steel and track, is in such a state of bad repair that they cannot take in hopper cars, load them fully and haul them back out.

If this clause contained conditions that were in the best interests of grain producers, I would not support the amendment, but I feel I have to support it because such conditions are not outlined in the Bill. We are being asked to rely on the Government to protect the best interests of grain producers. I would never do that on behalf of grain producers in my constituency because the Government has not demonstrated in its past performance, that it has protected the interests of producers. It has not demonstrated it through the Farm Credit Corporation, rail transportation or preservation of the statutory rate. Why should we suddenly trust the Administration responsible to Cabinet for transportation to enter into agreements in the best interests of producers? I just do not think it will happen.

If conditions were included in the Bill in the best interests of individual farmers, such as my cousin in Meadow Lake who has a semi-trailer and sometimes hauls grain great distances because he cannot sell it in The Meadow Lake with its poor transportation system, then I would agree with them. If small local contractors, who are farmers by definition, have semi-trailers and haul grain for their neighbours and friends, they should be able to obtain the benefit of subsidization for helping their neighbours and for displaying business incentive to subsidize their farming incomes, because most farms in western Canada are in a shambles right now. In the case of small independent truckers, I could see it happening where it was absolutely necessary because of the terrible condition of the grain transportation system in western Canada, particularly in the constituency I represent. Grain companies through the co-ordination system cannot get the cars in there to move the grain. When they do, the rails are not in a good enough state of repair to get the fully loaded cars out.

All Hon. Members should realize that with a good and efficient rail transportation system there would be no need to truck grain any farther than the closest delivery point, which should be only a few miles away. Farmers should be able to haul their product to elevators when they need money and have the time to do so. This does not happen right now. Has it been in the best interest of producers for the rail transportation system to have deteriorated to its present condition, as we have seen over the years? I do not think we can buy the argument saying that it is in the best interests of producers.

If those conditions are not included in the Bill, what will happen to the grain Administrator who will be answerable to Cabinet and to the federal Liberal Government opposite? It will not be the people in Goodsoil who will benefit, those people who have to truck their grain right now. It will not be to the benefit of little independent truckers, whether they be full-time in the trucking business or part-time farmers/truckers. I maintain that it will benefit the larger trucking companies. Maybe Maislin will be out in Saskatchewan trucking grain pretty soon.

Mr. Towers: No thanks.

Mr. Anguish: It seems to have ripped off enough from the federal Government. I hear a Member to my right saying, "No thanks". I agree with him. Maislin can stay the heck out of our Territory, tearing up our roads, ripping off and leeching off Canadian taxpayers. We do not want them leeching off prairie farmers as well.

There is a fairly large trucking company in The Meadow Lake which just sold out to Canadian Pacific Transport. The deal will become effective within the next month or so. It is good that that local businessman was able to develop his company and finally sell it when it was in his best interests to

do so. I admire his enterprising spirit, but I do not like to see Canadian Pacific Transport coming in to truck our grain. That is what it plans on doing. It knows this Bill will erode our transportation system. It knows that it will be on the milk line. The next thing we know Canadian Pacific Transport will be trucking grain from Saskatchewan to the ports.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, it is interesting for one who understands what is going on in rural areas to note the contradiction in the New Democratic Party camp on this motion. Obviously the Hon. Member for Regina East (Mr. de Jong) did not understand what was happening. It is important to look at the flexibility in trucking and the reality of what is happening in rural areas. There are areas where the lines have alreay been taken out and where there are major problems for farmers who find themselves several miles from elevators. It would be in the best interests of producers to have something in the Bill to give them an equal opportunity to get their grain to market as persons who happen to have their farms situated alongside a main line or large elevator.

There are two important matters to mention when we talk about this problem. First, we have the value of land and second, the impact of what will happen to land costs on someone who does not have an elevator within a few miles of his farm. We are living in a day when advancement is taking place. It would be ludicrous not to recognize that or the fact that there are some problems for producers out there. While no one wants to see rail lines taken out, farmers are faced with other problems at the present time. This is why the NDP motion is not in the best interests of producers. Returning to the subject of the price of land, I say that it is a very important aspect. If there is unequal opportunity to deliver grain and get it into the system, and if the cost is 30 cents or 40 cents higher for some farmers who happen to be miles away from the main line, major problems result. Anyone familiar with the Prairies knows that in Saskatchewan, an elevator was put in every nine miles on the line. That may be the case in Alberta and Manitoba as well.

● (1700)

Mr. Benjamin: Six miles.

Mr. Gustafson: One Member says that in some places it is every six miles. At many of those points the Saskatchewan Wheat Pool and the elevator companies have removed the elevators.

A problem exists on the basis of the system we now have where, without any further deterioration, trucks could become of very vital interest to the primary producer. For any prairie Member to speak against truckers having the right to operate in a way that is in the best interest of the primary producer is unthinkable. I support the amendment as it now stands. Subclause 17(4) now reads:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

It is clear that it is to protect the producer.

There are several examples in my riding of producers who are many miles from an elevator. If the Administrator brought forward a program to enhance the position of producers, I would support it. That is what the Bill does in Clause 17. The amendment would disregard subclause 17(4), taking that advantage away from the producer.

With regard to the cost of land, there is a vast difference between parcels of land which are close to the main lines and those more removed. The trucking industry would strengthen the position of those farmers, reinforcing their investment as opposed to depleting their assets.

It is certainly more fair to have subclause 17(4). If the clause were removed, there would be no way of dealing with the problem. While none of us like to see the abandonment of rail lines, there is no way that it is practical to run a line for 20 or 30 miles. Obviously the best approach is trucking.

The NDP says this will wreck the roads. We live in an advanced age. There are 18-wheel trucks, and these should be used in the best interests of the grain producers and other industries. To say that we cannot build roads to handle these trucks is not correct. There are trucks that are not hard on these roads. That argument has never sat right with me. The truck that is hardest on a rural road is a one-tone truck with a 750 tire carrying 100 bushels of grain. It plunges right into the pavement. A tandem truck with four 1,000 by 20 inch tires rolls over the road. It is not hard on the road. That is just an argument that the NDP use—

Mr. Benjamin: That is not your small farmer.

Mr. Gustafson: The small farmer can hire a large truck if necessary. It would be cheaper. In addition, it would allow the Government to pay for bringing in the grain. It restricts the small producer, in fact the whole agriculture industry, to have this kind of amendment which stifles growth and stands in the way of progress.

I want to make it abundantly clear that we do not stand for, nor do we like to see, the removal of any rail line, but there are areas now where the farmers are in a serious situation beause of distance. This type of clause will enhance and strengthen their position.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the debate on the amendments to Bill C-155 has been a series of wonderful opportunities to point out the difference between the New Democratic Party and the Progressive Conservative Party when it comes to things western Canadian. If we are honest in our beliefs about the way the western economy, and in this case the western transportation system, ought to be organized, we should be glad for this opportunity to make clear the differences which exist between us on these issues. This amendment, like the one I had the opportunity to speak to having to do with the role of the Canadian Wheat Board, is another example of how far apart we are from our Progressive Conservative colleagues, who in this case have joined with the Liberals to have a clause in the Bill which we are attempting to remove through our amendment.

What are the differences? The differences have to do with our differing views of the marketplace and the way in which the marketplace can be expected to discipline the railways. If I understand the arguments of my Conservative colleagues correctly, they want greater flexibility and opportunity for trucking in the system and for more producer choices. They believe it is only in that way that the railways may be made to provide the services that they otherwise might not provide. We are saying we should not do it through the market but, rather, through a Government which is willing to stand up to the railways and make them do what they are chartered to do, that is to provide service, in this case to grain producers, in other cases to passengers or whatever it may be. Here we have two very different views. We should not use this opportunity to confuse or provoke each other, but to make clear what the differences are between us. The Progressive Conservative position is that the railways cannot be disciplined by Government. They believe that the railways cannot be made to do what they are chartered to do by the Government and that only an increased use of the marketplace as a disciplining force will make the railways provide that service. There exists on the part of the Progressive Conservative Party what I would call the politics of despair or the politics of capitulation. Conservative Members are saying that they have given up on the idea of ever having a Government that could bring the railways into line and make the railways do what they are chartered to do and what they are subsidized to do and ought to be required to do. Members of the Progressive Conservative Party have basically said that that will never happen.

● (1710)

I can understand this attitude, having watched the Liberal Government do nothing for so many years to make the railways do what they should do. I can understand that kind of despair but I cannot understand why, in the final analysis, anyone would give in to that despair. Surely we ought to be able to imagine a situation in which the Government would stand up to the railways and make them do what they are supposed to do. That is the hope that we in this Party are not willing to give up. We are not willing to give up on the idea of a transportation system, in this case the railways, that could actually fulfil its obligations to the Canadian people.

Second, we are very cynical indeed about whether or not the marketplace will actually do what our friends on the right claim it will do. Will giving producers more choices about whether or not they transport grain by truck or rail in fact bring the railways into line or will the railways, because they have so much power in any case, simply adapt themselves to that reality and go into the trucking business so that they can pass on even more of the costs to the people through the municipal Governments and provincial Governments?

The marketplace does not work in the naive, simplistic and innocent way that my friends on the right would have us believe when they speak about how wonderful it would be if we increased producer choices and if we allowed a greater role for trucking. It simply does not work that way, but they believe that it does. They believe that it does and we believe that it does not. There is a very clear distinction between the position taken by the two Parties on this particular issue.

I shall now address myself to an irony which has been pointed out on a number of occasions. I do admit that an irony exists in that we appear to be defending the role of the railways. We appear to be defending the monopoly that the railways have over the transportation of grain. However, I point out now, as I did just a few minutes ago, Mr. Speaker, that we are not so much defending the railways as they exist now and as they have performed up to date; rather, we are defending the hope that some day we will have an integrated rail transportation system in the country that will provide the services that the railways were chartered to provide and that will act in the best interests of the Canadian people and economy. I admit that that is not the kind of railway system that we have always had, and indeed that we have at the present time. However, we do not want to give up on the idea of one day having that kind of transportation system.

Liberal Government Members and Progressive Conservative Opposition Members have together given up on ever having that kind of railway system in the country. Together, they have surrendered the fate of western Canada and the economic institutions, which have been built up over the years in that part of the country, to the marketplace through these kinds of amendments. That will be the long-term consequence of the Bill that we have before us. We cannot prove that; we can only make good arguments which thinking people will take seriously. They are quite right, Mr. Speaker, in saying that we cannot prove it. However, we do make such predictions. We ask that all people who may be listening to this debate or who until now have not paid much attention to the debate on changes to the Crow rate take the arguments that we are making seriously and see what is going on between the Liberals and the Conservatives. We ask them to write the Government and let the Government know that they do not like what is going on and that they think that Members of the NDP are doing the country a favour by trying to point out at every opportunity the cosy deals that are being made between the Liberals and the Conservatives, amendment by amendment.

We hope that the Government will yet see the wisdom of the criticisms we are making and change the Bill. Indeed, we hope that the Government would withdraw it altogether and split it up so that we can go ahead with railway upgrading and the coal question but leave the question of changes to the Crow rate to a much later date; perhaps about 100 years from now.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, before I became a Member of Parliament, I was a Member of the Manitoba Legislature for four years. I remember that at that time, as is still the case, one of the very largest items of expenditure for any provincial Government was the building and maintenance of highways. It was a large expenditure when I was a Member of the Legislature some 25 years ago and it is still a big item today. In fact, road maintenance uses a bigger percentage of a provincial budget now than it ever did before, Mr. Speaker.

Every Province in the country is now operating with a deficit. Yet we have here a proposal to increase—

Mr. Blaikie: Saskatchewan wasn't until the Tories got in.

Mr. Orlikow: My colleague says that Saskatchewan did not have a deficit until the Tories got in. Well, that is a fact but perhaps this is not the time to discuss that.

We have here a proposal made by the Government which inevitably will mean that more and more grain will be shipped by truck rather than by rail. It seems pretty obvious to me that that means that the farmers may have a short-term gain but they will have long-term pain.

The occupation of a farmer, Mr. Speaker, is to produce grain. They are also citizens of the Provinces in which they live and, as citizens, they have to help meet the cost of operating the Province. One of the biggest items in the cost of operating a Province is the construction and maintenance of highways.

We heard the Hon. Member for Assiniboia (Mr. Gustafson) a few moments ago tell us that the new 18-wheel trucks do not affect the highways. I am not an expert on highways but I will put on the record some of the views that are held on that question by people who are experts. I believe that the Hon. Member for Assiniboia is wrong, but let us assume for a moment that the larger trucks that are carrying heavier and heavier loads of grain will not have an adverse effect on the main highways such as the Trans-Canada Highway and others.

I am not now speaking about the Province of Saskatchewan which has more roads than any other Province in the country. I am speaking about my own Province of Manitoba. Half of the geographic area of my constituency is farm country. This area is served by provincial trunk highways and local roads. Those roads are not covered in concrete or asphalt and if they are, it is a very thin coating at most. Many of those roads are still covered with gravel or oil. I would ask Hon. Members to give some thought to—

Mr. McKnight: Maybe you didn't do such a good job.

Mr. Orlikow: I did not hear the Hon. Member's interjection but I do not suppose it is of very much consequence.

I would ask Hon. Members to give some thought to what will happen in two, three, four or five years if heavy trucks carrying tonnes of grain travel on those roads. Those roads will disappear. They will need major repairs if not complete rebuilding. Who will pay for that, Mr. Speaker? It will be the city worker and the farmer who saved a little money at the beginning because he could truck his grain. He will now have to pay for the major reconstruction of those roads which he has used. Again I say, Mr. Speaker, that what we are looking at is possible short-term gain and certain long-term gain.

• (1720)

Let me deal with the argument presented by the Hon. Member for Assiniboia to the effect that trucks do not harm the highways. I should like to quote a couple of paragraphs from a paper delivered to a Minneapolis conference on agricultural transportation in November, 1981, by Jerry E. Fruin, an associate professor of agricultural and applied economics, at the University of Minnesota. In its physical characteristics, Minnesota is very much like my part of Manitoba, Mr. Speaker. There are lots of people spread out thinly and lots of access roads to main highways. In that paper Prof. Fruin said:

> The stress exerted on highway pavement increases as the fourth power of the axle load. When axle weight increases from 18,000 pounds to 20,000 pounds, stress from that axle increases by roughly 50 percent. An 80,000-pound truck weighs 20 times as much as an automobile, but its combined axles cause 9,600 times as much stress on the payment and roadbed.
>
> A U.S. Department of Transportation study concluded that a 10 percent increase in maximum truck weight would decrease fuel consumption by 0.37 percent, but this might be offset by accelerated highway deterioration. If pavement deterioration continues to exceed repavement efforts at current rates, vehicle fuel efficiency in 1985 could decrease by 2.4 per cent. Fuel consumption at 40 miles per hour over badly patched asphalt increases 34 percent over fuel consumption on high quality pavement. Poor road surface increases energy consumption for all vehicles, not just trucks.

There is no question but that the roads will deteriorate. It will cost money to rebuild those roads and, as the professor indicates, eventually it will mean increased fuel consumption.

Who will benefit by encouraging the transportation of grain by truck? Oddly enough, the beneficiaries will be the railways. Both CN and CP are actively involved in the trucking business. CN recently consolidated the 3,000 pieces of highway equipment from its 13 trucking companies into a single entity to form its nation-wide Route Canada Trucking Service, now the largest trucking company in the country.

Canadian Pacific Express and Transport Limited is stationed in 194 locations across Canada and the eastern United States. These subsidiaries operate about 1,000 trucks, 3,000 highway trailers, 400 city trailers, 500 city tractors and 500 highway tractors. It is not difficult to imagine that both companies will be actively engaged in trucking grain from branch lines to centralized delivery points on their own rail lines.

This circumstance casts an interesting sidelight on the total concept of competition as between the CP and CN vertically integrated ownership trucking companies and independent truckers who have been gearing up to get part of the action. The problem is that in this country we have never really thought of integrating all modes of transportation. A few years ago I was in Germany and met with the equivalent of the Deputy Minister of Transport. He told our Party that the bus companies had requested permission to operate at a higher speed limit on the autobahn, which is the equivalent of our throughways. He said that it would not be permitted because it would mean that the buses could compete with the railways for passenger service and the Government wanted to keep the railways operating and cost efficient, moving as many passengers as possible. On the morning that we left Bonn we saw the Minister and the Deputy Minister on the platform, waiting for a train. I wonder when was the last time that a minister or deputy minister of the Canadian Government travelled by train.

We have done everything possible to persuade people to travel by air. We have not thought of transportation as an integrated service where the railways, buses, airlines or the private car could be used in the most efficient and economical way. We have looked at each mode separately, and that is why they are all in trouble.

This amendment would keep as many farmers as possible moving their grain by rail, and that is why I support it.

Mr. Scott Fennell (Ontario): Mr. Speaker, I was hoping that an Hon. Member to my left from an Ontario riding might have stood up so that I could attack him on a few of the points that Party has brought out today. The Hon. Member for Kamloops-Shuswap (Mr. Riis) talks continually about small business, but collectively the NDP is abusing small businessmen through this amendment.

What we are talking about is the use of trucks as opposed to the railroad—that involves the independent, small businessman. Why is the Hon. Member from British Columbia not here saying the things that other Members of his Party have been saying today so that we can attack him?

Some Members of the NDP talk of the jobs created in Ontario by the production of trucks. The automobile industry is in critical shape, Mr. Speaker, but the truck industry is surviving. It seems that the NDP is determined to get rid of those jobs.

There is room for everyone to benefit in this large segment of the export economy in Canada. Over $7 billion worth of goods will be shipped out of this country next year; 50 per cent of the tolls on the St. Lawrence Seaway come from grain transportation, and I understand that 50 per cent of the revenue of the Port of Vancouver comes from grain transportation. It is therefore important to the entire country. This clause would be a deterrent to the truck industry in Ontario, and I am sure that the Hon. Member for Brant (Mr. Blackburn) would endorse what I am saying. He has not spoken on the motion, however, because he knows he would have to speak against it.

This Party believes in free enterprise, Mr. Speaker, and the trucker is an entrepreneur. He is the person we are trying to protect. We are also trying to protect the producer so that he can get his product to market most efficiently.

The railroads are being doubly subsidized through this Bill, in my opinion. They are another bureaucracy. The NDP agrees with the railroads because the Canadian National is a Crown corporation. They would love the CPR to become a Crown corporation—indeed, they want everything to become a Crown corporation. They are trying to nationalize everything, they do not want entrepreneurs or independent businessmen to succeed. That means they have an axe to grind. They believe in national ownership and we do not, because we have seen it fail. Canadair is a prime example of that. We want the entrepreneur to succeed. The NDP talks about the roads. I agree with my colleague, the Hon. Member for Assiniboia (Mr. Gustafson), that these new tractor trailers with their large tires can go over any roads, even in Ontario when the half-load limit is on, and particularly around Oshawa where the automobile industry is important. They do not damage the roads the way the small trucks do, the half-ton, the one-ton, the three-ton and the five-ton. The single axles are the ones which cause the damage, and they do not cause the damage because they are that size but because the independent owner overloads them. Therefore, the argument that it is going to destroy the roads is not valid.

• (1730)

What the NDP wants us to do is to build hopper cars. How long does a hopper car last in comparison with a truck? We all know the answer because the Government never replaces hopper cars until they fall apart. So there is very little employment created by the replacement of hopper cars.

Mr. Pepin: You are talking about boxcars.

Mr. Fennell: Boxcars then. I do not care what they are, boxcars or hopper cars. They are railroad cars. Trailers do wear out. They do not last as long. They have to be built with lighter material such as aluminum. Their replacement creates jobs, and that is what we are lacking in this country. The NDP is trying to remove the potential for more employment in its own Provinces. This is shocking to me. It is literally trying to get rid of employment in its own Provinces. One railroad engineer can drive the equivalent of 20 trucks. That is 20 times the number of direct jobs. Then there is the number of indirect jobs created in the production of the trucks.

I do not know how many Hon. Members have spoken on this Bill, but the one thing on which the Province of Ontario has been solidly behind our Party is that there must be equal sharing between the farmer and the railways. That has not been acknowledged by the Government. It wants it all to go to the railroads. It wants to protect its own bureaucracy and its own friends, such as Ian Sinclair. It will not allow a fair share to the producer. If the Government did that, the potential for the trucking industry would probably be even greater. The potential of secondary manufacturing of those products would be even greater. The livestock industry would also probably benefit from it. I cannot see one bit of benefit to this Bill by the amendment which is presented by the New Democratic Party. The Bill needs many changes, but this is one which is not required.

The NDP keeps saying we are in bed with the Liberals. It is the NDP which threw us out of power in 1979. It is the NDP which has endorsed the National Energy Program. So when we are told that we are in bed with the Liberals, I would say that things have been switched around and that that Party is trying to protect itself for the next election.

I thank the House for bearing with me in my few remarks on this motion. I hope I have a further chance to speak on other portions of this Bill.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to participate in the debate on Motion No. 34,

wherein this Party is asking for the removal of Clause 17(4) which states:

> The Administrator, on behalf of the Minister, may enter into agreement to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

I believe it is only common sense that our request should be agreed to. We have seen a spectacle today which is hard to believe. On the opposite side of the House we saw the former Minister of Transport sitting there while the Conservatives stood up to support this legislation. Is that not something! To suggest that we should be looking to the trucking industry as an alternative way of transporting our grains is unbelievable. In April, the Government came forward with legislation requesting that moneys be made available for the transfer to other forms of energy, when one of the most efficient forms of energy is the rail transportation system. Transportation of our grain by rail is the ultimate method and we should not be looking at giving subsidies to trucking firms.

I can remember back in the 1950s when I was working for CP Rail in Revelstoke. One day all the officials came to town. They were worried about the trucks taking over. They had a theme at that time, "Ship by Rail". They were telling us all about how it would be. A list compiled by the Saskatchewan Wheat Pool of rail lines under study by Transport Canada was printed in the *Western Producer*. This list was under study in order to do away with these branch lines. There are 20 of them under the CNR which are under study. There are another 19 under CP Rail. According to this article there are 817 miles of CN Rail which presently serves 8,001 producers which is being looked at. If this kind of legislation is allowed, these producers will be forced to look at alternative means, such as trucking. The Canadian Pacific has 19 rail lines which serve 1,145 miles which are being considered at this time. We know what takes place at these hearings. We know the railway jobs which are lost. We know the maintenance jobs which are lost.

There are 1733 producers who will be affected if trucking is considered. To put that amount of traffic on the highways is absolutely ludricrous. I have been to these hearings and heard discussions on rail line abandonments before. The argument which is put forward is that transportation is available now. The trucks can do it. CPR has so many trucks. CNR has so many. There is Smith Transport. They will name all their subsidiary groups. If it were the individual farmer who would get the benefits from this perhaps we could see some rationale. But for the Conservatives to stand up in this House and support that kind of legislation is exactly what it is doing in British Columbia. Conservatives and Liberals are joining together, forming what they call the Social Credit Party of British Columbia.

Some Hon. Members: Oh, oh!

Mr. Parker: Sure they are. We know it. Everyone else knows it. And the Conservatives talk about us in the New Democratic Party. We heard the Hon. Member for Ontario (Mr. Fennell) talk about how the NDP defeated this Government in 1979, all 32 Members. It was the people of Canada. When are the Conservatives ever going to recognize the fact that the people of Canada would not accept the kind of legislation they would bring forward?

The Acting Speaker (Mr. Corbin): Order, please. I would invite the Hon. Member to return to the amendment now before the House.

Mr. Parker: Mr. Speaker, it appears that some Hon. Members in the House can refer to what takes place, but others cannot.

The Acting Speaker (Mr. Corbin): Order. I am sure the Hon. Member is not imputing discrimination on the part of the Chair. I must admit that it is sometimes difficult for the Chair to follow the logic of the arguments of Hon. Members. However, in this case I must say that there was a clear-cut departure from the amendment now before the House. I invite the Hon. Member to address his remarks to that amendment.

● (1740)

Mr. Parker: Mr. Speaker, what I said was not with reference to the Chair, it was with regard to prior speakers.

I say it is imperative that we take a serious look at what is happening. If we are indeed looking at abandonment of some lines, then the railways should be told, "You will pay the producer's cost to carry his grain to the main line". Then we would be doing something constructive instead of using taxpayers' money to pay the railways which are not living up to their obligations. I urge the Conservatives to look at that theory rather than get in bed with the Liberal Government and its theory of subsidizing the trucking companies, which in fact will be the railways companies, whether it be CN, what they call a Crown corporation although certainly not what I call a Crown corporation, or CP rail.

Mr. McKnight: Nationalize them.

Mr. Parker: There are other ways of doing this without paying subsidies for trucking. To look at the idea of trucks hauling grain is like trying to fill a wheelbarrow with a spoon. It is only common sense to have a transportation system which collects the grain, brings it to the main line, and helps the communities to survive through the use of country elevators and so on. If we allow this amendment, then we are opening the door for the railways to abandon more branch lines. We cannot allow that to happen. We in this Party recognize the ramifications of this legislation and we want to ensure that this does not happen.

I want to get back to the subject of energy costs, Mr. Speaker. Surely to goodness if we are in the midst of conserving our energy, we would not be looking at this kind of system of gathering grain and shipping it to the railhead or ports. It does not make sense. On one hand you give grants to conserve energy, on the other hand you give grants to the trucking industry which will use more energy. Every railroader knows the significance of branch lines and the importance of jobs in those communities on the rail system. For us to even consider

using the trucking system to carry grain to the railhead or port is ridiculous. I am very pleased to say that our Party is opposed to that and I am in full agreement with it.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in rising to speak on Motion No. 34, which attempts to negate a Conservative and Liberal amendment concerning the use of trucking to haul grain, we think this should be done because the amendment does not specify that such trucking arrangements should take place only where the CTC has approved an abandonment. It would allow trucking to be used by the railway or elevator companies to drain off business from existing branch lines in an effort to set up a line for abandonment. It would drain away business from the line to the point where they could then apply to have the whole thing abandoned.

We are opposed not because we are opposed to the use of trucks. They are vital to every bushel of grain moved off the Prairies. It is an integrated system where trucks take grain from the combines and the farms to the elevator for loading on to rail cars. That is not at issue, although I will go into it a little later in my remarks. What is at issue is the economic fact that once you allow trucking from existing branch lines on an ad hoc basis at the initiative of a trucking or elevator company, you are setting yourself up for complete domination by both railway companies. They do not involve themselves in trucking except in areas where they get a firm high volume business. That is what we are doing with this kind of amendment. Previous speakers from my Party have pointed out that CPR has already taken over some of the largest private trucking firms in Saskatchewan in anticipation of this kind of amendment being part of the Bill. It does not give us a competitive situation; it leaves us more in the hands of the railway corporate decision-making than is the case now with a proliferation of small trucking firms.

I cannot let go unchallenged some of the remarks made in the House today, Mr. Speaker, particularly by some Conservative Members who indicated they thought the NDP was not supportive of the trucking industry or small business. I think the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) pointed out the basic problem. He said they had started from a different space than the NDP. Indeed they have. He went on to say they find some good in this Bill. We find very little good in this Bill. He says their job is to amend it, to make it an even better Bill. We say the Bill is so bad there is not much we can do except stop the Bill. We will use whatever legitimate legislative means we have to slow the process and give the public an opportunity to put pressure on the Conservative and Liberal Parties to see the error of their ways.

I think the fact that the main points of the argument for having these proposed changes, which were put forward by the Government in the form of major amendments to the Bill, were all ruled out of order indicates we should be going back to square one and starting with a new Bill based on some of the information we heard from farmers and businessmen, the residents of rural areas on the Prairies where the committee travelled in order to find out what they thought of this Bill. We had a very good back-to-back presentation given on the effects of railways and trucks on these communities presented to us by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) and the Hon. Member for Provencher (Mr. Epp). If I may paraphrase Peter Ustinov, they found themselves of two minds on the issue, one more or less in disagreement with the other.

The Hon. Member for Saskatoon West cited a town in his riding which had its rail line abandoned. He made it very clear that a grain town like that almost does not exist without a rail line. He pointed out that the village had now applied to be disbanded because there are no railway tracks and no more function for the village. The Hon. Member for Provencher pointed out, perhaps rightly, that you do not need a railway to have a town. He cited the fact that the town where he was born never had a railway and still exists. I think he went on to reach some conclusions based on that, and he went beyond that to reach the point where I was almost convinced by the argument of the Hon. Member for Provencher that if people wanted to fish hard enough, they could set up a fishing village on top of a mountain and somehow it would succeed. That kind of faith, I think, is the other side of the argument that we have been hearing from Hon. Members beside us.

● (1750)

With regard to trucks as an alternative to rail service, I do not think anyone, even my hon. friends to my right, seriously feels that it would be a true alternative to rail service. Although they did not make it very clear, I am sure they are not foolish enough to think that trucks could transport our export grain. Anyone who thinks that this is possible should just stop for a moment to think of the massive movement that would be required. It takes three or four large trucking rigs to fill one hopper car. There are 110 hopper cars per trainload, which means that it would be necessary to have 350 to 450 trucks moving from somewhere on the Prairies out to port in British Columbia or Thunder Bay just to move the equivalent of one trainload. I do not think anyone should really be arguing that trucks will provide serious competition for the railways, but I heard Hon. Members attempting to make that argument.

The Hon. Member for Ontario (Mr. Fennell), who just spoke, pointed out the great benefits of using trucks to move grain over rail. He said it had so many advantages and created so many more jobs as, indeed, it probably would. He said that the equipment wears out far faster so that one is always employing people, rebuilding the trucks and the trailers they are using, and is that not fine? Perhaps it is, except that we must be able to move the grain at a price that will put it in competition in world markets. Spending that kind of money will not do it. The Hon. Member for Ontario probably could have gone even further with his argument, if he was only going to take an employment argument, and pointed out all the advantages that could be gained by packsacking it to the coast. It would have produced far more jobs making shoes and

packsacks than is even the case with trucks. However, he did not go that far.

I think that the trucking argument has been carried to this ultimate, ridiculous point, and we should not be fooled into thinking that trucks have any place in forming real competition for rails in the transportation system. As I pointed out earlier, trucks do have a place in the movement from farm to rail and should continue to be used that way.

Mr. Thacker: That's the point.

Mr. Althouse: "That is the point", the Hon. Member says. However, it has nothing to do with the amendment that we have before us.

Mr. Thacker: Sure it has.

Mr. Althouse: It has none, because there is nothing in the Act or any of the testimony we have heard from the witnesses concerning the provision of any funds for those kinds of trucking operations. The only kind of trucking operation that is being discussed here under the Administrator is the kind that would move grain from one elevator to another. It would be transshipping, an unecessary kind of trucking, because the grain must be trucked, initially, from the farm to the elevator in any case. Why not send it to the elevator where it will end up being transshipped on to an elevator instead of having a second unnecessary stop in the interval? Motion No. 35 which we have proposed will deal with this, and we will get to that next.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Lethbridge-Foothills.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I could not let the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) continue with his misleading statements, trying to alarm people out on the western Prairies unduly by saying that the rail will be stripped up between Calgary and Vancouver, because that is what he was saying.

Mr. Althouse: Who said that?

Mr. Thacker: He was saying—

Mr. Althouse: I did not. I pointed out that it did not have place in competition.

Mr. Thacker: —that for a 120-car or 120-car trip to Vancouver, there would have to be over 300 trucks, implying that that is what the motion means. It is sheer nonsense.

Mr. Althouse: We are just extending Tory logic. It is sheer nonsense.

Mr. Thacker: The Hon. Member has now admitted that his speech was sheer nonsense and that he was trying to waste time.

Mrs. Mitchell: Your argument was.

Mr. Thacker: That is the only thing he has said in the last six months with which I agree, that he speaks nonsense most of the time.

On the one hand the Hon. Member was saying that we were going to use trucks but, on the other hand, that we need to have trains. He wants to protect the monopoly of the CPR to haul grain to the West Coat. Clearly, from those central collection points, that is exactly what will happen because one cannot beat steel on those long hauls. However, what we are discussing, and what Clause 17(3) and the amendment that was accepted deal with, is the branch line collection system. Even under the Crow rate, half of those villages mentioned by the Hon. Member were disappearing in any event. My own home village was going, under the Crow, because things have happened which the New Democratic Party just does not appreciate. Trucks have come on the scene. We have better tractors and other machinery. We have good highways now. People like to go to larger centres. We are now becoming an urban society rather than a rural society. The dinosaurs in the NDP are trying to maintain a system that was designed for the horse and buggy, where there was an elevator every nine miles. Now the efficient collection points should be every 30 or 40 miles.

The one thing the Hon. Member did mention that was correct concerned the international marketplace. If we maintain railways on these branch collection systems, we will not be able to put a bushel of grain at tidewater to compete with the Americans, the Australians or the Argentinians, because they are going to these collection centres. The idea is to get one's grain to a centre like that in the most efficient way possible. Sometimes it will be by railways, if one happens to be in a part of a country that can justify the cost of a railway. In other places, it will be by trucks to haul into a central location. We could then have 110-car spots or 52-car spots that could be loaded, the grain could be cleaned there, it could go to the West Coast and be dumped strictly on to a ship, and those cars could be back in seven days. That is what is being done in the United States. There one can put a bushel of grain at tidewater far cheaper than we can. Interestingly enough, the railway can give the farmer a saving, a rate that is 14 cents cheaper per bushel, of which the farmer can keep 8 cents, because it only costs him 6 cents to send it with his truck. What an amazing thing is that, 8 cents in the farmer's pocket! He could go out and buy cars and trucks that are produced by our fellow Canadians. However, the NDP wants it to go to the railway because, for some reason, it wants the shareholders of the CPR to get richer. We know what it really wants with regard to its long-term strategy. It ultimately wants to have the railways so powerful that they can be nationalized. Members of the NDP think that they will be in Cabinet and make decisions to force the railway to do this and do that. Of course, as the Liberals have found out when they tried to do that to the energy industry, $14 billion left the country. Half of the unemployed people could be working today if it were not for the National Energy Program and the concentration of power. So, Members of the NDP can ruin the country. They will keep the Liberals

in. They will keep concentrating power. Money will keep flowing out of the country. Here, even though we are only 24 million people sitting on the resources of a whole half a continent, we will all be on the dole. We will be lining up in food stores, because they are destroying agriculture, too. Just like in Poland, which once exported food, we will be standing in line. Just like in Russia, which once exported grain, we will be standing in line to get our food. That is the combination of the NDP keeping the Liberals in power.

May I call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

● (1800)

EMPLOYMENT—REQUEST THAT GOVERNMENT DISCLOSE PLANS. (B) NEED FOR LONG-TERM JOBS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rose in the House one day after taking my seat and questioned the Minister of Employment and Immigration (Mr. Roberts) on the serious unemployment crises in Canada today. I asked the Minister what plans the Government has to bring about a long term solution to the unemployment problem. The Minister could not answer the question. All he could do was rattle off all of the meaningless programs the Liberal Government has devised as short term relief. The Government opposite does not have any long term solutions and the Canadian people know that.

The unemployment issue was a priority issue during the byelection when I was recently elected to represent the people of Mission-Port Moody. At every meeting I attended during the campaign the plight of the jobless was the primary topic of discussion. Almost every voter I met wanted to know what hope there was for the hundreds of thousands of unemployed in our country.

Unemployment touches nearly every voter in my riding and in this country. Canadians are truly suffering. There are more than 14,000 people registered to receive unemployment insurance in my riding alone. That number does not include the hundreds of people in the Mission-Port Moody area who have exhausted their unemployment insurance benefits or those who have just given up looking for jobs.

We in this House cannot just sit back and receive our regular paycheques without doing something significant to help those thousands of Canadians who are really struggling to feed their families. I was not elected to the House to just sit here and listen to Members opposite blame everyone except themselves for the serious economic problems we have in this country. The people in my riding and, indeed, people right across Canada want to see positive change and positive results.

The Minister of Employment and Immigration can stand up a thousand times in the House and recite the same old lines about the programs the Liberal regime has instituted to redistribute our tax dollars. He can talk about the Canada Community Development Program, the Canada Works Program or the Special Response Program. He can talk about NEED, LEAD and all those other so-called job creation schemes the Government has devised to mask the real severity of unemployment in Canada. These, however, are all band-aid programs. They are nothing more than patchwork spending schemes to cover up the Government's mismanagement. They are all short-term programs riddled with bureaucracy and red tape. They are not long-term solutions to the serious structural problems plaguing our economy.

Workers in Mission-Port Moody do not want short-term jobs just so that they can requalify for unemployment insurance benefits. Men and women in my riding, as in all of Canada, want real jobs. They want long-term employment and career opportunities. They want to use their talents to take advantage of the tremendous opportunities that the climate and natural resources of this country and our Province have to offer.

The people of Canada have had enough of this tired, arrogant regime seated opposite. They have had enough of the smoke and mirrors of the Liberal game playing. Canadians have seen the Liberal wrecking crew at work, destroying our economy. They have seen the Prime Minister (Mr. Trudeau) turn his back on ordinary Canadians and have witnessed rude gestures in western Canada.

The byelections in Mission-Port Moody and Central Nova have demonstrated what Canadians want to see. They want to see this incompetent Government out. The voters demonstrated their feelings in Mission-Port Moody on August 29 when the Liberal candidate received less than 5 per cent of the vote. That was a message. Feelings of Canadians right across the country were reflected in the results of that byelection. Canadians are awaiting the chance to throw these wreckers out of office and elect a government that will restore confidence in our country and put Canadians back to work. The Government opposite does not have the answers.

● (1805)

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, it is a pleasure for me, on behalf of the Minister of Employment and Immigration (Mr. Roberts) to reply to the question put by the Hon. Member for Mission-Port Moody (Mr. St. Germain) concerning the measures taken by the federal Government, and more specifically by the Canada Employment and Immigration Commission, regarding the creation of long-term jobs for Canadians. The Member for Mission-Port Moody will be glad to know that for a number of years, the Commission has

been providing Canadians with various long-term job creation programs. The Local Employment Assistance Program, for instance, has helped many jobless Canadians set up businesses that, after termination of Government financial assistance, continued to be so successful that they are still employing thousands of Canadians today. As the Minister said before in the House, the Government has redoubled its efforts this year to substantially increase funding for job creation, with special emphasis on long-term job creation projects. One of the strategies that will help us achieve this objective consists in increased involvement of the private sector in joint job creation efforts. When businesses realized that the NEED program could help them prepare for economic recovery through activities involving expansion, modernization and pre-production, they supported this program wholeheartedly, and participation in the program has increased. The success of NEED has been such that in many cases, when projects were terminated, short-term jobs were converted into permanent additional jobs.

The consolidation of direct job creation programs undertaken by the Department and effective as of September 12, 1983, places even greater emphasis on the private sector involvement already begun under the NEED program. The information kit on Canada Works, distributed to all Members by the Minister, makes it quite clear that private sector projects will be encouraged this coming winter. The Local Employment Assistance and Development Program (LEAD) provides fund for creating LEAD corporations, whose purpose is to promote the creation of new businesses or expand existing ones. The businesses and jobs created in this manner are set up in such a way that they can continue to operate after the Government financing period expires. The Job Corps program will be used to finance businesses, organizations, communities and individuals for periods of up to three years in order to create full-time jobs for individuals experiencing serious problems in finding a job. The Career-Access Program, through wage subsidies, enables employers to provide employment opportunities for those who have trouble finding employment. Here again, it is felt that many jobs may be continued after the initial financing period. As the Hon. Member can see, the Government has launched a number of projects and is redoubling its efforts to increase the number of long-term jobs. As the Minister himself has indicated, nearly $1.5 billion will be spent this year and next year on creating jobs for over 300,000 unemployed Canadians.

[*English*]

THE ADMINISTRATION—PERSONAL CORRESPONDENCE OF MINISTERS. (B) INTERDEPARTMENTAL CORRESPONDENCE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, all of us in the House are familiar with the phenomenon of the Government changing the order of the Treasury benches. We witnessed it particularly last summer when the former Minister of Transport became the new Minister of State for External Relations (Mr. Pepin), when the Minister of the Environment became the Minister of Employment and Immigration (Mr. Roberts) and when the Minister of Employment and Immigration became the Minister of Transport (Mr. Axworthy). We had a shuffling of chairs like that on the deck of *The Titanic* which has not made much of a difference, in terms of the policy of the Government. That particular practice raises a very important point regarding the security of information which ought to be at the disposal of Canadian citizens.

We in the House understand the practice that when a Minister is transferred from one portfolio to another we are not allowed to ask him questions about his previous responsibilities. We understand that, but I do not know if the Canadian public understands that very well. The corollary to it relates to the information he has built up over the years of his responsibility in the previous portfolio. For example, the former Minister of Transport built up a considerable dossier of file of information with people across Canada relative to his responsibilities in that portfolio. We understand that when he left that porfolio to go to his new one he was entitled to take all his personal correspondence with him, that which is labelled "personal".

• (1810)

That is why I very specifically asked the Prime Minister (Mr. Trudeau) last Friday the definition of "personal correspondence", because that becomes a very operative and critical definition if the rights of citizens are to be protected in relation to the retrieval of information about themselves. The freedom of access to information measure really becomes useless if we cannot retrieve information which that particular Act says we can have access to, because it was non-existent. Is it possible for a Minister of the Crown when leaving a particular responsibility to go to a new Department to take his so-called personal correspondence with him and shred it? Can he shred information that might relate to the rights and privileges of private citizens all across Canada? My question to the Prime Minister very simply dealt with that.

I would like to add corollaries to that. Hopefully one of the two Parliamentary Secretaries here can answer the particular question. What are the guidelines, if any, that have been established by the Prime Minister for his Cabinet Ministers defining personal correspondence? Correspondence between a Minister and private citizens on issues relating to his portfolio, is that considered personal correspondence? Can he take it with him when he leaves that responsibility making it unavailable to anyone else? Correspondence between a Minister and departmental officials regarding a submission by a private citizen, is that considered personal correspondence? Can you imagine the awesome nightmare of trying to help our constituents regarding their dealings with a Minister in his previous responsibility if all that information has been taken away and shredded? There is no such thing as retrieval of that information. Freedom of access to information really becomes a bizarre term if that access is no longer there because the information no longer exists.

I am not going to take my full seven minutes. I simply ask whether the Parliament Secretary is empowered to tell us now what the definition of personal correspondence is so that private citizens across Canada, or we on their behalf, can retrieve information that relates to their rights and privileges as citizens of Canada, rather than having that destroyed because of a very loose and broad definition of what really is, in the Minister's terms, "personal correspondence".

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the status of personal and interdepartmental correspondence of Ministers under the Access to Information Act has been queried. In response, I would like to make four points.

First, where the correspondence constitutes a confidence of the Queen's Privy Council of Canada, the Act does not apply to it. These confidences are described in Section 69 of the Act. The essence of the provisions in this section is that confidences in general are not subject to the legislation for 20 years. After that time, the legislation applies.

Second, where the correspondence reflects political and constituency issues, as opposed to departmental business, it is not subject to the Act. This is because such correspondence is not deemed to be under the control of a Government institution. Rather, this correspondence is considered to be part of the Minister's personal records and to be under the Minister's control.

Third, where the correspondence pertains to the operations or administration of a Government institution, it is considered to be under the control of the Government institution concerned and therefore subject to the legislation. As such, it is accessible under the Act unless it is a confidence of the Queen's Privy Council of Canada less than 20 years old, or it is protected from disclosure by an exemption provision in the Act?

• (1815)

Four, Section 19 of the Access to Information Act requires that personal information not be released under this Act. Personal information includes, among other information, the personal opinions or views of an individual and correspondence sent to a Government institution by an individual that is implicitly of a private or confidential nature and replies to such correspondence that would reveal the contents of the original correspondence.

In summary, correspondence which does not constitute a confidence of the Queen's Privy Council of Canada and which is not in the nature of a Minister's personal records is subject to the Access to Information Act. Correspondence subject to the Act is accessible unless it qualifies for an exemption.

Finally, Departments and agencies have received instructions on the status of ministerial records in relation to the Access to Information Act. The circular that was sent out by the Secretary to the Treasury Board to all Department heads is available and I have a copy for the Hon. Member if he would like to take a look at it.

Adjournment Debate

LABOUR CONDITIONS—UNEMPLOYMENT IN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on Friday last, I asked a question of the Minister of Employment and Immigration (Mr. Roberts) in relation to the high unemployment rate in Saskatchewan. My question dealt with the fact that in the last year the number of people looking for work has gone up by 82 per cent, and also that the number of people on welfare has gone up by 46 per cent in the last two years. I remind you, Mr. Speaker, that all of this has occurred since the election of the Conservative Government under the Premiership of Grant Devine in April, 1982.

I think it is important that I put on the record some of these very important facts. As I said first, this is information I have received from the 11 Canada Manpower Centres in Saskatchewan and it shows that in the last year the number of people seeking work has gone up by 82 per cent. I will deal with the figures one by one, Mr. Speaker.

In Estevan, there has been a drop from 827 people looking for work to 584 people looking for work between August, 1982 and August, 1983. In La Ronge, there was an increase from 1,545 to 1,905. In Melfort, there was an increase from 1,061 to 1,221. In Moose Jaw, there was increase from 1,794 to 2,153. In North Battleford, there was an increase from 2,849 to 3,090. In Prince Albert, there was an increase from 2,465 to 4,148. That is an increase, by the way, of 68 per cent in one year in the number of people who are seeking work in Prince Albert. In Regina, there was an increase from 4,998 to 10,550 people looking for work, an increase in one year of 111 per cent. In Saskatoon, the figures went from 10,348 to 13,592, an increase of 31 per cent. In Swift Current, there was an increase from 726 to 847 people looking for work, an increase of 17 per cent. In Weyburn, 449 people were looking for work a year ago and now there are 358 people looking for work, a decrease of 20 per cent. In my hometown of Yorkton, a year ago there were 3,407 people looking for work. In August of this year, there were 5,878 people looking for work, an increase of 78 per cent, Mr. Speaker.

In the Province as a whole, there were 30,469 people registered as seeking employment as of August, 1982. In August, 1983, there were 55,316 people registered as seeking employment, an increase of 82 per cent across the Province of Saskatchewan. This has occurred in one year of Conservative Government in the Province of Saskatchewan. This shows, Mr. Speaker, that Tory times are indeed tough times for the Province of Saskatchewan.

There is an increase of 82 per cent in the number of people who are looking for work in Saskatchewan. I remind you, Mr. Speaker, that in eight out of ten Provinces in the last year, the unemployment rate has gone down. In Saskatchewan and Alberta, both Provinces with Conservative Governments, unemployment rates have gone up.

I would also draw your attention, Mr. Speaker, to the welfare situation. I have statistics here from the Department of Social Services' statistical bulletin for Saskatchewan and we find that the total beneficiaries of welfare in Saskatchewan in

July, 1982 were 49,299. In July, 1983, there were 57,504 beneficiaries, an increase of 17 per cent.

● (1820)

Let us look at the Yorkton region, Mr. Speaker. A year ago the figure was 1,495 and this year it is 2,017, an increase of 35 per cent. Tory times are tough times for poor people.

Across the Province as a whole there has been an increase of 17 per cent. The Tories have been in power for a year and a half. If we go back to July 1981 we see that 39,494 people were on welfare, and now there are 57,504, an increase of 46 per cent. Since the Conservative Government took office in May, 1982 there has been an increase of 18 per cent in welfare, 19 per cent in the total case load and 51 per cent in the unemployed employable cases in Saskatchewan.

Tory times are tough times indeed. There have been 207 business bankruptcies in Saskatchewan thus far in 1983, compared to 184 in the same period in 1982. Since the Conservatives took office in May, 1982, there have been 388 business bankruptcies in Saskatchewan. Thus far in 1983 there have been 29 farm bankruptcies in the Province compared to 24 for all of 1982.

Although there were only 19,000 more employed people in Saskatchewan in August, 1983, than in August, 1982, there was no increase in employment of young people between the ages of 15 and 24. Statistics Canada reports that there were 33,000 more persons unemployed in August than in July, and 4,000 more than in August, 1982. Statistics Canada also reports that the unemployment rate for Saskatoon in August was 10 per cent.

I see that my time is almost up, Mr. Speaker. Despite the insensitivity and the total betrayal of the Premier of Saskatchewan of the people of the Province, I have asked the federal Government to come up with special projects for the Province. The Minister or someone should meet with the Premier and try to hammer some sense into his head. We need special projects so the Province can be part of any recovery there might be in the country as a whole.

There is a lot of wealth and resources in Saskatchewan. It strikes me as ironic that Saskatchewan and Alberta are the only two Provinces where unemployment has increased in the last year. It has gone down in the rest of the country. It is a disgrace that unemployment has increased by 82 per cent in one year of Tory rule. I expect some action from the federal Government. I hope it does not hide behind the skirts of Grant Devine.

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): I am quite sure that the Hon. Member will send that speech out in the next Householder to his riding, and perhaps even to other ridings to show what is going on in Saskatchewan.

[*Translation*]

Mr. Speaker, on behalf of the Minister, I am pleased to advise the member for Yorkton-Melville (Mr. Nystrom) and his fellow Members from Saskatchewan of the measures introduced by the federal Government to create jobs in that province. As the Minister stated previously in the House on October 7 of this year, there has been a considerable improvement in the employment picture across the country. The Government realizes that as a result of regional factors, some areas in Canada will not be able to benefit immediately from this fact, and that is why the Canada Employment and Immigration Commission has recently consolidated its various job creation programs into four major programs. One of these, Canada Works, is primarily aimed at quickly creating temporary jobs at times when the economy is slack or the labour market is temporarily disturbed. It applies, for instance, to temporary or permanent shutdowns of plants or industries. Over $5.8 million was earmarked for Saskatchewan under this program to create new jobs during the current and coming financial year. If we add the programs now included under Canada Works, job creation projects will receive a total of $20.8 million during the current and coming financial year in Saskatchewan.

Mr. Speaker, the Minister mentioned previously in the House the need for further involvement of the private sector in our job creation projects. This strategy will help us meet our regional priorities. The Local Employment Assistance and Development program (LEAD) provides funding to create LEAD corporations, whose purpose is to promote the creation of new businesses or expansion of existing ones. This year and next year, $5.3 million will be spent in Saskatchewan under this program. The recent recession, coupled with rapidly changing technologies, has shown that many Canadians lack the experience, skills and training they need to meet the requirements of industry. The Career Access and Job Corps programs will assist them in this respect. Career Access will help employers provide employment opportunities by subsidizing wages for individuals who experience great difficulty in finding employment. The Job Corps will be used to finance businesses, organizations, communities and individuals who create full-time jobs for those experiencing serious problems in finding employment.

These programs are therefore aimed at developing basic skills that will help integrate these people in the labour market. Funding for Career Access has been set at $8.2 million, while $2.6 million has been earmarked for the Job Corps in Saskatchewan for 1983-84 and 1985-86.

Mr. Speaker, a total of $36.8 million will be spent on job creation in Saskatchewan during the current and coming year. I am sure the Hon. Member will agree that by creating

thousands of jobs in Saskatchewan, these programs will help economic recovery in this area.

The Acting Speaker (Mr. Corbin): Order. The Motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.26 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, October 12, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POLITICAL PARTIES

LIBERAL PROMISE TO CONSTRUCT NATURAL GAS PIPELINE TO MARITIMES

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the Government has been making overtures to the Canadian public in anticipation of the impending election. Before it begins making new election promises I would like to remind it of one promise it made Canadians almost four years ago.

In a series of remarks before the Halifax Board of Trade, the Prime Minister (Mr. Trudeau) said, "I am announcing today, as part of our program, that a Liberal Government will take immediate action to ensure the full co-operation of all Parties in the construction of a natural gas pipeline to Quebec City and the Maritimes. The pipeline will have a reversible capacity so that Maritimers will have the opportunity, both to use western natural gas now and to send offshore gas to central Canada later".

Today we see that the Government has fulfilled its promise to the Quebec electorate but not to the Maritimers who are still dependent on oil imported from abroad. It is unreasonable to force Maritimers to buy foreign oil when Canada has the resources not only to satisfy our domestic needs but to export these resources abroad.

It would appear that the heady talk of energy self-sufficiency by 1990 was merely an election ploy designed to seduce Canadians with what they wanted to hear. It was not the talk of a responsible Government concerned with energy security and self-sufficiency, but of an irresponsible Party concerned with political security and self-sufficiency.

* * *

HUMAN RIGHTS

CHURCHES' BRIEF ON CONDITIONS IN CENTRAL AMERICA

Mr. Bob Ogle (Saskatoon East): Madam Speaker, yesterday a high level ecumenical delegation representing the major Canadian churches met with the Secretary of State for External Affairs (Mr. MacEachen). The delegation included Archbishop James Hayes, the Archbishop of Halifax, who was representing the Canadian Catholic Bishops, the Reverend Harry Hilchey who was representing the General Synod of the Anglican Church of Canada, and Dr. John Foster who was representing the United Church of Canada and the Inter-Church Committee on Human Rights in Latin America. They presented the Secretary of State for External Affairs with a brief on Canadian policy in Central America.

I thank the Minister for seeing them and discussing these matters with them. I would now call upon the Minister to consider seriously the wide range of recommendations that were made by the group. These policy recommendations dealt with El Salvador, Honduras, Nicaragua, and Guatemala. Some members of the delegation had recently returned from that area and spoke of the massive human rights violations in Guatemala.

In the brief the delegation asked that Canada support particularly the Contadora group and the efforts that it is making to bring about peace in that area. Secondly, they asked for a clear and public statement to be made to the United States and Honduran Governments regarding Canada's opposition to the military manœuvres and to the construction of new military bases, on the grounds that they undermine the spirit and the letter of the Contadora group. Finally, I would ask the Minister to immediately release the $18 million line of credit that was pledged to Nicaragua.

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[*Translation*]

INDUSTRY

PERFORMANCE OF ECONOMY IN LAVAL AND LOWER LAURENTIAN REGIONS OF QUEBEC

Mr. Yves Demers (Duvernay): Madam Speaker, it is a fact that the Laval and Lower Laurentian regions are showing the best economic performance in the Province of Quebec at the present time. There are a number of reasons for this, and I would like to mention two of them: the people have a level of education that is above the national average, and co-operation among federal members, the Minister responsible and municipal representatives is very effective. I wish to thank the Cabinet for taking advantage of these facts in less than a year, the federal Government has established several high technology projects in the region, including the Institut d'ordinatique, an investment of $12 million, the Institut de bureautique, costing $11 million and last weekend, the project of the century in the aerospace industry, namely, the construction of a Bell Helicopter plant at Mirabel backed by a federal investment of

S.O. 21

$265 million which will create 3,700 jobs. All these jobs will be in the high technology industry and will provide a solid basis for future investments in similar industries in Laval and the Lower Laurentians.

* * *

[*English*]

MEMBERS OF PARLIAMENT

AUCTION OF MUKLUKS

Hon. John C. Crosbie (St. John's West): Madam Speaker, a week ago on October 5 the Hon. Member for Yorkton-Melville (Mr. Nystrom) attacked me in the House in my absence, about a concert which is to be held in Toronto at the Roy Thompson Hall on Monday evening, October 17. By the way, Madam Speaker, the concert is at 8 p.m. and it is a fund raiser.

The Hon. Member claimed that I was being sexist because one of four performers at the concert is to be Miss Shannon Tweed, former *Playboy* playmate of the year. Mad Mike McGee is the chairman, Helen Reddy is the singer, and André Gagnon is the pianist.

Miss Tweed was born in Dildo, Trinity Bay, Madam Speaker, not far from Come-By-Chance. She is the daughter of a mainland mink farmer. Her talents will be used on the evening in question to auction the mukluks I wore when I brought down the budget on December 11, 1979. I ask the Hon. Member if the art of auctioning is sexist. Why does the Hon. Member attack my auctioneer? Having wrecked my budget together with the Liberal Members opposite, he now seeks to wreck my auctioneer. The Hon. Member for Yorkton-Melville (Mr. Nystrom) is certainly a bilious blue stocking, Madam Speaker. He is a yappy yokel and a slippery and sly sexual stereotyper, because that is what he has done. His actions are those of a sleveen.

Miss Tweed is, or was, a constituent of the Hon. Member for Bonavista-Trinity-Conception (Mr. Rooney). Where was he when she needed him to defend her? Together, Miss Tweed and I will give the boots to the nasty Nystrom—

Madam Speaker: Order, please.

Mr. Crosbie: We will sell the mukluks to the highest bidder.

Madam Speaker: Order, please.

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POLITICAL PARTIES

BILINGUALISM AND NATIVE RIGHTS—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Rod Murphy (Churchill): Madam Speaker, I rise to speak about the Conservative Party's position regarding minority rights. Last Thursday the Leader of the Progressive Conservative Party spoke eloquently in favour of the constitutional protection of French-language services in Manitoba. We congratulate him for this action. However, the Leader of the Progressive Conservative Party also claimed to be speaking for his entire Party. Immediately after he spoke, the Deputy Leader of the Progressive Conservative Caucus in Manitoba, Bud Sherman, said that he was 100 per cent behind Sterling Lyon in opposing the entrenchment of these rights. It is interesting to note that Mr. Sherman will run for the Conservative Party in the next federal election.

As well, that same afternoon the Conservative Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) told Manitobans to work against the very resolution we had passed in the House. The fact that the Hon. Member for Winnipeg-Assiniboine has contradicted his Leader on minority rights should not surprise Canadians. We recall that it was the same Hon. Member who, upon returning from South Africa, said that there were methods employed in that country that we could use when dealing with our native population.

Natives are also concerned about the words of Senator Donahoe who spoke about the genocide of Newfoundland natives as a possible solution for Canadian aboriginal problems. Whether said in jest or not, those remarks are completely unacceptable to the Canadian public, and he should be rebuked publicly by the Conservative Leader. Any less action by the—

• (1410)

Mr. Forrestall: Shame.

Madam Speaker: Order, please. The Hon. Member's time has expired.

* * *

BROADCASTING

SUPPORT FOR TELEVISED EXERCISE PROGRAMS

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, I refer to the statement made recently by Abby Hoffman, Director General of Sports Canada, to the conference, "A Renaissance in Sports and Fitness", when she condemned the latest television exercise programs for being obscene, erotic, and not athletic.

I have no quarrel with Ms. Hoffman's athletic ability; indeed she is to be commended for her outstanding achievements, not only as an athlete, but also for her promotion of non-stereotype role-playing by female athletes so as to encourage them to pursue and excel in sports of their choice.

However, I do quarrel with the Sports Canada director's criticism of television exercise programs, suggesting in effect, that they be boycotted. Ms. Hoffman's statement is diametrically opposed to the Government's own objective and the mandate of Fitness and Amateur Sport, which encourages active participation by the Canadian people in some form of fitness program to improve their physical state of health.

The majority of television exercise programs are of excellent content, utilizing skilled and competent individuals, and are far removed from degenerating into the type of program Ms. Hoffman accuses them of being. I would suggest that Ms. Hoffman seek the more appropriate medium available through the CRTC to vent her criticism, rather than condemning active participation in physical fitness via television exercise programs.

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NUCLEAR ARMAMENTS

SUMMIT MEETING PROPOSAL

Mr. Bill Yurko (Edmonton East): Madam Speaker, on June 14 this year I stated in this assembly, and I quote:

> A nuclear war can come about because of three reasons . . . . The first reason is that it may come about by aggressive design or intent by one of the superpowers. This is highly unlikely because they will destroy the world and themselves. The second is by escalation of a minor conflict such as a triggering conflict in the Middle East. The potential for escalation is massive and scary in the world today . . . . The third way a nuclear war can occur is through accident. There is real potential in this area due to a failure of equipment, a failure of systems, or a failure on the part of humans who man the systems.

Well, Madam Speaker, a deplorable and unacceptable incident has occurred because of failure on the part of humans who man the systems. Good sense prevailed and escalation did not occur this time. But what about next time?

If there ever was a need for instant communication and a desire to so communicate, it is in today's and tomorrow's world. Some shall shake their fist, at another such incident, and it will happen, but some will dialogue, and for all our sakes let us hope they are heard. There is a desperate need for an arms limitation agreement and a reversal of the present nuclear insanity. This Parliament should support fiercely a summit meeting, as is being considered by President Reagan and Chairman Andropov. Once again I propose that Edmonton is a suitable site for a summit meeting.

Madam Speaker: The Hon. Member's time has expired.

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SCIENCE AND TECHNOLOGY

CALL FOR ESTABLISHMENT OF STANDING COMMITTEE

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the Committee of Parliamentarians, Scientists and Engineers, the acronym of which is COPSE, is the successor to the parliamentary and scientific committee which held a number of meetings on Parliament Hill between 1976 and 1979. COPSE has as its objective the building of understanding between parliamentarians and the scientific and engineering communities of Canada, based on an appreciation of each other's concerns and aspirations.

While COPSE is a highly successful forum for exchange of information, science and technology are playing such an increasingly significant role in shaping our society and economy that I feel consideration should be given by the House to establishing a full-fledged standing committee on science and technology.

In this way issues relating to Canada's development of science and technology could be discussed by Members of the House, with appropriate input by scientists and engineers, so that reports and policy suggestions could be made on an all-party basis to the House and to the Government, and be duly recorded.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

ECONOMIC COUNCIL PROJECTIONS—GOVERNMENT POSITION ON WAGES AND PRICES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister. The Economic Council of Canada, which is adviser to the Prime Minister by statute, has warned that our country faces not only five more years of double digit unemployment but also a gradual rekindling of inflation. It has called for the Government to provide selective wage and price controls, to obtain powers to monitor wage and price increases and to roll back any increases it thinks will boost inflation above 5 per cent. Do you agree with the accuracy of these warnings of your Economic Council? Never mind the finger pointing, I am asking the question of the Prime Minister.

Some Hon. Members: Order.

Mr. Crosbie: Do you agree with the accuracy of these warnings?

An Hon. Member: You have to address the Speaker.

Mr. Crosbie: And does the Government intend to obtain powers to roll back increases in prices or wages such as your advisers have advised you?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member should be addressing the question to you. He should know better.

Madam Speaker: For the second question, I am going to warn the Hon. Member that he should address the Chair.

GOVERNMENT INTENTIONS

Hon. John C. Crosbie (St. John's West): Madam speaker, if I could put the same question to the Prime Minister, this is a

serious question and the people of this country are entitled to an answer, not a Prime Minister who shoves his finger around and—

Madam Speaker: Order. Order, please. Will the Hon. Member please put his question? The trouble comes from the fact that the question has not yet been put.

Mr. Crosbie: My question was just put, and I will put it again, Madam Speaker. Does the Prime Minister agree with the accuracy of these warnings of the Economic Council of Canada? Do the Prime Minister and his Government intend to obtain powers to roll back increases in prices or wages?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Government has read with interest the report of the Economic Council of Canada. The Economic Council has a number of forecasts, and their short term forecasts are similar to those which have been made by the Government, particularly in my budget of last April, for 1984-85. The forecasts for 1986-87 are obviously much more hypothetical and are different from those contained in my budget. I must remind the Hon. Member, however, that the targets put forward in the report of the Economic Council are very similar to the forecasts which I had in my budget, for 1986 and 1987. In that sense the curve which I had foreseen over the next four years is very similar to the targets set by the Economic Council for 1986 and 1987.

As to the specific proposal put forward by the Hon. Member, he will have noticed that the Economic Council is proposing a monitoring agency—not a price or wage control agency—over prices and wages after the expiration of the six and five program. Obviously this is a matter which the Government will take into consideration in discussions with its economic partners, labour, management, and the Provinces, regarding the steps that should be taken after the expiration of the six and five program.

CHAIRMAN'S COMMENTS ON ECONOMIC PERFORMANCE

Hon. John C. Crosbie (St. John's West): My supplementary question is directed to the Prime Minister—to the puppet master, not to the puppet. The question is this—

Some Hon. Members: Order.

An Hon. Member: That is pretty good order.

Mr. Nowlan: You do not know anything about order.

Mr. Crosbie: The Economic Council of Canada is an adviser to the Prime Minister, and its Chairman has said that an unemployment level of 11 per cent is unacceptable. Does the Prime Minister agree with the Chairman who has said, "We will be ill-served if we accept the type of performance we seem to be getting. We believe we can do better."? Does the Prime Minister agree that we have been ill-served by the Government's performance, and does he believe that we can do better? And, if so, why do we not do better?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, indeed, we are not satisfied with 11 per cent or 12 per cent unemployment. The best evidence of this is the type of measures which have been announced in the June, 1982, budget, my October economic statement, and the budget of last April.

We have succeeded in bringing down unemployment faster than what has been forecast. We have succeeded in creating jobs faster than any other industrialized country. I refer my hon. friend to the forecast contained in the April budget to the effect that, indeed, in the next few years we will reach a level of unemployment which will be well below 11 per cent and below 9 per cent. We are even trying to do better than the forecast which was contained in the budget, in which we were forecasting around 8 per cent unemployment by 1987.

Mr. Crosbie: I will go to the Minister of Finance because the Prime Minister is bored with this subject.

RECOMMENDED UNEMPLOYMENT TARGET

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Economic Council wants the Government to set a five-year goal of reducing unemployment to 6 per cent or 8 per cent, and not just to accept the prediction of the Minister of Finance of over 10 per cent unemployment indefinitely. My question to the Minister of Finance is, why, once you set this goal and why, once you take measures to achieve it, will you not do what the Economic Council has recommended, instead of throwing up your hands as you have?

● (1420)

Madam Speaker: Order, please. The Hon. Member must address the Chair. I know it is difficult to speak in the third person, I find it difficult myself, but the Hon. Member has been in the House long enough to have acquired the habit.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, if the Hon. Member not only knew the rules of the House but showed a little more respect for his colleagues and was less insulting towards them, he might be getting better answers once in a while.

Some Hon. Members: Hear, hear!

Mr. Lalonde: Nonetheless, I will tell my hon. friend that, very honestly, we are trying to do even better than the targets set out by the Economic Council of Canada. I have indicated that our targets in my budget forecast are around 8 per cent unemployment by 1987. We are trying to do better than that. If we can reach 6 per cent before then, we will certainly do it. We are doing everything we can and it has shown results. Indeed, in the very last few months that we have succeeded in bringing unemployment down further than had been anticipated, even by my hon. friend, as recently as six months ago. This is a record that demonstrates what we have done, and we want to do even better in the months and years to come.

COUNCIL'S RECOMMENDATIONS—REQUEST FOR GOVERNMENT REPORT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Prime Minister. The Economic Council report contains 19 very constructive recommendations aimed at improving our economic performance and also some of the safety net programs in our country. In order to give some meaning to the Economic Council's function, will the Government commit to this House to report in detail on each of those of 19 recommendations by the end of November of this year?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Economic Council's report does, in fact, contain many recommendations. However, I can inform the hon. gentleman that the Government of Canada is already implementing many of these. For instance, the ECC recommends that the Government pursue a monetary policy that will bring down interest rates in real terms in Canada. The hon. gentleman is of course aware that during the past four months, short-term interest rates in Canada have been lower than those in the United States, despite the fact that our inflation rate is slightly higher than in the U.S.

The ECC wants to maintain universality of medicare. I can only hope that the Progressive Conservatives will support us in our struggle to maintain the universality of medicare as well as the social programs we have been able to continue despite the recession, since so many Progressive Conservative are criticizing these programs right and left. The ECC has asked us to actively pursue implementation of a direct job creation and employee training program. In fact, we have invested billions of dollars in the projects in recent years. My hon. colleague, the Minister of Employment and Immigration, indicated a few days ago that he was looking into further alternatives in this respect, and I could say the same about the 16 other recommendations. We do not have to wait until November, since they are already being implemented, and this was being done even before the report was published.

[*English*]

Mr. Wilson: Madam Speaker, that is not good enough. The Minister referred to four recommendations, and there are 15 more. Surely we can get a report from the Government on what it is going to do about the other 15 recommendations, and not have to wait another two or three years for an $800 a day Royal Commissioner to produce a report on some of the same things.

BURDEN OF UNEMPLOYMENT INSURANCE PREMIUMS ON SMALL BUSINESS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I will put a more specific question to the Minister relating to a decision the Government is going to make on Unemployment Insurance premiums, I understand on October 18.

Small business today employs about two-thirds of Canadians, yet it is discouraged from creating jobs by the high level of Unemployment Insurance premiums which are directly related to the number of employees. Since this report projects aggregate benefits of $60 billion to $65 billion over the next five years, which is a tremendous burden for small business, would the Government defer any increase in Unemployment Insurance premiums? It is clear these premiums are taxing job creation and are a clear disincentive to the hiring of young, untrained workers, which is probably the most important unemployment problem today.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, Unemployment Insurance premiums are set after consultation with the Advisory Committee on Unemployment Insurance which is made up of representatives of management and labour.

As the Hon. Member said before, a decision is due around October 18, but we have not reached that stage yet, and as soon as the Government is able to announce a decision in this respect, the Minister of Employment and Immigration (Mr. Roberts) will be happy to announce that decision to Hon. Members and the House in general.

* * *

● (1425)

[*English*]

REGIONAL ECONOMIC DEVELOPMENT

NEED FOR JOB CREATION IN GASPÉ REGION OF QUEBEC

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. It concerns a specific promise that he made. As everyone in the House knows, the situation in the Gaspé region in the Province of Quebec, in Canada, is one of the most horrible in terms of unemployment, averaging around 25 per cent and, in some communities, 80 per cent. Two years ago, on May 4, 1982, the Prime Minister went to the region and promised a specific development program. Last May no fewer than three Cabinet Ministers, with considerable fanfare, went to the same region and promised to spend some $224 million in seven different parts of the economy to create jobs.

Given his commitment, and given the fanfare created by three Cabinet Ministers last May, to spend money to create jobs, why has there not been a single new job created in the Gaspé within the framework of these programs?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member could turn to his own Members. Then he would know part of the reasons for the delay. We were hoping to reach a joint agreement with the Province of Quebec in order to help develop this region. That has not been possible. We are opening within a few days, in Rimouski, I believe, an office which will be entrusted with the beginning of

the expenditure of the $250 million as announced by the Minister of Finance some months ago.

Mr. Broadbent: Madam Speaker, the Prime Minister should do a better job of his homework.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I have in my hand a press release, released by the three Ministers, who underlined the fact that the federal Government alone, without the participation of the Government of Quebec, is going ahead with these initiatives. Therefore he cannot blame the Government of Quebec for the failure this time.

REQUEST THAT GOVERNMENT ACT TO PROVIDE JOBS

Hon. Edward Broadbent (Oshawa): I would like to ask a supplementary question of the Prime Minister. I repeat that there are Canadians who are suffering. Considering the fact that the Member for the region, the Hon. Member for Gaspé, has said that when he raises this matter in caucus "Ministers turn a deaf ear", why, in the face of this suffering, in the face of the fact that the Government is committed to spending money in the area, does the Government not get on with the job and provide jobs for those who need them?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, with respect, the Hon. Member did not get the gist of my previous answer. It is true that we want to spend the money ourselves. It would be better if we spent it in co-operation with the Province of Quebec, as we have in other Provinces, where each Government spends its money in areas within its jurisdiction, but where they do it after joint planning. That has not proved possible. Therefore, we will go ahead without any joint planning.

Insofar as the rest of his questions is concerned, I did admit that there were some delays, but I also said that we will be opening the office in Rimouski within a few days.

TIMING OF JOB-CREATION PROJECTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would direct my question either to the Prime Minister or to the Minister responsible for Development, or to the Minister for Finance, who is responsible for patronage in Quebec. I do not care who answers, but I would like to ask the Prime Minister, particularly, to answer.

One Member of the Liberal caucus has said that some $10 million which has been approved for tourism, which would provide many jobs now, will not be spent until next spring. Would the Prime Minister confirm that the sense of timing about these projects has absolutely nothing to do with the human and economic need but has everything to do with the forthcoming federal election?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the difference between our Party and the New Democratic Party is that—

Mr. Andre: It's hard to see.

Mr. Trudeau: —when we allocate funds, we raise taxes in order that the money can be obtained and then we spend it. The New Democratic Party always comes along after we have announced our programs and says it would have done it, except it would have done it yesterday, with more money. That is the only difference.

* * *

● (1430)

THE CONSTITUTION

SENATE PASSAGE OF ACCORD ON ABORIGINAL RIGHTS

Mr. Keith Penner (Cochrane-Superior): Madam Speaker, my question is directed to the Prime Minister. The Indian, Inuit and Métis peoples of Canada are very patiently waiting for final passage of the constitutional Accord, which is the first amendment to our new Constitution. That passage has been delayed in the Senate, and the problem in the other place has been compounded by a thoughtless remark by the vice-chairman of the Senate Committee on Aboriginal Affairs, leading the Assembly of First Nations to cancel their appearance before that committee. Will the Prime Minister tell the House whether he has been advised by the Government Leader in the Senate as to just how much longer their sober second thought will take?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as far as the timing is concerned I am advised that the report will be brought in tomorrow or the next day of this week. Therefore we should not have to wait long for that report.

The committee has done very good work. It is true that one Senator made some unfortunate remarks which were condemned by Ministers on this side, but that is a matter for the Leader of the Opposition to settle within his own caucus. The Senator is not a member of our caucus, as the Member knows.

* * *

EMPLOYMENT

ECONOMIC COUNCIL RECOMMENDATION ON ESTABLISHMENT OF TAX CREDIT

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Minister of Finance dealing with the Economic Council of Canada Report. The Council goes on to repeat its recommendation for an employment tax credit which the Minister, for some reason, continues to ignore. Council members support their repeated recommendation by saying:

The principal target population of the program would be those who bear a disproportionate share of the unemployment burden, particularly the long-term unemployed.

We are dealing with older workers who are the most difficult to rehire, and the young people who are finding it most difficult to find jobs. Both groups can be targeted by use of an employment tax credit. Why does the Government not bring in an employment tax credit in accordance with the repeated recommendation of the Economic Council of Canada?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I think I have already replied to this question in the House at least twice. The answer is that we do have presently in existence job subsidy programs which have the same effect.

We found, in looking at the tax credit proposals, that that is less attractive to the private sector because the entry into the cash flow businesses, particularly small businesses, is delayed until the completion of the tax form and tax return. However, a direct job subsidy program has a greater impact and is more cost effective because it translates into the immediate cash situation of a firm to its advantage.

We have found, in looking at the dividend program which the Hon. Member has mentioned, and looking at the experience of other countries, that a better mechanism is the kind of job subsidy program which we already have in place.

Mr. McGrath: The Minister knows that the Access Program is targeted to a very small percentage of the unemployed, whereas this program has the advantage of being targeted to all young people who are unemployed, and all unemployed older people.

PROPOSAL TO RESTRUCTURE UNEMPLOYMENT INSURANCE SYSTEM

Hon. James A. McGrath (St. John's East): Madam Speaker, let me ask the Minister a question which he seemed to dismiss out of hand earlier today. Does he intend to accept the recommendation of the Council that the Government join with employers and employee associations to study the possibility of restructuring the unemployment insurance system with a view to integrating it much more effectively with job creation and training programs? On the surface that seems to be a very reasonable proposal, given the fact that we are paying out so much money in unemployment insurance. Does the Government intend to accept that recommendation and, if not, why not?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, we do intend to consider very seriously all the recommendations in what is a very serious study. I think the recommendations are very much worthy of review.

I believe I should say at the outset that my major concern and highest priority is job creation. I am not sure that tinkering away or fundamentally changing the basic unemployment insurance structure which we now have is the best way to accomplish that objective. We will study the recommendations very seriously. Whether we will be prepared to act in a way which is recommended to us is something which will require some reflection.

* * *

STATUS OF WOMEN

RECOMMENDED CHANGE IN INCOME TAX ACT

Mr. Walter McLean (Waterloo): Madam Speaker, my question is directed to the Minister responsible for the Status of Women. She will be aware that the Economic Council of Canada has a complete section on women and women's issues in its 1983 Report. Recommendation 15 reads, "that the federal Government should consider revising the Income Tax Act so as to convert what are now exemptions for wholly dependent children to income tax credits." Will she tell the House whether she supports the proposal that all deductions—I repeat "all deductions"—be shifted to credits as recommended by the Economic Council of Canada and the National Council on Welfare?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I am delighted that the Hon. Member has taken time to read that particular chapter. We had a great deal of co-operation take place between Status of Women Canada and the Economic Council of Canada. I am particularly pleased with the results of that work.

While I have not had a chance to examine the complete Report, I will say to the Hon. Member that many of the suggestions are very useful and this is one which I will take under consideration.

MINISTER'S POSITION

Mr. Walter McLean (Waterloo): Madam Speaker, the Minister has ducked the question. The question is whether she will personnally support the proposal that all deductions be shifted to credits. We hear her affirmations about the work that has been done and share that view, but is she prepared, herself, personally to support that shift?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, my record is very clear. I have always said that we must examine the taxation system in order to have a better understanding of how taxation affects women and families. But those decisions are made collectively by Cabinet, of course.

* * *

MEDICAL CARE

DEVELOPMENT OF PREVENTIVE HEALTH CARE SYSTEMS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare. She will recall that the Commonwealth Health Min-

isters' Conference concluded last week with the view that we need to move toward preventive health care systems as quickly as possible, and to develop alternatives to the present physician dominated curative health care model. This is a view that has long been advanced by the NDP and other groups such as the Canadian Nurses' Association.

When we finally see the long awaited Canada Health Act, could the Minister tell the House if we will also see anything in that Act that will address the need for the development of alternative health care models, and will we see anything which will provide for federal Government leadership in developing those health care models? Can we look forward to anything in that vein?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, unfortunately it will not be done through the Canada Health Act because of the division of powers as defined by the Constitution. I have often discussed this with groups such as the nurses, who are very good supporters of Medicare. All those health workers and Canadians generally who have adopted the now internationally famous "New Perspectives on Health for Canadians", which was published by this Government in 1975 by my predecessor, the present Minister of Finance, accept the fact that we must move toward that goal. However, the Constitution only permits us the basic conditions attached to the spending power. Therefore, we have taken some leadership which I am interested in seeing grow through seminars, panels, health promotion programs, as well as funding for demonstrations and pilot projects all over the country. Any other such suggestions are welcomed.

HEALTH CARE FUNDING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the Minister will know that one course of action she does have the opportunity to take, and I have urged her to do so a number of times, is to reopen the question of the adequacy of federal funding for Medicare.

While reopening the question of federal funding, if she finally did so, the Minister could also consider ways in which the federal Government, through direct cost-sharing of new approaches to health care, might show some leadership? That is within the constitutional purview of the Government. It has the ability to do that. Indeed, that is how Medicare was originally established. Does the Minister intend to take action in this area?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I know that the Hon. Member is a strong supporter of Medicare. We on this side are as well. However, I feel like asking him to make up his mind. In his first question the Hon. Member told me the conclusion of the Commonwealth Health Ministers' meeting was to redistribute existing resources, that we must go preventive and improve the health status of Canadians, and that no new money is needed. That is what we have always said. Several experts in Canada have established that funding for health care is adequate but there is still room for lots of improvement within it to yield better results.

* * *

• (1440)

[*Translation*]

EMPLOYMENT

GULF OF ST. LAWRENCE, GASPÉ AND BONAVENTURE DEEP SEA FISHERMEN—POSSIBILITY OF AMENDING JOB-CREATION PROGRAM REGULATIONS

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Hon. Minister of Employment and Immigration. Deep sea fishermen in the Gulf, especially from the ridings of Gaspé and Bonaventure, are having financial problems now that the cod quotas are full and the fishing grounds have been closed down. Furthermore, these fishermen are not eligible for NEED projects because they are self-employed. Could the Hon. Minister inform the House whether he could let the benefit period start on October 10 instead of November 1, and could he amend the regulations of the job creation program so that fishermen could be employed right away under NEED projects.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I want to thank the Hon. Member for drawing my attention to this problem. I shall certainly look into it, but I am not sure how a change could be made in the date on which benefits are to begin. However, I will give it some thought and find out whether something could be done under the NEED program. I shall give the Hon. Member a reply as soon as possible.

* * *

[*English*]

AIR CANADA

PURCHASE OF MONTREAL HEADQUARTERS—RCMP INVESTIGATION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the Minister of Justice. Last December in a response to a request from the then Minister of Transport, the RCMP launched an investigation into the purchase by Air Canada of a new headquarters site in Montreal. Can the Minister tell us the status of that investigation? Has it been completed? Has he received the report? Can he tell us what action, if any, he is going to take as a result of that investigation?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the investigation is not entirely complete in all respects. In any event, I think it would be the role of the Attorney General of the Province in question to take any

follow-up action with respect to prosecution. I can assure my hon. friend that we take this issue very seriously.

ROLE OF STANDING COMMITTEE ON TRANSPORT

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question is for the Minister of Transport. Quite apart from the criminal investigation and any ramifications that might flow therefrom, can the Minister assure this House that the Government supports the transportation committee in its continued but stalled examination into Air Canada matters, or are there reasons why the Government does not want the Committee to be convened at this time, after a two-week delay, such reasons being an imminent resignation or resignations?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I think it has been quite clear that we have always supported the active work of the Transport Committee. But I think the Hon. Member knows the rules of this House which are that committees set their own rules, decide their own agendas, and carry out their own activities.

Some Hon. Members: Oh, oh!

Mr. Axworthy: While that may not be the standard the Hon. Member follows, I am sure it is the standard other Members of the Committee follow.

POSITION OF CHAIRMAN

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Minister of Transport. Does the Minister of Transport anticipate the resignation of Mr. Amyot?

Hon. Lloyd Axworthy (Minister of Transport): No, Madam Speaker.

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ST. LAWRENCE SEAWAY

INCREASE IN TOLLS—APPLICATION OF GOVERNMENT RESTRAINT PROGRAM

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Transport. Bearing in mind that in the two years between 1978 to 1980 St. Lawrence Seaway tolls went up 100 per cent, that in 1982 they went up 18 per cent, and this year they have gone up another 10 per cent, making a total increase of 28 per cent in the last two years, and bearing in mind the cost price squeeze on farmers, whatever happened to six and five?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I think in part the answer to the question was contained in the question itself. The tolls are designed in order to maintain the Seaway. The tolls are based upon a user-pay concept. The users pay a charge which has not gone up exorbitantly compared to the over-all price of transportation across the country, and they are within the guidelines set by the Government.

Mr. Malone: Madam Speaker, knowing the Rules of this House, I will not comment on that despicable answer.

Some Hon. Members: Oh, oh!

REQUEST THAT MINISTER FREEZE TOLLS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I want to ask the Minister of Transport a supplementary question. How is it that he can give such a flippant answer in light of the fact that there has been an enormous doubling and tripling of costs for farmers in the last five years? Farmers' receipts are the same as a decade ago. Bearing in mind that between 1976 and 1982 there has been a 115 per cent cost increase for farm producers and only a 36 per cent increase in receipts, and bearing in mind the Minister is dealing with a Crown corporation, will he freeze the tolls on the St. Lawrence Seaway because all farmers pay, with a reduced final payment on grain, whether or not they use the Seaway? Will the Minister freeze that cost, bearing in mind he is trying to make us pay five times as much for the Crow rate by 1991?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I want to repeat again that, according to the refinancing of the Seaway in 1977, the formula that is used is designed to make sure the Seaway is able to recover the cost of its normal operation, and that is subject to negotiation with the United States Government, which is also a partner in the Seaway. Those negotiations, of course, go on. I think it has been pointed out before that there has been no increase in lockage fees in the Welland Canal in that period of time. The pricing mechanism is reviewed annually. However, I would want to point out again, Madam Speaker, the constant inconsistency we receive from members of the Opposition. On the one hand the Leader of the Opposition stands up continually and says the Government is spending too much money, and then his Members get up and ask, "Why don't you spend more and have heavier subsidies?" You cannot have it both ways.

* * *

FINANCE

RENEGOTIATION OF MORTGAGES THROUGH CROWN AGENCIES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed through you to the Minister of Finance. Yesterday the Minister indicated that he would continue to put pressure on lending institutions to ensure they would allow renegotiation of mortgages with the traditional lending institutions for a three-month penalty charge. The Minister of Consumer and Corporate Affairs has also indicated that she is looking at changes to the Interest Act. As the Minister of Finance is ultimately responsible for the Farm Credit Corporation and for the Federal Business Development Bank, could

he tell us whether or not he will allow those Canadians who are mortgaging through those two Crown corporations to renegotiate their mortgages for the three month penalty?

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated already that I have made a large number of representations to the various financial institutions concerning specific cases. I still believe that a large number of cases have been taken care of on a voluntary basis by the institutions. I urged them to do so, but I have indicated already that we are also reviewing the situation in terms of the Interest Act.

RENEGOTIATION PENALTY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I have a supplementary question for the Minister of Finance. He has completely ignored the question. The question is the hyprocrisy of the Liberal Government in expecting the traditional lending institutions to treat Canadians one way, when the Government itself and the institutions for which it is responsible are putting the screws on borrowers across the country, farmers, businessmen and other people who have been loaned money at 16 per cent to 22 per cent, with no relief. Will the Minister allow those borrowers to refinance with those institutions for the three-month penalty?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I never saw anything more hypocritical than a Progressive Conservative.

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LOUIS RIEL

REQUEST FOR POSTHUMOUS PARDON

Mr. Louis Duclos (Montmorency-Orléans): Madam Speaker, my question is directed to the Prime Minister who undoubtedly knows that the Hon. Member for Edmonton East has introduced a Bill to grant a pardon to Louis Riel with a view to restoring his good name. Would the Prime Minister tell the House whether the Government would be prepared to support the initiative of the Hon. Member for Edmonton East by introducing a similar Bill in the next session, and to make the necessary representations to the Leader of the Official Opposition and the Leader of the New Democratic Party so as to ensure swift passage of that Bill by the Parliament of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member knows that I share the sentiments of admiration which many people in this House have for the memory of Louis Riel, but I am not convinced that it would be useful to try to rewrite history, as proposed by the Hon. Member. History is history and I fail to see how any legislation might possibly change history facts which occurred over a century ago. Still, my mind is not made up and I am open to arguments to the contrary.

* * *

● (1450)

[*English*]

LABOUR RELATIONS

STRIKE AT "MACLEAN'S" MAGAZINE—REQUEST THAT MINISTER INTERVENE

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Minister of Communications. As the Minister knows, his Government helped Maclean-Hunter to create *Maclean's* news weekly magazine with a $6 million tax break in 1978 and a postal subsidy of over $1.5 million. Now that Maclean-Hunter has forced *Maclean's* employees to strike for a first contract, job security, and pay levels nearer to industry rates, will the Minister use his good offices to persuade this publicly subsidized employer which, with $24 million profits, can afford a quick and just settlement of this strike?

Hon. Francis Fox (Minister of Communications): Madam Speaker, what the Hon. Member is talking about is a general program which is applicable only to magazines published in Canada. It is not a subsidy in the sense of which he speaks. The Hon. Member knows full well that then the Government of Canada does not give a subsidy to a corporation, it does not start running the corporation's industrial relations. We do not believe in that type of society.

FAIR LABOUR PRACTICES

Mr. Dan Heap (Spadina): Madam Speaker, in view of this abuse of public funds by Maclean-Hunter, will the Minister undertake to introduce amendments to the appropriate legislation that will make fair labour practice a condition of receiving such generous subsidies from the public purse?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member knows full well that when we talk about labour legislation in Canada, it applies in an indiscriminate fashion to all companies in this country. They obviously have to follow fair labour practices. Once again, that is the general law of the land. It is not something that the Department of Communications can or should be involved in directly.

* * *

FINANCE

CONSIDERATION OF ACTION TO REDUCE MORTGAGE RENEWAL PENALTIES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, Members of all three Parties from time to time have

expressed their concern about the high mortgage interest rates. Yesterday in the House of Commons the Minister of Finance indicated that he was now looking at the high mortgage interest problem affecting thousands of Canadians, and the Minister of Consumer and Corporate Affairs indicated outside the House that they were looking specifically at the Interest Act. Can the Minister put a time frame on this consideration and decision-making process, and can he tell this House when in days or weeks he might have a proposal to put forth?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): That is a question which the Government will study in due time and to which it will reply in due time as well. The Hon. Member is aware of the many representations we have made to the financial institutions, and we will continue to make them. Should there be any changes in our policies, they will be announced in due course.

[*English*]

PLIGHT OF HOME OWNERS WITH HIGH INTEREST RATE MORTGAGES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, we have been bringing this matter to the Government's attention since March, 1983. I would hope that six months would be enough time to consider it. In view of the fact that as of January of this year, according to CMHC figures, 700,000 Canadians had mortgages with interest rates of 17 per cent and higher, and in view of the fact that the Minister of Finance has concluded that moral suasion has not been sufficient, will the Minister set a time when representatives of all three Parties can sit down with him to discuss the problem in the hope of getting a speedy resolution?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already received representations from Members of all parties in that respect.

* * *

[*English*]

EXTERNAL AFFAIRS

CANADIAN REPRESENTATION AT KOREAN NATIONAL FUNERAL SERVICE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the secretary of State for External Affairs. Will he indicate to the House which Cabinet Minister or Ministers will be representing Canada at the national funeral service in Korea for the Koreans who were killed by a bomb in Burma, including four Cabinet Ministers? Will he also indicate what specific instructions have been given to our representative that he may offer in the form of assistance to the Koreans with respect to the ensuing investigation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member has raised the matter of the great tragedy that has occurred. We, as Canadians and Members of the House of Commons, have been very saddened and shocked at the loss of life as a result of the assassinations that have taken place. We have expressed our condolences to the Government of Korea. I have sent a message, and the Prime Minister has sent a message.

With respect to representation at the funeral, I authorized the head of the Canadian delegation attending the Inter-Parliamentary Union meeting in Seoul to represent the Government of Canada. I thought that was the appropriate way to have the House of Commons and the Government represented, by designating the Chairman of the Canadian delegation to the Inter-Parliamentary Union now meeting in Seoul, Korea.

INVESTIGATION OF BOMBING

Hon. Sinclair Stevens (York-Peel): Madam Speaker, will the Minister indicate specifically whether our representative has been authorized to offer any specific assistance to the Korean Government with respect to the ongoing investigation of this tragic bombing? If the delegate has not been so authorized, will that offer be forthcoming?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have not asked the representative to make that offer to the Government of Korea, but I think that we would help in any way we could. I will certainly bear in mind the suggestion made by the Hon. Member and ascertain whether there is any assistance we could offer in the investigation that is being conducted not only, presumably, by the Government of South Korea but by the Government of Burma.

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SCIENCE AND TECHNOLOGY

SIDNEY JAFFE—REQUEST FOR CHECK ON PLACE OF RESIDENCE

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is directed to the Secretary of State. In order legally to establish his residence in San Francisco, Mr. Sidney Jaffe testified at a July, 1979, bankruptcy hearing in a United States district court in San Francisco that he had moved with his wife and all of his business records to San Francisco in 1977. In view of this statement, will the Government check Mr. Jaffe's T-1 and T-40 income tax returns for the four years immediately preceding his application under the Canadian Citizenship Act as a legal statement regarding the residency intentions of Mr. Jaffe during this period?

Hon. Serge Joyal (Secretary of State): Madam Speaker, so far as the residence statement on any application for citizenship is concerned, I draw the attention of the Hon. Member to a judgment of a federal judge of the Court of Appeal dated

June 30, 1978, where Judge Thurlow established a precedent on which a decision is made on the residency requirements in the contents of the Citizenship Act. As far as the income tax return is concerned, that question should be addressed to the Minister responsible for Revenue Canada.

* * *

MEDICAL CARE

POLICY STATEMENT BY ONTARIO LIBERAL PARTY LEADER

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is directed to the Prime Minister. Last week the Leader of the Liberal Party in Ontario, the Leader of Her Majesty's Opposition in Ontario, publicly repudiated the policies of the federal Minister of National Health and Welfare in the matter of extra billing. He said it was a matter of practising brinkmanship and he disagreed fundamentally with that. In the interest of securing good, sound medical coverage for all Canadians, will the Prime Minister consider instructing the Minister of National Health and Welfare to cease this brinkmanship and undertake good sound negotiating practices with the Provinces?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can say nothing about the Liberal Leader of Ontario, but I can say that I support the Minister of National Health and Welfare one hundred per cent.

Some Hon. Members: Hear, hear!

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BILINGUALISM

POLICY OF ONTARIO LIBERAL PARTY

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, that does not help clear up the division in the thinking of the Liberal Party in this matter, which I might say also includes the policy on bilingualism. Will the Prime Minister enunciate for what outspoken remaining Liberals there are in Ontario, so they will know what to believe going into the next election, whether the Liberal Party of Ontario speaks for the bilingualism policy and medicare policy, or whether it is the Government of Canada?

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, when the Leader of the Official Opposition has straightened out Mr. Davis on this matter, I will undertake to talk to Mr. Peterson.

PETITION

MR. DEANS—EXTENSION OF UNEMPLOYMENT BENEFITS

Madam Speaker: I have the honour to inform the House that the Petition presented by the Hon. Member for Hamilton Mountain (Mr. Deans) on October 11 does not meet the requirements of the Standing Orders as to form.

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PRIVILEGE

MR. DOMM—ACTIONS OF METRIC COMMISSION—RULING BY MADAM SPEAKER

Madam Speaker: I would now like to rule on the question of privilege which was raised in the House by the Hon. Member for Peterborough (Mr. Domm) on October 4, 1983. I have, of course, carefully examined the documents supplied to me by the Hon. Member.

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

Madam Speaker: While I am making a ruling, there cannot be a point of order.

Mr. McGrath: Hon. Members should sit down.

Madam Speaker: I know they should. Thank you very much. I usually look around me in a very cross manner so that all Hon. Members will understand that I would like them to listen to me, but it is hard to be cross now. The House is very silent. Thank you very much.

I have examined all of those documents and of course listened to the presentation made by the Hon. Member for Peterborought and by other Hon. Members who expressed themselves on this particular question. I have also taken note of the citations from Beauchesne and Erskine May which were quoted in the submissions of Hon. Members. Nobody, of course, questions their validity as part of the traditional interpretation of the application of privilege. That is, of course, what the interventions were all about.

It is very clear, of course, that an act or omission which obstructs or impedes the House or its Members in the discharge of their functions would constitute a breach of privilege or contempt. The Hon. Member for Peterborough claims that the letter concerned has had precisely this effect, and this is the issue on which the Chair must base a prima facie judgment.

The House has a long and honourable tradition of protecting the freedom of speech, not only of its own Members but of all the citizens of this country. The Hon. Member himself emphasized that he was not questioning a private citizen's freedom of speech, but freedom of speech, if it is to mean anything at all, must allow for the use of strong and even offensive language. Comments may be made which are unjust, inaccurate or even outrageous. If we believe in the right of comment, we must allow it even when it is mistaken, misguided or impulsive.

There are numerous controversial issues which are fiercely debated, not only in Parliament but in the columns of the press and in the country as a whole. Metric conversion is one such issue. The Hon. Member for Peterborough is a leading champion of those who oppose metric conversion. He has fought for his position with determination both inside and outside the House. He has every right to do so and to go on doing so. Similarly, we must uphold the right of those who support metric conversion to argue their case with equal force.

Parliamentary privilege is limited in its application. I think all Hon. Members realize this. If Members engage in public debate outside the House, they enjoy no special protection. To invoke privilege, the offence must be attached to a parliamentary proceeding. The Hon. Member referred in his submission to Citation 56(1) of Beauchesne's Fifth Edition which deals with a case involving the Roman Corporation. In this case, a proceeding which took place outside Parliament was deemed by the court to be an extension of a parliamentary proceeding. However, the proceeding concerned, namely a telegram and press release, repeated a ministerial statement which had already been made in the House. One cannot interpret this precedent to mean that public debate on an issue which has occupied the attention of Parliament is, ipso facto, an extension of a parliamentary proceeding.

The Hon. Member for Simcoe North (Mr. Lewis) attempted to draw a parallel between the question of privilege raised by the Hon. Member for Lincoln (Mr. Mackasey), on which I ruled on March 22, 1983, and the present case. I would point out to the House that the basis of the submission of the Hon. Member for Lincoln was entirely different. He had been accused of a dishonourable act directly related to his status as a Member of Parliament. The law specifically prohibits Members of Parliament from engaging in the kind of activity of which the Hon. Member was accused. No such accusation has been made in the present case. I should like to quote a passage from that ruling because I feel it is appropriate in the present context. That ruling reads:

> The effect of parliamentary privilege is to place a Member of Parliament above the law in circumstances where it provides his only protection in the fulfilment of his duties as a Member. It is not designed to create a privileged class of citizens as such. The Member enjoys his privileges on behalf of those he represents, not for his personal advantage.

I then went on to read an extract from the report of the British Select Committee on Parliamentary Privilege presented in 1967, which can be referred to in the ruling.

On February 24, 1982, I had occasion to rule on another question of privilege, also raised by the Hon. Member for Peterborough, which is not dissimilar to the one with which we are now dealing. My ruling on that particular issue included the following paragraphs, and I think I can do no better than to repeat them as they apply equally in this case:

> Parliamentary privilege is based on the need to protect members from any action tending to obstruct, or intimidate them or impair their effectiveness in the discharge of their duties. It is not designed to protect them from criticism, however strong, even when the language used might be excessive. The Hon. Member himself quoted the words of a British Select Committee report, cited in a ruling of my predecessor on June 23, 1977, which is as follows:
>
> —the House should be slow and reluctant to use its penal powers to stifle criticism or even abuse, whether of the machinery of the House, of a Member or of an identifiable group of Members, however strongly the criticism may be expressed and however unjustifiable it may appear.

I would point out that the whole thrust of the report from which the Hon. Member quoted was to discourage the raising of questions of privilege based upon abusive language. It is recommended that where a Member feels he has been libelled or slandered, he should seek his remedy through the courts. I shall quote two of the recommendations of the Select Committee report as follows:

> In the future exercise of its penal jurisdiction the House should follow the general rule that it should be exercised (a) in any event as sparingly as possible and (b) only when the House is satisfied that to exercise it is essential in order to provide reasonable protection for the House, its Members or its officers, from such improper obstruction or attempt at or any threat of obstruction as is causing, or is likely to cause, substantial interference with the performance of their respective functions.

I should like to add one more quotation of direct relevance, an extract from a report of the British Select Committee on Parliamentary Privilege presented on June 16, 1964. It reads:

> It seems to them particularly important that the law of parliamentary privilege should not, except in the clearest case, be invoked so as to inhibit or discourage the formation and free expression of opinion outside the house by Members equally with other citizens in relation to the conduct of the affairs of the nation.

In conclusion, while I recognize that the Hon. Member sincerely believes that his ability to function effectively has been impaired, I doubt that the circulation of the letter he complains of has prevented him from attending to his duties. He has not been threatened, his movements have not been obstructed and his freedom of speech and action has not been inhibited.

The assertions contained in the offending letter represent the views of a single individual, and the matter should not be over-inflated. As to the propriety of a public servant commenting publicly in such a manner, this is not related to parliamentary privilege. It is for the Government to decide whether this official has exceeded the limits of acceptable conduct and whether some kind of disciplinary action might be warranted. I am, therefore, unable to give this matter precedence as a prima facie question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

BROADCASTING ACT—AMENDMENT RESPECTING PORNOGRAPHY

Mr. Lee Clark (Brandon-Souris): Madam Speaker, I have the honour to present to the House a petition signed by 18 residents of my constituency of Brandon-Souris, a petition which was drafted in support of a Private Member's Bill, an Act to amend the Broadcasting Act, introduced by the Hon. Member for Broadview-Greenwood (Ms. McDonald). Even

though that Bill has now been withdrawn and the issue has gone to committee, I believe it would be appropriate for the House to receive this petition.

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I have a petition submitted by the women of the community of Golden, British Columbia, which is in the riding of Kootenay East-Revelstoke. These women are concerned about the proliferation of pornography in various media and the Government's failure to act to deal with this insidious problem. They have asked Parliament to demonstrate its opposition to the denigration of women by enacting an Act to amend the Broadcasting Act, which was introduced by the Hon. Member for Broadview-Greenwood (Ms. McDonald) and was recently discussed in the House.

* * *

● (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,840, 5,009 and 5,025.

[*Text*]

TRAINING PROGRAMS IN RENOUS AREA

Question No. 4,840—**Mr. Howie:**

Did the Solicitor General receive any requests from the Province of New Brunswick for training programs for residents of the Renous area to enable them to take advantage of the construction-related employment and subsequent operation of the penitentiary which is being built in that area?

Hon. Bob Kaplan (Solicitor General of Canada): The Solicitor General of Canada has received requests, written and oral, from the Member of Parliament for Northumberland-Miramichi for priority consideration of local residents for local training and priority in employment in the penitentiary construction and operation.

In so far as the Correctional Service of Canada is concerned: The Correctional Service of Canada has received inquiries from the Member of Parliament for Northumberland-Miramichi and the Province of New Brunswick pertaining to training programs for residents of the Renous area and penitentiary related employment. The Correctional Service of Canada has also been in contact with the New Brunswick Community College in order to determine areas which may assist in the development of potential employees for the new penitentiary.

VETERANS' INSURANCE

Question No. 5,009—**Mr. Heap:**

1. What was the date of inception of veterans's insurance for world war II veterans?

2. What is the funding authority?

3. What was the amount of the various denomination policies sold?

4. What was the total number of beneficiaries to December 31, 1982?

5. What was the total number of dollars paid in benefits to December, 1982?

6. What is the number of policies lapsed in period since purchased?

7. What is the number of active policies paid up?

8. What is the amount yet payable on these policies?

9. What is the total of accumulated reserve fund?

Hon. W. Bennett Campbell (Minister of Veterans Affairs):

1. February 20, 1945.

2. The Veterans Insurance Act, R.S., c. 279, s. 1.

3. Policies sold were multiples of $500 to a maximum of $10,000. A total of 56,148 policies were sold.

4. 12,560.

5. $36,011,031.

6. 2,375.

7. 8,999.

8. $24,070,700.50.

9. $27,432,775.97.

COUNCIL FOR THE DEVELOPMENT OF FRENCH IN LOUISIANA

Question No. 5,025—**Mr. McKenzie:**

1. Were subsidies granted to the Council for the Development of French in Louisiana by the Canadian Consulate General in New Orleans and, if so, to date, what was the total amount of such subsidies?

2. For how long has the Consulate General been subsidizing the Council?

3. Are there any other United States organizations which receive any amount of funding through Canadian Consulates General, or any other Canadian representative in the United States, to teach the French language and, if so (a) what is the name of each organization (b) where in the United States is the organization located (c) to date, what amount was received by each organization from the Canadian representative?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Department of External Affairs does not provide subsidies to the "Council for the Development of French in Louisiana (CODOFIL)". However, the Department does co-operate with the Council in the same manner as the French and the Belgian or the Quebec and New Brunswick Governments for the implementation of certain programs in the cultural field aimed at the promotion of the Francophonie:

(a) A cultural community animation program initiated in 1980/81 whose cost in 1983/84 is $15,000; (b) In association with the University of Moncton, a scholarship program was initiated in 1982/83; its cost this year will be $8,500.

The Department has also implemented cultural programs in association with "Action for the Franco-Americans of New England (ACTFANE)" and with "Association of Franco-Americans (AFA)". The benefits from these cultural pro-

grams are not negligible in term of human exchanges. The costs of these programs this year will amount to $12,000.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Blaker): Order please. Shall all orders listed under Notices of Motions preceding order No. 90 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

THE BUDGET, APRIL, 1983

ADVISABILITY OF ESTABLISHING SPECIAL COMMITTEE RESPECTING DISCLOSURE OF INFORMATION

Hon. Erik Nielsen (Yukon): Mr. Speaker, I am almost 15 minutes late for a House Leaders' meeting. I wonder if I might seek the unanimous consent of the House to permit the Hon. Member for St. John's West (Mr. Crosbie) to speak to the motion standing in my name. He is even more capable than I of doing so.

Mr. Pinard: Mr. Speaker, I agree with the first part of the request.

Mr. Crosbie: Mr. Speaker, I agree with everything that has been said as well.

The Budget

Mr. Nielsen moved:

That a Special Committee be appointed to inquire into all the circumstances relating to or associated with the disclosure of Budget information by the Minister of Finance on Monday, April 18, 1983;

That the Committee consist of elevent (11) Members of the House; and

That the Committee have the power to send for persons, papers and records.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I hope that this will be another Opposition motion that the Government will accept, because it is certainly reasonable and rational. It is time that the question of budget secrecy or otherwise in Canada had ventilation.

The motion refers to an incident which occurred on last April 18. We have had a number of instances of budget leaks but that was the first time in Canadian history that the budget leaker was actually caught in the process of leaking. The Minister of Finance (Mr. Lalonde) was caught in the process of leaking, by television. The television cameras were actually in the room and took photographs of the Minister leaking. This is the first time in history, as far as I know, that the situation has actually occurred.

All we ask is that a committee be appointed to inquire into the circumstances and send for persons, papers and records. This was originally raised as a breach of privilege by the Opposition House Leader on April 19. The incident came about because, as the Minister said in a statement that he added to his budget on April 19, he received a group of photographers in his office on April 18 as part of a pre-budget photo opportunity session. That Minister in particular should not be one to give photo opportunities. He did give a photo opportunity, however, and a copy of the budget speech was on his desk. He held it up, he turned the pages, and he had a cameraman standing behind him. The cameraman took pictures of the pages with a zoom lens as he turned them, and it became clear later when the pictures were developed that they had budget information. They had the amount that was going to be spent on a recovery program and the amount the Government deficit was going to be—$31.2 billion. This was all revealed on the night of April 18 rather than as part of the budget on April 19. That was the information that was disclosed before the House received the budget.

It was held by Her Honour, the Speaker, that the violation of budget secrecy, if there was one, did not necessarily breach the privileges of the House of Commons. She did not find that there had been a breach of the privileges of the House.

What is budget secrecy? It is a tradition of Parliament based on the common law of this House. It is based on the traditions of this House. There is no statute that I know of, no particular law that requires the Minister of Finance to keep secret the details of the contents of a budget until they are announced in the House. In England and in the Commonwealth and in parliamentary countries of the world there are these traditions of budget secrecy. They are necessary so that conflicts of interest will not arise and so that unauthorized people will not make money through having advance knowledge of what is in the budget.

In other countries, particularly the United Kingdom, this is treated with a great deal of strictness. Any kind of budget leak, no matter how apparently minor, results in the resignation of the Minister of Finance, except in Canada. We all remember the 1947 incident when Hugh Dalton, the Labour Chancellor of the Exchequer, resigned because, on his way into the House to give the budget speech, when a reporter in the lobby asked him if there would be a change in the tobacco tax, he indicated that there would be. Because that became public and was in the newspapers before he gave the information to the House, he was forced to resign.

Even in this country, Madam Speaker, in earlier years the Liberal Party used to be sensitive to some degree to the traditions of Parliament. In 1963, Walter Gordon, then the Minister of Finance, tendered his resignation. Prime Minister Pearson did not accept it, but Mr. Gordon did tender it because he had consulted four economists. Four persons had been involved in the preparation of his budget who were not members of the Department of Finance. They were from outside Government and they knew the details of the budget. Because he had done that and because of the furore when it became public knowledge, he tendered his resignation. That was at a time when the Liberal Party had some kind of conscience. When it started out in 1963, 20 long years ago, it paid some attention to the traditions of Parliament in the House of Commons and the Minister of Finance of the day tendered his resignation, even though it was not accepted.

Today, the Prime Minister (Mr. Trudeau) is uncaring about parliamentary traditions. When the Gillespie affair was debated some months ago, even he seemed to recognize that a violation of budget secrecy required the resignation of the Minister of Finance. On February 18 in this House, as reported at page 22978 of *Hansard*, he referred to the Dalton case, saying that Dalton had inadvertently let out a budget secret and, according to tradition, that is something you should not do and that Dalton chose to resign.

The Dalton case is on all fours with the Lalonde case, Mr. Speaker. They both inadvertently—and we will agree it was inadvertent—leaked important contents of their budgets to the press just before a budget speech. The case we refer to of last April is even more grave than the Dalton case, because it occurred over a day before the budget was brought down. In England, the Chancellor of the Exchequer resigned immediately. But in Canada, no. Mr. Speaker, you could not get this Minister of Finance out with a charge of dynamite. You would have to have a very, very stiff charge of dynamite or a major earthquake to move the Minister of Finance from his office in this Government. It would not matter what happened, he has no intention of leaving. What did he do? Instead of offering his resignation, he attempted to weasel out of his dilemma by changing the leaked portions of the budget before he read them to the House on April 19. And this was sanctioned by the Prime Minister, Mr. Speaker.

• (1520)

I have a document here which gives the changes and what was added to the budget. The Minister increased spending by $200 million for the so-called job creation program, which is still not creating jobs. He increased the size of the deficit by $200 million over the coming two years. The deficit became $31.3 billion for 1983. What difference did it make, you might ask yourself, Mr. Speaker? Well, it made this difference. On April 19, the day following this leak, at 10 a.m., the Canadian Dow Jones reported, and I quote:

> Dealers said reports of a leak of Finance Minister Marc Lalonde's budget presentation tonight, which allegedly will show an estimated deficit of $31.2 billion for the current fiscal year, have added to the Canadian fund's weakness. Dealers said the Canadian fund has slipped as low as 80.66 this morning before the Bank of Canada intervened.

That is some of the damage which the budget leak did, Mr. Speaker. It weakened the Canadian dollar the next morning. Even more than that kind of damage, it undermined the confidence of the public in the credibility of the Minister; that is, if it had any such confidence. I, frankly, have never had much confidence in the Minister's credibility. I will say, though, that he is competent. I believe him to be a competent Minister. As to his credibility, the economic record of the Government over the last three or four years and the new energy program of the Minister certainly undermine his credibility. This kind of budget leak, this kind of sneaky and scurrilous behaviour, and this kind of pattern of conduct of sleveenery by a Minister of Finance certainly does away with any credibility he may have.

The Minister gives a budget speech. He mails it across the country. A document then follows telling the people of the country who just read the budget speech that the special recovery program is not $4.6 billion, but should be $4.8 billion. Perhaps we are in 1984 already. Perhaps this is the era of newspeak. You read a budget just produced and printed, then you receive another document from the Minister saying, no, it is not $4.6 billion, it is $4.8 billion. It is not a deficit of $31.2 billion, it is $31.3 billion. And the changes have all been made overnight.

This is similar, Mr. Speaker, to what happened with reference to the conflict of interest guidelines of the Prime Minister. We all recall during the Gillespie affair how the Prime Minister rationalized what was happening. On April 28, 1980 he sent to every one of his Ministers a letter containing the conflict of interest guidelines which said:

> Ministers . . . have an obligation to meet the highest standards of conduct and to arrange and conduct their personal affairs in a manner which does not conflcit or appear to conflict with their public duties and responsibilities.

That was the Prime Minister's view in April, 1980. Then, of course, the Gillespie incident came to public light. It was clear that both the Minister of Finance and the now Minister of Energy (Mr. Chrétien) had violated those guidelines. They had ignored them in order to help their friend, Alastair Gillespie—who is now a corporate basket case—who apparently needed the assistance of the Government in the project in Cape Breton.

When this came to public light, what happened, Mr. Speaker? It was not the Ministers who were changed. No. It was the guidelines which had to be changed. It was not the Ministers' conduct which was wrong. If was the Prime Minister's guidelines which were wrong. Now we have a task force headed by Michael Starr and Mitchell Sharp which is going to devise a new set of guidelines. Is that not a similar pattern of conduct as the episode of the budget speech and the leak of April 18? There is a budget leak and the Prime Minister produces a magician's hat and says it is no longer a leak because the Government changed it after it was leaked. I can refer you to the actual words of the Prime Minister, as reported in *Hansard* of April 19 at page 24633. He said:

If there is a leak and we change them—

That is, the leak provisions.

—there is no more leak.

That is the reasoning of the Prime Minister. There was a leak. We changed what was leaked. So now it is a leak no longer. At one time you see it, at another time you do not. It is the same as the conflict of interest guidelines. At one time there are guidelines. The Minister violates them. It is not the Minister who is wrong. It is the guidelines which are wrong. Therefore, we redo the guidelines. That is where this Government has ended up after 20 years in power, self-serving, self-seeking. There is nothing too scurrilous or slimy that it will not attempt in its desperate effort to keep itself in office. It has ex-Ministers who will continue to support their former colleagues in those piteous ways. I say, thank God for men like Walter Gordon, who at least had the backbone, the courage, the good sense and credibility to offer his resignation when he made a mistake. You will never see that lot opposite admit to a mistake. You will never see them offer their resignation or put themselves in jeopardy, no matter what. That is because they are determined to stay in power, no matter what happens to their credibility, or whatever.

I do not want to chastise Hon. Members opposite too strongly. It is a waste of time, Mr. Speaker. That is why I am speaking calmly and not getting excited today. I did mention the special recovery program, Mr. Speaker. This is another pattern of this Government. It was supposed to be a special recovery capital projects program in which $4.8 billion was going to be spent over the next several years, nearly all of it in temporary Liberal districts in this country. In the Province of Newfoundland there are seven federal districts. Two of them are held and represented by Progressive Conservative Members who execute their duties brilliantly. There are five districts represented by Liberal Members, and the less said the better. A lot of them are very busy with their own pursuits at the moment. There are five Liberal districts and two Progressive Conservative districts. Where are the moneys going which are being invested in the special recovery projects in Newfoundland? Why, they are going into the five Liberal districts, with the exception of a highway which they could not avoid having located in the district of St. John's East, because that is where it was. They could not move the highway, the connecting road.

I have information which indicates this whole program is political. Do you know, Mr. Speaker, that the projects which make up that special recovery program—which was one of the Minister's leaks—were approved by people who do not even belong in this House? Otto Lang, the late unlamented Member from Saskatchewan, a former Liberal Minister, decided where these projects should go. He decides for the West. Ron Basford, the late unlamented Minister from British Columbia, decides for British Columbia. The Minister of Labour (Mr. Ouellet) decides for Quebec. And lo and behold, the old Deputy Prime Minister (Mr. MacEachen), old Allan Twist himself, decides for the Maritimes and Newfoundland. I guess Ontario fits in there somewhere. I think it is under the Minister of Labour as part of the process of increasing our co-operation in this country between the different language groups.

So there are four of them who have to agree. Two of them are not even members of Cabinet, and two of them are not even Members of this House. And they are deciding how $4.8 billion is being spent. Otto Lang and Ron Basford, turfed out by the voters. I believe Ron Basford resigned before he could be turfed out, but if he gives them another chance, they will turf him out, so there is no doubt about that. Otto Lang, of course, was junked out by the taxpayers. However, these four decide and everything has to be checked by numbers one, two and three. Number one is Mr. Trudeau. Number two is Mr. Pitfield, now in the other place. Number three is Keith Davey, also in the other place. These three, the terrible trio, join the four brutes in deciding where all this money is going to be spent in projects across Canada. You call this government administration? I call it degradation, Mr. Speaker. I believe you are looking at me as if I were getting near the end of my time.

The Acting Speaker (Mr. Blaker): Order. I should indicate to the Hon. Member that he may be getting near the end of his rope, not his time. There is a problem about using the Christian names of Hon. Members. That is a problem for the Chair. I understand that may change shortly and we will not have that problem. However, I would ask the Hon. Member to be kind enough to co-operate in that regard until such time as changes will be made. The other thing I want to say is that, hopefully, he will address his own motion.

• (1530)

Mr. Crosbie: Mr. Speaker, knowing the great respect I have for him, his patience is monumental and naturally I am going to be guided by his every wish. I am surprised that I am still here and not whisked away somewhere. This is a serious subject, Mr. Speaker, but I am coming near the end. I got going on that special recovery project's business because I did not know how I would be able to get it in otherwise.

To come back to the whole business of budget secrecy, surely it demeans this House and our whole process, surely it lowers us all in the eyes of the Canadian public, if a Minister can make a serious mistake like that and then escape the

consequences simply by getting one more page ready during the night to stick in his budget speech. It says at the top here:

> Insert after paragraph 1, page 3—

It sounds like an instruction from the drugstore:

> Insert after paragraph 1, page 3 in this addendum.

Then it goes on. It costs the Canadian taxpayer $200 million to give the Minister an excuse that he had not engaged in a budget leak. That is the most expensive leak anyone we know of in Canada ever had, a $200 million leak. The whole process was just to save the Minister's neck when he should have come in here and resigned following his budget speech and accepted the responsibility and said that these were the rules.

Can the Prime Minister not find another Minister of Finance? There are, what is it, 146 Hon. Members opposite, and yet there are not enough of them so that one other person could be found to be Minister of Finance? We know he tried the Deputy Prime Minister and Secretary of State for External Affairs, and we would like to have him back. We think it would be a definite plus for electoral purposes if we could get the Celtic Sphinx back. The hon. Celtic Sphinx, I guess I should say, Mr. Speaker. I am not going to use his name, I am saying he is the Hon. Member for Cape Breton-Highlands-Canso, now the Secretary of State for External Affairs. Surely someone else could take over as Minister of Finance.

We know this motion is not going to be accepted by the Government, unless it continues with its changed practices of the last several weeks. All its says is, let us have a committee appointed, have the circumstances looked into and decide whether or not there should be budget secrecy. Perhaps it is time to throw the whole thing out. I notice that the Ontario Provincial Treasurer, Larry Grossman, said today in *The Globe and Mail* that they are going to open up the budgetary preparation process to allow Opposition politicians and the public to contribute to the development of the budget. He said:

> We believe the veil of secrecy surrounding the development of budgets should be lifted—

He goes on to say:

> In an era when economic problems are complex and need as much analysis and consultation as possible, the current preoccupation with secrecy is, we believe, over-emphasized.

Well, why not have somebody in the House look at this problem, Mr. Speaker, and devise some sensible guidelines that will not be changed whenever the Prime Minister finds someone in conflict with them, which will define what is today a violation of budget secrecy and what is not, and for what kind of actions the Minister should or should not be found culpable and responsible and open up the budget process? I started that trend myself in 1979. It was the first budget, of course, in which Canadian problems were dealt with in any kind of an honest fashion in the last 20 years. The result was that the NDP and Liberals went berserk and made sure it was defeated, because they do not want to see problems dealt with honestly or straightforwardly or difficult solutions attempted. But we did start to open up the process then.

As a matter of fact, it was in that budget that for the first time five-year forecasts were given. We can see the five-year forecast the present Minister of Finance has brought down. It shows the miserable prospects for us over the next five years, but at least we know what the official thinking is in connection with those forecasts. In the brief eight months we were in power considerable changes for the better were implemented, and it is time now for the Government to open up the budget process, as Ontario says it is going to do. It is time for this House to decide what the rules should be.

In closing, Mr. Speaker, I think the Parliamentary Secretary is going to address himself to this. He sits there looking very pleased, and I think he is going to announce that he accepts this motion. I suggest to him that he do that and that we get this matter thought about and have a report that we can consider to bring Canada into a new modern age of honesty, which of course is not too likely as long as they remain in power.

The Acting Speaker (Mr. Blaker): Before I recognize the next Hon. Member may I draw the attention of Hon. Members to the fact that procedurally I made an error earlier today, as I often do. I indicated that the motion stood in the name of the Hon. Member for Yukon (Mr. Nielsen), and seconded by the Hon. Member for St. John's West, (Mr. Crosbie), but because the Hon. Member for St. John's West then took the floor, that apparently is not acceptable under our rules. If I might have the unanimous consent of the House, we can fix the problem. Accordingly, the motion moved by Mr. Nielsen and seconded by Mr. Crosbie would be withdrawn and, with the unanimous consent of the House, replaced by the same motion moved by the Hon. Member for St. John's West and seconded by the Hon. Member for Peterborough (Mr. Domm).

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to add a few words to this motion proposed, according to your ruling, by the Hon. Member for St. John's West (Mr. Crosbie). I would like to go on record as saying we support the general idea of this motion that a special committee be appointed to inquire into the circumstances of the disclosure of budget information by the Minister on April 18, 1983. We are concerned about that incident and we would like to see this special committee set up to investigate it.

I realize that history has passed us by and nothing can be done about that particular incident or what happened following it. As the Hon. Member for St. John's West pointed out, the Minister of Finance (Mr. Lalonde) did not resign after the breaking of secrecy, as it was understood in this House, and the proceedings of the House continued without having the problem addressed in the form of a resignation and another budget. We cannot undo what has taken place. But I do think the fact that it did take place, that secrecy was broken and the Minister did not resign would certainly justify a committee of this House seriously looking at the whole notion of secrecy as it relates to the budget. It could question our traditions, indeed question us as well as people across the country, to see whether

or not there has to be some change made in the whole approach.

I understand and appreciate the reason behind the secrecy. As the Hon. Member pointed out, it is so that some groups or some people will not make windfall gains by having premature knowledge of what is going to take place at budget time. That is an important point. However, the point I would like to bring forward is that when the tradition began hundreds of years ago it was done without an Act of Parliament but was accepted in the Parliamentary process not only in our country and other Commonwealth countries, because at that time the possibility of having secrecy broken by modern technological means was not present. Today it is very important to look at the possibility of keeping secret something like the budget, and whether or not a Minister, depending on what Government he happens to be with, would be expected to resign simply because some reporter somewhere found something that gave him a little piece of information that he was able to demonstrate prior to the actual reading of the budget. We had two instances of it in our country this year. Concerning the Ontario budget, there was a form of a leak made around the fact that someone had found some discarded printing material and was able to get some information about the budget. In the incident that was mentioned with regard to the motion, a television cameraman with a zoom lens was able to pick a little bit off the budget that was being shown during a photo session. I believe that everyone in the House and people in general now realize how difficult it is to keep something absolutely secret. Technology and the availability of machines and instruments which extend the possibility of hearing and seeing, extend the senses about something that formerly could not possibly have been imagined when the whole process of secrecy was introduced.

● (1540)

My own reaction to the event when it took place, the question that came immediately to my mind, concerned the morality of the media when it comes to a situation like this where, by a fluke or because there is an instrument of which the other person is not aware, one is able to get a small piece of information that can be blown up into what becomes an incident. It seems to me, with my own background of working in the church, and to many others who have similar professions, doctors, lawyers, ministers, priests and teachers, that it has been taken for granted that many things we do will be kept secret. People expect and demand that a person like myself and many others, and all of us, I suspect, in some instances, will keep information secret. I can think of many things in my life about which I have information which could be found by someone who really wanted to find it by getting into my files and looking at my notes, and I keep extensive notes.

Someone could use machinery or technical equipment to listen to a conversation in my office, or could tap my telephone or do many other things. I would say that if any of those devices were to be used and information gained made public afterwards, it would be morally wrong. So I question the morality of someone in the media who, because of a similar accident or intended accident, is able to procure material that is secret and is able to turn it into an incident afterward, to the embarrassment of some person. I think it is wrong. I do not think that is covering news in the way people expect news to be covered.

Just a few days ago I read of a recent incident in the United States concerning someone who was able to procure the pre-medical examinations to be written by students coming from other countries. As Hon. Members know, if someone is able to find the answers to that kind of an exam prior to the examination, one's odds of passing will naturally be much higher than those of people who must use their own knowledge. I understand that as much as $10 million was made from this event. People from various countries were able to get the answers to the exam prior to writing it, which finally meant that the exams had to be written all over again. I do not think anyone would question me on my belief that that is wrong. It would also be illegal, I suspect, to steal that kind of knowledge and sell it so that someone else would benefit.

I appreciate the fact that what took place at the time of the budget is not a case exactly parallel to stealing of exams. Nevertheless, I suggest that the media should somehow examine its conscience concerning all the news that it prints about an incident like this, as to who finally benefits from the embarrassment of the Government. But how much restriction should the Government have to use? What is the human dimension that is required of someone to keep a secret in a place like this? I would say that at certain times in history it was not that difficult. If someone did let a secret out, there was greater responsibility than today, especially when technological machines are being used to acquire the information. If someone gives his colleague a note or makes a vocal statement prior to the budget, letting out a piece of information himself simply by not caring, that is different. But when it comes right down to seeking out, with earnestness, information that obviously has not been intentionally put out, then I question that morality.

I think it would be proper for the House of Commons or representatives of the committee such as that proposed by the Hon. Member for St. John's West, to question the level of secrecy that must be demanded and the morality involved in seeking information when it is still supposed to be secret. I would like to see such a committee struck.

At budget time it is much more important to have serious consultation by groups across the country that will be affected by the budget to find out exactly what people are thinking and saying about the economics of the country, about labour, business, senior citizens, hospitals and universities. It is more important to look for more information to make a just budget, than it is to make the whole point of it a secret. The value of the research and preparation on a much broader spectrum is more important than the final, total, absolute secrecy, and keeping the secrecy with these new machines is next to impossible when the possibility of them being broken is so much greater.

The New Democrats would support in general the motion that has been proposed by the Hon. Member for St. John's

West that a special committee study the incident that took place in the House on April 18 and April 19. However, it would only be the case on which to study much more serious questions about the whole notion of secrecy related to the budget and the morality of the media interfering in a way that could break that secrecy unecessarily.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a real pleasure to be able to stand and comment on the motion of the Hon. Member for St. John's West (Mr. Crosbie), to whose advice I listened with great pleasure and enjoyment. I regard him as an authority on these matters, particularly since he was the only Finance Minister of whom I know who resigned over a leaky budget after he read it rather than before. That is a great electoral tradition for the Tory Party to follow in the future. I hope all the struggling and ambitious Finance-Ministers-to-be over on the other side absorb the procedure and the advice of the Hon. Member for St. John's West. He set a great tradition for Tories that all of us hope will be followed.

To put the issue into perspective, this motion is totally unnecessary. Let me remind Members of the House of three studies that are taking place right now which are creating some change and reform in our institution. The first is the Committee on Standing Orders and Procedures. It has already indicated that it intends to take this matter into consideration and make recommendations on it.

● (1550)

The second is the green paper on the budget process which was published by the former Minister of Finance and followed by the current Minister of Finance (Mr. Lalonde) in the presentation and preparation of his April budget.

The third study to which I bring everyone's attention is the work of the Standing Committee on Finance, which has been looking into some very delicate tax matters and making some good, sensible recommendations before they become final policies in the legislation.

Let me read the observations made in the Montreal *Gazette* on April 20, in the midst of all this uproar we saw last April on the budget. At that time, Mr. Ian MacDonald said:

> It was the world's first high technology budget leak.
>
> And it was kind of fitting, since Marc Lalonde has discarded the hidebound notions of budget secrecy in the last six months.
>
> In the six months since Lalonde effectively took the wraps off the budget-making process, there's been a steady stream of well sourced leaks and trial balloons.
>
> Depending on which paper you picked up, the government would either let the deficit grow to some $30 billion and so allow for some job creation, or cap the deficit at $25 billion in an effort to hold down interest rates.
>
> The other pre-budget trial balloons ran the gamut from Lalonde raising the child tax credit to give poor families some relief from the worst of the recession, to allowing investors inflation relief from their dividend taxes.
>
> Whatever the verdict on the budget itself, Lalonde has changed the rules of the game.
>
> 'I've tried to open up the system,' he was saying the other day. 'It's now a process of concertation. The consultations have been very useful for the government.'

The final observation by Mr. MacDonald in this article is:

> Lalonde has revolutionized the budget process.

I believe that the April budget was a great success. I think that in the months since it has come into effect business groups, communities, individuals and labour groups right across the country have said that the budget has had a key role in Canada's burgeoning economic recovery. The April budget was a budget for its time. It succeeded marvelously to get our economy going. It is still adding stimulus to the recovery. There is much evidence that people all across the country agree with that observation.

Let us take a look at the events of April 18 and the consequences that would have been brought about if we had followed the advice of various Members of the Opposition. What happened during this famous press conference? We know that a CHCH television careraman was there and that he did a good job. We know that he got a lucky break and pursued it to the best of his ability. We know that he got some photographs of some information on the deficit and on job creation statistics.

We also know that the next day, during the budget, the Minister made some comments about that incident and that he adapted his budget to preserve some of the standards in budget secrecy and parliamentary tradition. What was the result of that incident in the press conference? We had an embarrassed Minister of Finance. We had a very happy newsman. But we did not have any revelation of tax information. We did not have any groups that benefited artificially or prematurely across the country. In other words, we did not have any violation of the traditional standards that have set out budget secrecy.

We heard many irate comments from Opposition politicians. For example, if we look at *Hansard* of Tuesday, April 19, the then Leader of the Opposition—and many would say the real Leader of the Opposition even today—the Hon. Member for Yukon (Mr. Nielsen) stood up and said as reported at page 24610:

> The credibility of his budget has been placed in question along with his own credibility.

That statement tells us why the Member for Yukon is paid to oppose rather than to give us economic advice. Let me continue:

> This leaves the Minister the only option of resignation and the production and presentation of a new budget by a new Minister to be appointed to replace him.

That bald statement is made without any real evidence, without any regard for the traditional rules of budget secrecy. It is just an Opposition demand based on some clowning around.

When we look at the real world, we see that Canadians from coast to coast were very worried indeeed lest the Minister of Finance should follow that advice. People definitely did not need that kind of disruption in the economy just as it was about to take off again. What we needed was some stimulation that a budget would have provided. To counsel a Minister of Finance to resign at that juncture was irresponsible and totally

disregarded the real needs of the Canadian economy. We needed that budget at that time. We did not need that kind of harassment and opposition, particularly harassment and opposition that ignored real parliamentary tradition.

Of course, the Minister did change some of the budget figures. He wanted to follow the existing budget standards. Let me quote directly from his speech of April 19, later on in the day, as reported at page 24659 of *Hansard:*

Traditionally a budget leak involves premature disclosure of a tax matter. Fortunately this is not the case. However, in some quarters any matter or fact connected with the budget might be considered to be of this character. To remove any doubt, I have decided to change the portion of the budget which would otherwise have been prematurely in the public domain.

As the Minister indicated very clearly there, there were no disclosures of vital secret matters. There was no early disclosure of information that would have led to undue financial gain by other interested parties in the country.

Let me continue and read another statement from the Minister. Before doing so, let me say that I see the Member for Yukon here. I look forward to hearing his comments in a few minutes. He was the one who urged the Minister to resign. It would be interesting to see if, in his second round of debate, he can produce the odd fact this time rather than simply bluff and nonsense.

The Minister went on to say in his statement, as recorded at page 24659:

There is some irony in all of this. During the past week, I have debated with myself and with my advisors about the precise nature the budget measures should take. My concern has been that in my desire to be fiscally responsible, I would not provide enough stimulus for the economy to secure the recovery and generate employment. Obviously, this is a matter of delicate judgment and there is no absolutely correct answer. Be that as it may, the events of the past 24 hours have led me to follow what my instincts have been urging me to do all along. If I err in this budget, I want to do it on the side of more jobs.

That was the correction. That reason alone was the basis for the correction.

What was the role of the newspaper man? That was an interesting point. I believe the Hon. Member for Saskatoon East (Mr. Ogle) raised some issues that were of great interest to all of us. I am sure that they are equally interesting to people in the media as well as to politicians. I think that the television man was doing his job as he should. As I mentioned, I think he had some extraordinary luck. Let us listen to what Charles Lynch said two or three days after the event. He said:

—it has long been my view that a press photographer or TV cameraman will take a picture of anything newsworthy that shows up in the lens, whether invited to do so or not. My impression is that this is what photo-journalists are paid to do.

● (1600)

I agree with Mr. Lynch. His article continues:

As to whether high-principled print journalists, like myself, would have peeked and printed, my attitude is that we are in the business of disclosure, and leaks are part of it.

I agree with him.

The *Winnipeg Free Press*, in a positive development, moving the issue a little bit further along, wrote this in May of this year:

The Budget

When federal Finance Minister Marc Lalonde allowed a cameraman to film a couple of pages of his budget during one of the "photo opportunities" which governments now stage in place of providing information, Ontario's minister, Frank Miller, tut-tutted along with a lot of others.

Now, Mr. Miller finds himself the victim not so much of a leak as of an inundation. A Toronto *Globe and Mail* reporter has found page after page of his proposed budget sharing a green garbage bag with a banana peel, some used plastic coffee cups and some juice containers.

That is the sort of unsettling experience that leads finance ministers to think gloomily about resignation. It should instead prompt politicians at all levels to think again about how important absolute budget secrecy really is.

A little further in the editorial, the *Winnipeg Free Press* reports:

New secrecy rules which are less obsessively absolute would serve everybody's interests.

One thing is certain: the more politicians try to keep things secret, the more reporters will try to find them out.

I think all of us as politicians would agree that is their habit, and we usually have a secret or an open admiration for those who are most successful at indulging in that habit. Parliamentary tradition, of course, demands that a Minister of Finance should quit if he discloses tax information or financial information that would provide an individual with an undue advantage.

Let me quote what the Toronto *Star* revealed about Eugene Forsey's ideas on this topic. On April 20, 1983, a day after the incident, we read this:

Forsey, Canada's greatest Constitution expert, said the inadvertent leak should not cost Lalonde his job because the documents revealed had nothing to do with taxation.

A little further on we read:

"We hear about deficit projections practically on the hour," Forsey said. "They aren't especially startling."

It is interesting to note that his observation ties in exactly with the observation in the Montreal *Gazette* written by a financial writer about the pre-budget trial balloons that were sent up. The Toronto *Star* column about Forsey went on in this way:

And he added that "it would take a pretty smart cookie" to make a quick killing in the market on the strength of information the government would be spending $4.6 billion on job-creation provisions.

"If these matters had something to do with taxation, then he would have little choice," Forsey said.

Forsey added it is unlikely Lalonde will be forced to resign.

Tax matters and confidential financial information are the core of the argument here. We have discussed all of this quite widely. The Hon. Member for St. John's West went down the list of Finance Ministers who have been disciplined in various ways over the years. He referred to Hugh Dalton in the United Kingdom in 1947 who resigned because of some premature disclosure of cigarette tax information. As the Hon. Member for St. John's West pointed out, Walter Gordon, the first Finance Minister in the Pearson Government, in 1963 offered his resignation, but it was refused because the then Prime Minister did not feel Mr. Gordon's advisers had had undue advantage or had spread information far and wide.

Donald Fleming, the Minister of Finance in the Diefenbaker Government, offered his resignation when he was the butt of a

joke by a reporter. When later information revealed that Mr. Fleming's leg was being pulled and no information had been revealed publicly, Mr. Fleming withdrew his resignation.

There are other cases when a resignation did not occur. The most recent and notable is Ontario's Frank Miller. We just heard about his budget turning up in a garbage can outside a printing company. It was interesting, as reported by the *Toronto Sun* on April 20, 1983, to read this:

Ontario Treasurer Frank Miller said before the budget was tabled that Lalonde should resign if actual details were leaked.

Miller, who will introduce his own budget at Queen's Park next month, said it is his opinion and that of senior officials in his ministry that Lalonde's breach of budget secrecy was serious enough to warrant resignation.

In Mr. Miller's opinion two numbers were bad enough to force a resignation from the federal Minister, but a whole bag full of garbage was not enough to force his.

In 1981, Quebec's Jacques Parizeau was about to reveal his budget and a Member of the Opposition had it several hours early and apparently was showing it around. Despite that, Mr. Parizeau did not resign. In 1978, the current Minister of Energy, Mines and Resources (Mr. Chrétien), shared his budget information with Quebec's Jacques Parizeau. He did so in an exercise to attempt some co-operative pre-budget decision-making. When this was revealed, the Minister said it had been deliberate, that confidentiality had been maintained and that there was no need for his resignation. Of course, in 1983 with our own Minister of Finance, the Prime Minister (Mr. Trudeau) pointed out that there was no real, vital economic information disclosed and, therefore, no reason to treat this as a traditional budget leak.

What about the results for Canada as a whole? The Toronto *Star* on April 21, 1983, wrote, and I will quote just a short part of a very good editorial as follows:

We doubt if the disclosure that the budget deficit is expected to rise to $31 billion surprised many knowledgeable people. Radio, TV and newspapers have been filled with speculation about the size of the deficit, and $31 billion is hardly a new figure.

Further down we read:

The Conservatives argue that a budget leak automatically requires the resignation of the minister of finance.

The article continues:

What they conveniently ignore is the contrary precedents.

In another paragraph, we find this:

What's more, Canada's foremost expert on constitutional matters, former senator Eugene Forsey, is of the opinion that Lalonde's resignation is not required, because the leak had nothing to do with taxation matters.

The final excerpts reads:

But in the absence of any sign of damage from the budget leak—there was no evidence of material effect on the external value of the dollar or on interest rates, the two markets particularly sensitive to the size of the budget—the circumstances do not require Lalonde's resignation.

The *Winnipeg Free Press* joined in that assessment. On April 20, we find these words:

The opposition, not surprisingly, is calling now for his resignation, citing the case of Hugh Dalton, the British chancellor of the exchequer, who resigned after giving reporters a hint of changes in the tax on beer.

This article has beer, we have it as cigarettes.

Mr. Deans: They are wrong on the whole thing.

Mr. Fisher: The *Winnipeg Free Press* article goes on:

The situations are not identical, Mr. Lalonde did not himself reveal any part of the budget . . . Three pages did not include any tax changes. The size of the deficit which it predicted was already well known in the community and the revelation had no effect on financial markets. If anything, the incident underlined how out-of-date much of the current obsession with budget secrecy has become.

The then finance critic is from Vancouver. She was irate, overheated and steaming about this leak. She felt apoplectic and she felt it was just about the most terrible thing she had ever seen. However, the *Vancouver Sun* did not agree with her. On April 20, the *Vancouver Sun* printed this in an article:

And, arguments of a budget leak notwithstanding, most of the facts and figures in the document have been the subject of analysis and reporting for almost a month now.

It was Lalonde's unfortunate accident with the camera crew that focused attention on how tentative the budget really is, and hence how believable it may be in the face of sustained opposition attack in the House of Commons.

The *Times Colonist*, also on April 20, 1983, wrote this:

It's hard to tell who deserves the most scorn—those Opposition MPs calling for Finance Minister Marc Lalonde's resignation or the unprincipled media types who pounced on this so-called budget "leak."

What, after all, really happened?

The article concludes with these words:

As for the opposition members demanding Lalonde's resignation, notably PC leader Erik Nielsen and the NDP's Nelson Riis, their incredulous expressions of shock reveal either the quality of their acting or just how removed they are from genuine public concerns.

● (1610)

I conclude by drawing attention to a more recent document, "Canadian Tax News" published by Coopers and Lybrand. It contains some very good advice for all of us.

The Acting Speaker (Mr. Blaker): Will the Parliamentary Secretary either do that in 30 seconds or seek the unanimous consent of the House to continue his remarks?

Mr. Fisher: Thirty seconds will be more than adequate. I will read very quickly. I quote:

As Mr. Lalonde said, budget secrecy is an outdated tradition—and so it is. But the principle cannot be changed without the consent of Parliament and it is a pity that the problem has not yet been addressed. The Special Committee on Standing Orders and Procedures of the House of Commons has indicated that it would consider reforms relating to the opening up of the budget process and about all one can say at this stage is "Get on with it!"

This is an unnecessary motion. We are already hard at work on this problem.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is déjà vu to be speaking on this topic today on the motion put forward by the Hon. member for Yukon (Mr. Nielsen). Prior to the Hon. Member for Mississauga North (Mr. Fisher), I was the Parliamentary Secretary to the Minister of Finance. I was exposed to the kinds of problems that were raised with regard to budget secrecy. I remember the kind of security that surrounded

budget making and the documentation that was in preparation for budgets, the confidentiality of that information, the kind of security that had to be enforced in the Department of Finance, for example, and other Departments, and the kinds of problems raised with lock-ups for the press, Members of the Opposition and Members on the Government side who might be critics or vitally interested in commenting immediately upon presentation of a budget. Along with some other matters, those difficulties led to the introduction of a green paper by the former Minister of Finance, now Secretary of State for External Affairs (Mr. MacEachen), on how we might open up the whole budget process.

I agree with the Parliamentary Secretary to the Minister of Finance that this motion is totally unnecessary. There is no reason for us to refer to any committee of the House the question of budget secrecy or whether or not there was a budget leak, which should lead to an inquiry by the House, by the current Minister of Finance (Mr. Lalonde) at the time of the last budget. It is clear from all the commentary my colleague brought forth that there was not such a leak. Leaks of that nature have never led to serious concern by Ministers of Finance. I agree entirely with my colleague as to the kind of matters that should give rise to concern.

If the Minister of Finance had made reference to a matter in some way that got out to the public which related to a tax matter or expenditure matter whereby the individual who received that information could obtain personal gain as a result of that information at the expense of the public or at the expense of a small group of taxpayers, then the Minister had made a fundamental error which would require his resignation. However, that was obviously not the case, as my colleague pointed out quite clearly.

With regard to the other matters the inquiry might consider such as the question of budget secrecy as opposed to this specific incident, I think they have been looked at very carefully in other forums. The Special Committee on Standing Orders and Procedure certainly looked at that matter. The Finance Committee looked at that matter in relation to the green paper. We have had a new opening up of the procedures in budgets. Ways and Means motions are now as a matter of course referred to the Standing Committee on Finance, Trade and Economic Affairs. We go over Ways and Means motions prior to the introduction of legislation which is to be considered by the House. This facilitates the process and involves individual Members in the committee process, and the bringing in of witnesses to look at matters of taxation prior to the consideration by Committee of the Whole, which is the way tax matters are considered.

We have made great strides. We have undertaken the kinds of issues this motion asks be undertaken by a special inquiry. Therefore, there is no need for a special inquiry. If the special inquiry to which the Hon. Member for Yukon is referring is in any way to be a witch-hunt, and I do not believe that it is, there are no grounds upon which the hunt for witches can be pursued, as my friend from Mississauga North showed so clearly in his earlier remarks.

I understand you are about to rise, Mr. Speaker, to indicate that my time has expired.

The Acting Speaker (Mr. Blaker): The Parliamentary Secretary is correct. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings because the hour for that section of Private Members' business has now expired.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Blaker): Shall all orders listed under Private Members' Public Bills preceding Order No. 487 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

[*Translation*]

HOUSE OF COMMONS ACT (INTERNAL ECONOMY)

MEASURE TO AMEND

Mr. Gérald Laniel (Beauharnois-Salaberry) moved that Bill C-687, to amend the House of Commons Act (internal economy), be read the second time and referred to the Standing Committee on Management and Members' Services.

He said: Mr. Speaker, I am pleased with this opportunity to speak to Bill C-687, an Act to amend the House of Commons Act (internal economy), which was given first reading on June 14, 1983 in this House. At the time, I commented as follows: "The purpose of this Bill is to increase the autonomy of the House of Commons with respect to its internal administration. It defines the Executive of the Commissioners of Internal Economy which the present Act does not do, and provides for the appointment of two more Members as Commissioners, to be chosen from among the backbenchers, one from each side of the House, to increase the involvement of the House in its own administration."

The whole question of internal economy and involvement of backbenchers (by delegation) in decisions affecting the administration of the House of Commons has been debated several times on the floor of the House in recent years, but I can assure you, Mr. Speaker, that it is still a matter of concern for most Members.

On October 30, 1969, our former colleague, Mr. Frank Howard, the then Member for Skeena, introduced Bill C-32 which was debated on February 24, 1970 and whose purpose was to abolish the rights of Privy Council Members regarding the internal economy of the House by simply repealing sections 16 and 18 of the House of Commons Act.

The weakness of his proposal, Mr. Speaker, lies herein that the Hon. Member failed to provide any alternatives, substitutes or replacements. During the present session, the subject was debated twice when the House considered Bill C-273, introduced by the Hon. Member opposite, the Member for Edmonton-West (Mr. Lambert), on November 6, 1981 and again on May 18, 1983. The purpose of this Bill was to replace the four members of the Privy Council who are also Members of the House of Commons by five backbenchers, who, with the Speaker, would form the Internal Economy Commission of the House of Commons.

In each debate a number of suggestions were made by Hon. Members, and I am sure that further proposals may be made this afternoon if the debate is prolonged.

However, there is unanimity on one point, and that is the need to change an administrative structure that is now obsolete and that was established when the staff and services of the House of Commons were not as numerous and Parliament was sitting only a few weeks a year so that Members were not in Ottawa for the same periods of time they are now.

● (1620)

Mr. Speaker, the concern about this matter has reached the point that in its ninth report, the Special Committee on Standing Orders and Procedure made a concrete proposal to restructure the Internal Economy Commission, more specifically by reducing Cabinet participation and adding a number of private members. In fact, these proposals were aimed at bringing administrative decision-making closer to the members themselves.

I have neither the intention nor the time at this stage to go through all these suggestions, and there are several, although I do feel that the majority are acceptable or can at least be considered an improvement. I shall be dealing mostly with my own plan, which has one advantage in that it does not try to change everything and could be considered as a step, a kind of trial balloon that would eventually lead to further changes if Hon. Members feel they are appropriate. The reasons for my interest in this matter are many. First of all, nine years experience in the Chair brought me closer to the administrative concerns of the House in general. There is also my membership in the Advisory Council, which does not always gives the impression it is very advisory and which still has no specific terms of reference, and finally, my membership on the executive of various parliamentary associations, in addition to the 21 years I spent in this institution.

I believe that lines of communication in the House of Commons have never been as poor as they are now. The general discontent is creating a situation I quite seriously would call explosive. I have never heard so many complaints and so much grumbling among Hon. Members and House of Commons staff, but nobody seems to care. The House is no longer a pleasant place to work, Mr. Speaker. I agree that some things had to be changed, certain controls were lacking, but although these changes were well-intentioned, for many people they have become so many constraints and elements of divisiveness and oppression. A system based on favoritism has been replaced by a another, more sophisticated system. It used to be that Hon. Members could discuss their problems and difficulties with the Speaker, the Clerk or the Sergeant-at-Arms, who were all part of the administrative structure of the House of Commons, where incumbents reacted quickly to complaints or representations by Hon. Members. I am told that the Clerk is no longer interested in administrative concerns, and the House is aware that the Sergeant-at-Arms has lost most of his powers. Today, the number of executive positions has been increased tremendously, and responsibility for all these people lies with the Administrator, who has no inkling of the political, social and human repercussions some of his initiatives may have, and who is waiting or hoping for the day when he himself, as is being whispered, will become Deputy Minister of the House of Commons.

Mr. Speaker, I believe all this is evidence of the fact that the Internal Economy Commission has become far removed from Members and the House of Commons staff in general. The Commission's members are all too busy elsewhere, and its decisions are made on the basis of information or the interpretation of the Administrator. Up to now, the Internal Economy Commission has always refused to hear Members of the Standing Committee on Management and Members' Services at one of its meetings, because the Committee is supposed to address its complaints and recommendations to the Administrator. I suggest we ask those who work night and day for the parliamentary associations what they think about the present rules on consultation and budgetary policies, which, in the final instance, will cost more because they encourage spending instead of "economy".

In any case, my proposal might have led to the same unfortunate results, but at least we would have the satisfaction of being consulted and would not have the impression which is anathema for a parliamentarian that a public servant is making most of the decisions without consultation or communication with Members. When we mention the dissastisfaction of Members to the members of the Internal Economy Commission, they run off a list of everything the Commission has done to improve services to Members, and this is all quite true, so that they feel somewhat aggrieved by our representations. I can understand that, but that is not the point, Mr. Speaker. All we want, all I want is for them to understand, and all I want the Chair to understand is that a proposal like mine is, in fact, aimed at doing away with the frustration of not being heard, not being consulted, a frustration that would not exist, or not to the same extent, if two backbenchers were to sit on the Board of Internal Economy, the Board of Commissioners of Internal Economy for the House of the Commons, as I said in my proposal. In fact, it is an administrative

structure not, as yet, defined by law and whose powers have not yet been described.

Mr. Speaker, in addition to adding two backbenchers to the Commission of Internal Economy, the purpose of Bill C-687 is also to describe and define the Board of Commissioners of Internal Economy and its specific responsibilities, especially the major responsibility for approving the estimates of the Speaker, the Clerk and the Sergeant-at-Arms and submitting them to the Minister of Finance, who subsequently submits them separately to the House of Commons.

Mr. Speaker, this Bill is as well-intentioned as all the others, but it also demonstrates a concern for ensuring that the House of Commons again becomes what it was before, an instrument that provides services to Members, and that is administered to their satisfaction, with the consent and under the control of the Members.

[*English*]

Hon. Ron Huntington (Capilano): Mr. Speaker, I would like to compliment the Hon. Member for Beauharnois-Salaberry (Mr. Laniel). I am very interested in the Bill and the arguments as presented.

As some Hon. Members already know, Mr. Speaker, I have been involved in the Public Accounts Committee and in the whole question of a new form of the Estimates. I have also been involved in dealing with the fact that spending within the federal system is out of control. I have been working with the former Auditor General and the Public Accounts Committee on this matter, and we have been trying to address it with a new way of disclosing information.

As I look at this Bill, I remember the many hours of debate and struggle within the committees and the steering committees that were involved in setting up new disclosure of information provisions to allow for a better accountability factor for Government spending specifically dealing with the House of Commons. We on this side of the House would have been very pleased to hear a motion to the effect that the subject matter of Bill C-687 go to committee for study because, as the Hon. Member said, the Bill is one of several Bills dealing with the matter of better use of information for better accountability and a more effective use of taxation resources attributed to the House of Commons for its various functions.

● (1630)

Section 16(2) of this Bill, dealing with appointments, talks about the appointment of four Privy Councillors and two Members from the backbench of the Opposition. I should like to see members other than Government Privy Councillors sitting on this Board of Internal Economy, Mr. Speaker. As things are structured now, the Government has all the control, the spending powers and everything else. As a witness who appeared before the Special Committee on Standing Orders and Procedure said, if you are dealing with the knot in the rope in the tug of war of power between Government and the House of Commons, that knot has to move back toward the House of Commons.

I think the House of Commons has lost control over its expenditure watchdog functions. We are not functioning as elected directors of the taxpayers in the examination of expenditures. We are not properly using the information that is made public because it is not organized in a useful fashion. We are buried under an avalanche of paper. We get grocery baskets full of mail, reports, ministerial statements, Crown corporation reports, the subject matter of task forces, special committees and royal commissions. It all comes as an avalanche and we are buried under it. Much of it is trivia and is not organized in a form that would allow those of us with certain special interests or who represent ridings with an interest to use it.

I would not want to see four Members of the Privy Council who are incumbent Members of the Government sitting on any board that deals with the House. I should like to see Members of the Privy Council on that board, but if we are to move the knot of power back to the House so that we will have a higher standard of accountability over the Government, then we common Members should be deciding more things. We should be improving and strengthening our powers of inquiry, improving our efforts to hold the Government answerable for its actions.

I should like to see the subject matter of the Bill go to Committee so that some of our concerns can be discussed there. We should be able to improve the Bill to allow a new phase of operations to take place in the House of Commons.

The Hon. Member who presented the Bill spoke of discontent. He said that the kettle is boiling; that the House of Commons is no longer an agreeable place to work; that the best intentions of Members of Parliament are often frustrated by the oppressive measures they have to deal with; that we get more and more studies; that we are always referring things to committee but get no decisions and no tangible corrections. I share his frustration, as I am sure other Hon. Members do. I was once told by the former member for Peace River that one must not be impatient in this place. One must figure oneself lucky if three years of effort on one tiny segment of business moves it forward one notch and brings about an improvement for the people of Canada or an improvement in the processes of the House of Commons or of Government.

I have had trouble learning that, Mr. Speaker. I came here out of a taxpayer frustration. I know how hard it is to pay taxes and watch them be dissipated and spilled on carpets so that new carpets can be rolled in. I know the absolute disregard for the hours of labour and toil that go into the real taxes that come in to support the place. That is one of the reasons I am here going into my tenth year, although I have nothing like the experience or, probably, the depth of frustration of the Hon. Member who presented the Bill, who said he has been here 21 years. But before I allow myself to succumb to a shrug, Mr. Speaker, I had better get out and let someone else come in who is fresh and can carry the anger that I had when I arrived.

In spite of nine years of hard work on committees along with many colleagues, I see no improvement in the care and delivery of services or in the care for the tremendous amount of

effort that goes into earning a taxpayer's dollar. A dollar of savings is so expensive and so precious that it cannot be risked in any equity. We have to go to Hong Kong or Switzerland or other places where there is less oppressive taxation. That is where we must borrow the money that the private sector needs to take a risk in the marketplace.

The Government is out of control. I am not going to speak just of the Government; the whole system, Government and the bureaucracy, is out of control. I have to ask who controls the bureaucracy. If the Government is going to stay in power it is not going to risk any attack on a bureaucracy or a correction of it. Where is anyone going to bite the bullet? Indeed, is it possible to bite the bullet in our type of political system so that care and common sense can be put back in the Government when dealing with the wealth-creating sectors of the country?

I stand here totally frustrated, Mr. Speaker. I say to you and to the Member who presented the Bill that that is the kettle that is boiling. If there is frustration in the hearts and minds of some of us here, then I want to tell you that there is anger in the land because this place does not function properly. If we are not doing our jobs as Members, then the kettle is boiling. The reason I stay, the reason I work here and the reason I do not play too much around here is that I am afraid that the kettle is boiling over. We are threatening the survival of a social system that requires the tender loving care of the wealth we produce in order for it to survive. That is what is at stake.

When we do improper things—with the Crow Bill, for instance—when we do not figure out the spin-off effects on future generations so that they can pay for our extravagance, then the country is in very serious trouble. What we are talking about is accountability and control. I have to blame each and every one of us here for that. I do not think there are 30 Members of the House of Commons who are prepared to man the four accountability committees recommended by the Special Committee on Standing Orders and Procedure. We must try to pull the knot of accountability back to the House of Commons, away from the Government and away from the bureaucracy. I do not think there is a will to do that. A few of us are breaking our hearts trying to, but there is no will to haul it back in here or to train and discipline ourselves to ask the questions that expose things.

I have to live with the ghost of James Macdonell Mr. Speaker. When I was Chairman of the Standing Committee on Public Accounts, he and I spent hours and hours together. I happened to be present when the new Auditor General's Bill was allowed through by the late Robert Andras, then President of the Treasury Board. Following that, he allowed the Comptroller General's Bill to go through and then we put in place a marvellous new acronym called IMPAC—improved in management practices and control. We have had Auditor General's Report after Auditor General's Report since 1976, and all dealt with accountability and control of the public purse. But the situation today is worse than it was in 1974 when James Macdonell started his work. It is absolutely out of control. There is no one in the House of Commons who is prepared to get to work, to bite the bullet and bring it under control for the sake of the freedom of our kids tomorrow.

● (1640)

That is the issue and that is what this kind of Bill addresses. That is why I would like to see the subject matter of this Bill discussed in committee, so we could bring something about.

Having complimented the Hon. Member, I must say I differ with him in respect of the fact he is worried about the powers of an Administrator. As an Hon. Member who has served on the Public Accounts Committee, I agree with the Administrator. I do not know why we are so secretive in the House of Commons about the tremendous amount of work which the present Speaker has done. I believe, when the whole story is known, that we are going to find that Madam Speaker has indeed been a marvellous manager and that she has put together the right division of responsibilities for the Table to function more effectively, for the Sergeant-at-Arms to function more effectively, and for the Administrator to function and organize the information in a manner in which all of us, with all our warts, pimples and acne, can understand.

I do not know why the Management and Members' Services Committee and the other committee want to keep some of the progress which is being made in the management of the House of Commons under wraps. If they were truly concerned about the need for a new form of estimates which organizes the information we need on all Departments, they would want the form of the estimates of the House of Commons widely published. I can tell you, Sir, that in the new form of estimates which are coming from the Treasury Board under the Comptroller General, the Part I is very good but the big Part II is the same old thing. It is organized in such a manner that a few Hon. Members with 26 years of experience can perhaps handle it. Then there is Part III of the estimates, and these volumes which are coming down from departments and various commissions are so well massaged, Sir, they are almost advertisements. They are not delivering anything, really, in a tangible, usable form to bring about a better accountability equation or effort on the part of Members of Parliament.

I asked the Administrator of the House of Commons some questions and he referred to a book and gave me answers, bang, bang, bang. I asked what the book was and found it was his form of the estimates for the House of Commons, which was organized in such a manner that if the Comptroller General of Canada used it for the organization of the estimates of all departments, if he just took what exists here in the House of Commons and used that over in his department, he would resolve the problem his departments are having with the new form of the estimates.

There might be some here, Mr. Speaker, who think that a departmental manual on Part III should be no thicker than a quarter of an inch. However, I want to tell you that the original concept was that it would be a fairly small book on a department, but it would grow much larger and would be organized in such a manner that those who want to inquire and ask questions and receive the public information which is

available would have it in a totally organized form, suitable for the average abilities of a Member of Parliament.

I do not stand as any academic, Sir. I am a very average guy, like most other Hon. Members here. That is why I am here. I am a commoner who is representing the people and the taxpayers. But by God, Sir, the kettle is boiling. If we do not get this new form of estimates finished, we fail; we threaten the system and the freedom of our kids tomorrow, because I do not know how they are going to pay for the extravagant spending which we have been guilty of in the ten years I have been here.

I compliment Madam Speaker for the job she has done and I will defend, as long as I am a Member here in the House of Commons, the quality of her work in organizing the information—which is public knowledge, in any case—in terms of running this place. If the Comptroller General will take the format which this House of Commons has under its Speaker and organize the information in all other departments in that form, it would be one giant leap ahead for the freedom and future of Canada.

That is why I stand here and make an appeal to Hon. Members on this important Bill. I believe it is a tragedy that we cannot get its subject matter to committee so that the matter could be discussed. I feel we need every opportunity we can get to discuss this subject of accountability and answerability in order to bring a runaway system back under control.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I was very interested in the comments of both the mover of the Bill, the Hon. Member for Beauharnois-Salaberry (Mr. Laniel), and the Hon. Member for Capilano (Mr. Huntington). I believe the mover of the Bill expressed concern primarily about the operations of the House of Commons, much of which, I might say, has validity. The Hon. Member for Capilano extrapolated that argument into a discussion, perhaps a little beyond the Bill itself, but nevertheless an important one for the purposes of Members of Parliament.

I would like to say to the Hon. Member, however, that when he says he is just a very average guy, we do not agree with that.

Mr. Ellis: One above average.

Mr. Deans: I did not say that.

Mr. Ellis: I did.

Mr. Deans: I would like, however, to deal with the subject matter. To begin with, I would like to say there is no doubt that the House of Commons and certain of its emanations must be under the control of the Members of the House of Commons. The day to day operations of the House, the expenditures undertaken on behalf of the Members of the House of Commons, the provision of services to the Members of the House of Commons, the questions which arise as a result of providing access to the House by way of television and other media for the public, the question of the environs of the House of Commons, surely must be clearly dealt with and dealt with in a straightforward way by the Members of the House themselves. For that reason, I subscribe wholeheartedly to the principle of Bill C-687 which was brought forward by the Hon. Member for Beauharnois-Salaberry.

I do have a little knowledge of a similar kind of situation which is in place at the moment in the Legislative Assembly of the Province of Ontario. The Hon. Member for Capilano may well be aware of this, but perhaps he is not. The Board of Internal Economy of the Province of Ontario Legislative Assembly is an all-party board which is made up of the representatives of the Crown, together with a representative of the caucus supporting the Government, a Member of the Official Opposition and a Member, in this case, of the New Democratic Party. They, together with the Speaker, comprise the Board of Internal Economy.

This started, I believe, in 1975, although it may have happened just prior to that. The experiment probably was viewed with some skepticism by Members of the Government who, up until that point of time, had complete control and total say over what happened in the general management of the Legislative Assembly of the Province. However, at the time the restructuring of the Legislative Assembly was before the Assembly itself, it was proposed by those of us on the Opposition side, and supported by the Government, that there ought to be Opposition Members there for balance. The House, after all, was made up of both the Government and the Opposition. We recognized that no government works efficiently without an effective opposition and no opposition works efficiently if it does not work in harmony with the House itself in an effort to try to find ways of dealing with public business.

• (1650)

Therefore, we made a judgement at that time which was quite simply that concern for the operations of the House—it goes beyond that and I will speak about that in a moment—and its environs was a concern of all Members. The responsibility for good and orderly operations, including good fiscal management, was the responsibility of all Members. It was not a Government responsibility and the Government need not accept unto itself all of the criticism which can be levelled in cases where there may, at least in the public's view, have been expenditures that were not easily understood or perhaps were unjustified. Those expenditures were taken on behalf of all Members. The provincial Legislature, recognizing that, proceeded to amend its proposal and in doing so included as part of the Board of Internal Economy, both, as I say, Members from outside Cabinet, including a representative of the Government caucus, if you will, outside of the Cabinet, and Members from the two Opposition Parties.

In addition to the sort of normal functions one might envisage, the Board had control over the expenditures of the Ombudsman inasmuch as he came before the Board and presented his estimates complete with his staff justification. The Board analysed it with the benefit of their administrative officers and took responsibility for its approval, just as a Minister would take responsibility for the approval of the estimates of his or her ministry. The Board of Internal Econo-

my in the Ontario Legislature appeared annually before the estimates committee, if I recall correctly, and answered for their decisions. They were questioned by their colleagues from both sides of the House and I can recall taking my turn as one being questioned. It happened to be the three House leaders who were primarily answerable at that point. That is not necessarily the only formula, I concede, but on that occasion the Government House leader would be answerable for a period of time and then the question would go to the Opposition House leader and subsequently to the third House leader. As representatives of the House of Commons they would share, as would the Government caucus representative, in being answerable for decisions taken.

I happen to believe that was a very valuable contribution to bring the provincial Legislature into a position of more respect than it had been previously. Members of the House knew they could make representations either through their own individual representative, although we never felt as if we were representing a particular caucus, or directly to the Board itself. The Board, almost without exception, arrived at its decision unanimously. I say that with some pride because that was putting aside what could by some be viewed as an opportunity for partisan differences. But we worked very hard at finding adequate and suitable compromises. Where we could not agree, we did not go ahead until we had tried to find a workable alternative formula.

I say this to you, Mr. Speaker, because I think it may be important and that Members should understand that what is being proposed by the Hon. Member is workable, practical, not revolutionary and does not dilute the power of the Government. It in fact transfers certain responsibilities to where they rightfully belong.

From my own point of view, I think, and I hope I speak for my colleagues, that we could have a better understanding of the day to day operations of the House and its various parts and we could avoid the situation which continues to arise as a result of the structure we presently have. At the moment we have an advisory committee, the Management and Members' Services Committee. They work extremely hard. I have sat on that Committee from time to time and they put in very long hours and devote a great deal of time to careful consideration of questions placed before them. But unfortunately they have no direct input, neither do they have any responsibility. What we have is a Committee, which surely should be charged with the ultimate authority, being asked simply to make recommendations, the future course of which they have no control over. They have no direct representation with the existing Commissioners of Internal Economy and certainly much can be and likely is lost in transmittal of their ideas. At least some members of the Members' Services Committee feel quite frustrated because there is no two-way communication. There is the communication from the Committee through the Speaker, presumably to the Commissioners of Internal Economy, but there is no communication in return indicating why or in what way their suggestions were not worthy of consideration and could not be dealt with.

I think the Hon. Member for Capilano (Mr. Huntington) mentioned that the Auditor General's Report has recommended this kind of structure should be in place to protect the integrity of the House of Commons in the broadest possible sense. I think there is a need for the Government to acknowledge there is value in further consideration of this matter.

I do not anticipate this Bill will pass this afternoon, neither do I propose for one minute that this form is exactly the form. I think you could well appreciate that I might want to put in additional safeguards for a situation such as the one we are in or for future situations. But I think the subject matter is valuable. I think the Government would be prepared to allow it to go to committee for consideration; that would be of long-term value. It would show the Government's attitude is not sort of narrow. I do not think it is in fact. I know I have raised this question on previous occasions privately with people who have a responsibility for things such as this and I did not find their attitude at all negative towards its consideration. So I would like to urge that we accept this as a workable proposition. It is desirable and would have a long-term, beneficial effect both on the operations of the House of Commons and on a day to day basis; and it would also transfer the responsibility for decision-making where it rightfully belongs. It would charge those who are the beneficiaries of the decisions of the Board with the responsibility for making the decisions. It would also charge them with the responsibility for making the decisions on all other matters pertaining directly to the House of Commons as they affect expenditures or fiscal matters.

Mr. Evans: What about the ninth report of the Special Committee?

Mr. Deans: The Parliamentary Secretary to the President of the Privy Council (Mr. Evans) says quietly to me, what about the ninth report of the Special Committee. The problem we have, of course, is that we must deal with what is before us when it is before us. At the moment this Bill is what we are dealing with. I would like to suggest that if the Parliamentary Secretary is prepared to rise and say he has been authorized to give us an assurance that the ninth report of the Committee, together with the eighth, seventh, sixth, fifth and so on, are to be approved—

Mr. Huntington: And the tenth.

Mr. Deans: And the tenth, are to be approved, then the need for further study on this matter may not be evident. But I do not think he is going to do that so I would like to suggest that we support a reference if it were to be allowed. We will certainly support going in the direction that this particular Bill proposes. We would argue, quite strongly, that there is overwhelming evidence to show that what the Hon. Member is requesting is already in place in other parts of the country and works extremely well and to everyone's satisfaction.

• (1700)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will take about two minutes,

because I would like to use the Bill to remind the next speaker that I have had a hobbyhorse in front of him and his Management and Members' Services group for some time. I have just had the good news from some of the Chief Electoral Officer's estimates that my riding has 125,000 to 140,000 voters. We have about 200,000 people living in Mississauga North. This is the third time I have stood in the House and requested some fairness from the people at Management and Members' Services and Internal Economy for big ridings like mine.

Population makes work, just as geography makes work. In our regulations, we have made allowances for geography. We have said that there are remote ridings in this country and those ridings receive extra allowances to permit Members of Parliament to do a better job on behalf of their constituents. Since my riding happens to be the biggest in Canada by population, that is unfair treatment of the people in my district.

Of course, every ten years there is a redistribution which adjusts the situation. I have made a proposal to the Commission that it be a little more flexible in between redistribution so that we could have some allowance and help for the individual voters in big ridings. Our proposals was that we use the number of electors on the electoral list to measure the top 10 per cent of ridings across Canada by population. Those people would then have an extra staff member, or perhaps two staff members, to handle personal and business problems.

We petitioned the group which includes the Hon. Member for Hastings-Frontenac (Mr. Vankoughnet). The petition included names from every Party and every region in this country. We requested that there at least be consideration, but we have not even received an answer. I would like to receive a little bit of an answer from the committee so that we could home to the electors in our area and give them an answer as to why we are not getting proper representation for them.

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my notes are scrambled and slightly rambling. I admit to not having the eloquence of the Hon. Member for Hamilton Mountain (Mr. Deans) or perhaps the passion of my colleague, the Hon. Member for Capilano (Mr. Huntington). However, in the next few minutes I hope to answer some of the comments that have been made and make some points with regard to the Bill, which I support. Because I feel it should be made, I would like to put on the record a motion I had hoped the Hon. Member would make.

Let me begin by saying that the Bill is one that has been supported by most of the members of the Management and Members' Services Committee. In fact, a colleague of mine, the Hon. Member for Edmonton West (Mr. Lambert), who has been on the Committee almost since its inception, has placed a similar motion before the House at different times in the past. His perhaps went a little further in that he wanted to make all members of the Commission non-Privy Councillors, but that is a very minor distinction.

Second, the Hon. Member for Dauphin-Swan River (Mr. Lewycky), a Member of the New Democratic Party who also sits on the Committee, has indicated his support and, through him, the Hon. Member for Hamilton Mountain also supported the Bill.

The fact is that it is the unwillingness of the President of the Privy Council (Mr. Pinard), as represented here today by his Parliamentary Secretary, to refer the subject matter of the Bill that exemplifies the problem we have had. There is indeed and has been a stranglehold on the Commissioners of Internal Economy and the operations of the House of Commons by the President of the Privy Council. That is the reason we have not progressed. If the Hon. Member for Mississauga North (Mr. Fisher) will listen, I will tell him that that is the reason we have not had an answer to his question.

The fact is that the Members' Services Committee has produced, on behalf of Members, a number of changes, and many more are coming about. Most of those things concerning which we have petitioned the Commissioners have indeed come to pass.

The Parliamentary Secretary to the President of the Privy Council will be as aware as anyone in the House of the Office Automation System and Information Services now being prepared and under way. The acronym OASIS is the one that we use for the most part. He is aware that that system is under way. He must also be aware that it would have been in place had it not been for the opposition of the President of the Privy Council. That is the sort of thing that has held us up.

You will find, Mr. Speaker, that in the last two days of February, 1984 there will be tremendous change in the telephone service of the House of Commons. It is something we have been looking for over the years. That could have been in place two years ago had we had an Administrator such as we have now in the person of Mr. Silverman. I would go a step further than my friend, the Hon. Member for Capilano, and add some support to his Chief of Support Services, Mr. Desramaux, because the two of them have worked on behalf of the Members of the House of Commons to provide services well above and beyond those we have had in the past.

While I know the Hon. Member for Beauharnois-Salaberry has some problems there, I suggest to him, through Your Honour, that those problems are not the result of the coming into place of a proper Administrator and that the savings of $22 million in last year's budget alone are not causing the discontent that he finds—"a kettle boiling in risk of explosion", as I believe he said. The discontent that he finds is being fostered because the patronage, the porkbarrelling that was exclusively the premise of the President of the Privy Council to this point, is being slowly eroded away from him.

The Hon. Member for Capilano is absolutely right when he says that the Speaker has done a magnificent job of administration. There are those in the House who may disagree with some of the things that have happened in the House under the Speaker, but when it comes to administration and the implementation of services for the House through an Administrator who is competent, qualified and prepared to show us where the money has been spent, she has been really quite magnificent. The staff that have been put together under the Administrator

are all extremely competent. They know what they are doing. They have cut down on expenses. They have actually, for a change, made me proud to be a Member of this House of Commons.

Considering the fact that all of these positions are not porkbarrelled, there will certainly be some discontent. However, I suggest there are further changes needed. Eventually, once the civil service, if you will, of the House of Commons becomes the professional civil service that it should be, then we will begin to see the esprit de corps that I know can and will exist within this House of Commons.

The reason services have been slowed, the reason the promises of a competent Administrator have not yet been fulfilled, the reason that the Report of the Auditor General has not been finally completed—and I admit fully to being a party to the originating of the Report—is that we have been opposed, step by step, by the President of the Privy Council. I want to go on record as saying that I would like to think that we will in fact see those changes come about in the near future.

● (1710)

Before I move the motion I intend to make, may I say one brief word. The Hon. Member for Capilano mentioned briefly that he felt frustrated because he had not been able to achieve those things which he believed we should have been able to achieve in his nine years here. He mentioned the Hon. Robert Andras, in terms that I thought were complimentary, and the former Auditor General.

I suggest to the Hon. Member that while things may be worse now, thanks to him in his position as chairman of the committee and others like him, they are not as bad as they might have been. While it is relative, at least we are slightly better off. When there are people in the House who are prepared to bite the bullet, it seems to me a crying shame that we should not be allowed to have the Member who presented the Bill move that it go to committee. Therefore, I will move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

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

"Bill C-687, an Act to amend the House of Commons Act (internal economy) be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Management and Members' Services".

That will put the issue before the House. We still have lots of time to deal with it and vote on it. Let us see if the President of the Privy Council or his Parliamentary Secretary has the courage of his convictions to let us act in the way this House should act.

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

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think there was some question at issue with regard to the Bill itself. The Bill put forward a specific configuration for the Commission of Internal Economy.

Mr. McGrath: It is the subject matter.

Mr. Evans: The Hon. Member says that it is the subject matter. The difficulty with referring the subject matter to a committee is that a committee of the House has already dealt with this subject matter and has tabled a report, the ninth report of the Special Committee on Standing Orders and Procedures. It has tabled a report that dealt with this issue and which puts forward a new configuration. It takes into consideration all the issues raised by the House today.

Let me quote from the report that deals with this. Paragraph 5 of the ninth report of the Committee states that:

5. Consequently your Committee proposes that a new Board of Internal Economy be set up, and we have included a draft bill with this Report to effect this change. The draft bill is aimed at modifying the make-up of the Board by enlarging the range of its members to ensure the participation of Members of Parliament who are not Cabinet members. The Board would in the future be composed of the Speaker, the Deputy Speaker, two Ministers of the Crown, the Leader of the Official Opposition or a Member designated by the Leader, and four others: two Members appointed by the government caucus, and two from the opposition caucuses including at least one from the Official Opposition. The draft bill does not specify how the representatives of each caucus are to be chosen. We recognize that this is a question to be dealt with by each caucus independently, but we favour the idea of organizing elections within each caucus for this purpose.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. Would the Hon. Member accept a question at this point concerning what he is saying?

The Acting Speaker (Mr. Corbin): Does the Hon. Member accept a question?

Mr. Evans: It is not a point of order.

The Acting Speaker (Mr. Corbin): The Hon. Parliamentary Secretary says that it is not a point of order. This is the usual way of inquiring if the Hon. Member would accept a question. In any case, the Hon. Member has the floor.

Mr. Blaikie: Say yes or no.

Mr. Evans: Obviously the answer is no. I want to finish my remarks. Time is running out.

Mr. Huntington: Why do you not move concurrence in report No. 9?

Mr. Evans: The Hon. Member asks if we are going to concur in the report. It is under discussion right now.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. In view of the words and views expressed by the Parliamentary Secretary, I would like to move concurrence in the ninth report of the Special Committee.

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Corbin): Shall all items listed under Private Members' Notices of Motions preceding Item No. 26 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

SEARCH AND RESCUE

ADVISABILITY OF INITIATING INDEPENDENT COMMISSION OF INQUIRY

The House resumed from Friday, January 16, 1981, consideration of the motion of Mr. Siddon:

That, in the opinion of this House, the Government should consider the advisability of initiating an independent commission of inquiry to investigate the serious deficiencies within the administration of Search and Rescue services on Canada's West Coast.

Hon. James A. McGrath (St. John's East): Mr. Speaker, I am pleased to have an opportunity to address this most serious question. It is now approximately one year and seven months since the sinking of the *Ocean Ranger* with the loss of 84 lives off the south coast of Newfoundland. That sparked an evaluation of our search and rescue capability on the East Coast.

Of course, this motion deals specifically with the West Coast and I congratulate the Hon. Member for Richmond-South Delta (Mr. Siddon) for introducing it. I want to serve notice now that it would be my intention to amend the motion so that the inquiry which is called for under the resolution would include the East Coast as well as the West Coast.

Following the sinking of the *Ocean Ranger*, we had the release of the report on the evaluation of search and rescue. This was the interdepartmental study that was released approximately a year ago in September of 1982.

It is nothing short of a national disgrace, a blot on the record of this Parliament, that this report has not been the subject of committee study and that the sinking of the *Ocean Ranger* has yet to be examined by a committee of the House. This is notwithstanding the fact that shortly after that tragedy it was the subject matter of a study by a congressional committee in the U.S. House of Representatives. It was also the subject of a study by the U.S. Coast Guard and I believe there was one other U.S. study into the sinking of the *Ocean Ranger* that was completed.

● (1720)

That rig was operating under a Canadian licence, it was operating in Canada's economic zone, under Canadian jurisdiction and primarily with a Canadian crew. Yet we have yet to address ourselves to an inquiry into the cause of that disaster and the impact or adequacy of our search and rescue capability in dealing with this kind of a disaster, and this is difficult, if not impossible, to understand.

The purpose of this motion is to point out that Canada's search and rescue on both coasts is in a mess, an incredible mess. The fact the Government has been able to circumvent Parliament by not having this subject before a parliamentary committee speaks to the ingenuity of the management of the business of this House, but it does not get away from the fact that search and rescue is nevertheless in a mess. We will probably be just on the verge of another disaster before we have another evaluation of the capability of our search and rescue.

I know from my own experience as Minister of Fisheries and Oceans that many of our fishermen on the West Coast of Canada have to depend upon the U.S. Coast Guard for protection. That is a disgrace and it should not be allowed to continue. On the East Coast dispersal is such that only a small area is adequately covered. That speaks to the tragedies surrounding the sinking of the *Ocean Ranger*.

I want to speak for a moment about the report on "Evaluation of Search and Rescue" from the perspective of my own Province and the inadequacy of search and rescue in Newfoundland. First, the report does not concern itself with the loss of life. The statistics in the report relate to incidents. The DND internal report, which objectively ignores the lives lost, explains that such figures would distort their basic statistics and set the fluctuation in activity statistics "wild" by one or two incidents, such as the *Ocean Ranger*.

In other words, although 83 people were lost in the *Ocean Ranger*, if you were to use that figure in the statistical compilation it would set the whole thing awry. That is the kind of convoluted logic that we get. It is more than that: the *Ocean Ranger* was a warning to us all. The sobering conclusion to be drawn from this is that since all major incidents are to be found in and around Newfoundland, they are not to be used statistically to reinforce the argument.

The greater the distance the rescue co-ordinating centre is from the scene of an incident, the longer the decision time and thus the longer the response time. I am making these points as briefly as I can to allow other Hon. Members to address this motion. I make these observations on the evaluation of search and rescue.

Newfoundland, it has to be said, by virtue of the configuration of the Atlantic region which takes in millions of square kilometres, is permanently locked into what has to be an inherent time delay because of the location of the rescue co-ordination centre in Halifax. This lag in response time has been a major factor, or has been referred to in just about every inquiry into every incident on the East Coast, certainly every incident off the coast of Newfoundland and Labrador.

The fixed-wing aircraft based in the Halifax area, which includes P.E.I., are such that they are not suitable to respond to offshore incidents off the coast of Newfoundland and Labrador. This speaks to the desperate need for the location of fixed-wing aircraft in the East Coast area off Newfoundland.

The report also makes reference to the fact that there should be a separate marine rescue co-ordination centre. I have made

the point, and I make it here again today, that there should be separate rescue co-ordination centre in St. John's, Newfoundland, to cover the area of the northwest Atlantic to satisfy our obligations under the International Aviation Agreements, whereby we take in a vast area of ocean in terms of international air traffic, and also to protect our mariners, fishermen and offshore workers.

We should have a rescue co-ordination centre in St. John's with decision-making capabilities supported by adequate personnel and fixed-wing aircraft. The Newfoundland question has to be addressed separately. There are no policies, no standards for performance and levels of service, and no objectives for the current search and rescue program. That is a fact; I defy anyone to tell me otherwise. Therefore, there is no method by which to decide or even to measure what is adequate and what is not.

The marine industrial environment has changed over the past decade by the advent of offshore exploration, and this will ultimately increase. It is increasing now. Once the question of jurisdiction has been settled, there will be further increases in activity out there. The massiveness of those offshore structures—and we have the tragic evidence of the *Ocean Ranger* to stand there as testimony—and their exposure to the ravages of the unique environment of the northwest Atlantic correspondingly increase the chances of still further major marine disasters off the coast of Newfoundland.

I emphasize and parenthesize "the coast of Newfoundland". If you take a look at the offshore activity that is taking place off Nova Scotia, you find there is adequate coverage there provided by the fixed-wing aircraft based in Summerside, P.E.I., in Nova Scotia and by the MoT vessels and fisheries vessels based in Halifax. I do not even have to mention the fishing grounds of the northwest Atlantic, the Hamilton Banks, the northern fishing grounds which are now used by our fishermen on a year round basis and, of course, the area of the Banks of Newfoundland where we have thousands of our fishermen daily exposed, especially from now until June of next year, to the extreme hazards of a very hostile environment.

In order to arrive at a reasonable and realistic conclusion on the adequacy and deployment of search and rescue resources in Newfoundland, certain factors must be considered. We are talking about adequacy because we have an internal report, additional to "An Evaluation of Search and Rescue", commissioned by a Minister of National Defence and released by the Minister which shows there are adequate resources, that there is adequate deployment. I am making the point that the resources are far from adequate and the deployment is most inadequate.

Standards will have to be developed so that there will be similar rules applicable throughout the region. Those standards must be based on all pertinent factors, such as distances to be covered, miles of coastline, marine activity, environmental factors, capability of SAR vehicles, time factors in response, causes of delays and so on.

Further, independent statistics must be developed that take into account the reason for disparity in incident rate at different levels of SAR service availability, preparedness of mariners and boaters for the missions undertaken, the incidence of self-help and mutual assistance and the recording and reporting thereof, the number of lives lost per incident and in total. I repeat, the number of lives lost per incident and in total.

A value must be placed on the different activities, that is, commercial, petroleum exploration and production activity, fishing, and pleasure and priorities assigned. Obviously, if we have an oil rig in trouble off the coast of Newfoundland, Labrador or Nova Scotia with 80 to 100 men on board, that has to receive much higher priority than a pleasure boat which has probably run afoul of weather and where there is no immediate threat to life.

In my opinion, only a fact-finding body could attempt to find answers to some of the questions I have tried to place on the record. That is why I am pleased and welcome the opportunity to stand and speak in support of the motion put foward by my hon. colleague. The first step for the long term is to establish a basis based on a solid statistical and practical background.

In the short run, the existing service resources should be deployed on the basis of a set of common factors so that all may have equal access and we can eliminate once and for all this often tragic but certainly regrettable time lag.

I have risen in this House time and time again after every accident off our coast to speak to the inadequacy of search and rescue in our country. We are one of the major, if not the major, fishing nations of the world. Our coastline touches three oceans. Apart altogether from our sovereignty, it strikes me as passing strange, and I certainly find it difficult to understand, why our search and rescue on our East and West Coasts is so woefully inadequate. I do not in any way reflect on the capability of our search and rescue personnel, both in the Canadian Coast Guard and in the Armed Forces. They are extremely dedicated people working under very difficult circumstances without adequate equipment. That is what it is all about.

• (1730)

Why is there not adequate equipment Why must they continue to operate under difficult and almost impossible circumstances? Why can there not be adequate equipment deployed on both coasts? Why should the fishermen off the Queen Charlotte Islands have to depend upon the U.S. Coast Guard for their protection?

As Members of Parliament, the representatives of the taxpayers of this country, we are entitled to an answer to that question. Why can we not have fixed-wing aircraft support in Newfoundland to protect our offshore oil workers and fishermen? It was not until the sinking of the *Ocean Ranger* that the three search and rescue helicopters now stationed in Gander were equipped with all-weather radar, and that was in response to another tragedy. Because they were not so equipped, it affected their ability to respond to the *Ocean*

Ranger disaster. It is possible that lives could have, I do not say would have, been saved. That will have to await the report of the Royal Commission into the sinking of the *Ocean Ranger*. I understand it will issue a report shortly on the adequacy of search and rescue as it impacts on that particular tragedy.

I make the case to the House that it is about time the Government dealt with this and not wait until there is another tragedy. Why should we have to wait for another tragedy? Why should we wait for more lives to be lost to stand in our place in this House and raise these questions with the Government?

If we build a subdivision in one of our cities, the first thing we do is ensure that there is adequate fire protection. So we build a fire station. We make sure there is access to hospitals and that there is adequate ambulance service. We have not taken into account what is happening on our East Coast in terms of offshore drilling and exploration. We have not made provision to deal with that new fact of life, not to mention our ability to be able to protect our mariners and fishermen. It is in the interest of saving lives that I once again make the case and support the position put forward by my colleague, the Hon. Member for Richmond-South Delta.

I understand the motion that I was going to move has already been moved by the Hon. Member for Burin-St. George's (Mr. Simmons). In any event, if it is in order, I would move:

That all the words after the word "Canada's" be struck out and the following added thereto:

"East and West Coasts".

I presume that motion would be seconded by the Hon. Member for Burin-St. George's, who is now rising in his place.

The Acting Speaker (Mr. Corbin): It is moved by Mr. McGrath, seconded by Mr. Munro (Esquimalt-Saanich):

That all the words after the word "Canada's" be struck out and the following added thereto:

"East and West Coasts".

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, I wish to say a few words on the motion, and in particular on the amendment. I am surprised that my friend from St. John's East (Mr. McGrath) felt it necessary to move the amendment, given his concluding remarks in which he said that he understands that very soon the Royal Commission on the *Ocean Ranger* tragedy will be addressing itself in an interim statement to the very issue that he would embody in his amendment.

I am a firm believer that if a study can achieve some worth-while result, we ought to have it. If a study can answer some questions that are not being addressed elsewhere, we ought to have it. The House will agree that the most expensive, and hopefully the most thorough, inquiry into a marine disaster is now under way. It is being funded jointly by the Government of Canada and the Government of the Province of Newfoundland and Labrador. I refer, of course, to the *Ocean Ranger* inquiry. As the Hon. Member just pointed out, that inquiry will soon address the very matter that he seeks to have embodied in the resolution. The issue for which he shows some concern is already being addressed in a fairly expeditious manner, I would hope, to the point that he can inform the House that we are about to hear the results of it in so far as search and rescue adequacy on the East Coast is concerned. After we hear that, if he has some further concerns, let him come back to the House and we can perhaps look at the question at that time.

The motion addresses itself to alleged deficiencies in search and rescue on the West Coast of Canada. While my friend from St. John's East did not spend much time addressing himself to that part of the motion, the rules of the House require that we do that, at least in part. At the same time, I would like the same liberty that he exercised to say something about East Coast search and rescue.

The search and rescue program is and has to be of vital importance because, in the final analysis, search and rescue is concerned with the saving of lives. This Government has long been committed to making sure that the Canadian search and rescue program meets that objective so far as is humanly and reasonably possible. The nature of this undertaking is such that it is always easy to point the finger. It is always easy to talk about what might have been, what could have been done that was not done, how things could have been different if there was a different arrangement for search and rescue capability at any time.

The Hon. Member for St. John's East knows, as all Members of this House know, that the *Ocean Ranger* tragedy is a subject which is very close to the hearts and minds of every Newfoundlander, indeed every Canadian who is aware of the impact of that tragedy. Because the Hon. Member for St. John's East is so aware of it, he ought to exercise all the more care when talking about that tragedy. It is all very well to refer to that tragedy when making a point as long as in the process we do not misuse that tragedy or misrepresent our point. He knows full well, Mr. Speaker, that we do not need to wait for an *Ocean Ranger* inquiry. He knows full well that we do not need any new inquiries to tell us what the awful result would have been on that night a year or two ago. He knows full well that if the entire search and rescue capability of St. John's and St. John's alone, the nearest point of land to the site of that terrible tragedy, were mustered that night, the result could not and would not have been any less tragic.

● (1740)

Mr. McGrath: That's not true and you know it. Helicopters need to operate from St. John's and not Gander. There are no helicopters in St. John's and I am surprised at your ignorance of the facts. Tell the truth for once.

An Hon. Member: You shouldn't be surprised at that.

Mr. Simmons: Mr. Speaker—

Mr. McGrath: You should know all the facts about that because it is your constituency.

The Acting Speaker (Mr. Corbin): Order, order.

Mr. Simmons: Mr. Speaker, the Hon. Member for St. John's East is justifiably excited about this particular issue. However, that should not mean and must not mean that I will feel obligated to give the House his version of the facts. The facts are tragic enough without our having to bicker about them.

For the deliberation of the House, Mr. Speaker, let me present a few facts which relate to the hon. gentleman from St. John's East, since he wants to be the focus of the debate. He is known by every living soul in Newfoundland. There can be no person in Newfoundland who does not know exactly where the Hon. Member for St. John's East stands on search and rescue. To his credit, every living Newfoundlander knows where he stand on this subject. To their credit as Newfoundlanders, they also know where he stood when he was in a position to do something about it. That is the acid test, Mr. Speaker. The test is not how loudly he can shout, how incriminating he can become, how much he can impute the other fellow's motives and alleged ignorance of the facts, but it is what he does about the facts when he, the Hon. Member for St. John's East, is in a position to do something about them.

When would he have been in a position to do something about those facts, Mr. Speaker? How about the period from June, 1979 to March, 1980, when he was a member of the Cabinet of the Government of Canada? During that period, he never lifted one finger to improve the search and rescue capability on the East Coast of Canada. He talked long and hard. He throws allegations across the House. He stands with an attitude that is holier than thou. But given nine months to do something about the problem, he was too busy doing other things.

Mr. Taylor: You've had ten long years.

Some Hon. Members: Oh, oh!

Mr. Simmons: Oh, they do not like that! I have upset them.

Mr. Taylor: You've had ten years, what have you done?

The Acting Speaker (Mr. Corbin): Order. Does the Hon. Member rise on a point of order?

Mr. McGrath: Mr. Speaker, may I rise on a point of order to correct the record? The Hon. Member is misleading the House.

The Acting Speaker (Mr. Corbin): I would invite Hon. Members first to observe the normal rules of debate, which require as a matter of courtesy that the Member who has the floor be allowed to speak uninterrupted. I appreciate that perhaps the Hon. Member for St. John's East (Mr. McGrath) may want to seek redress as a consequence of certain remarks made by the Hon. Member for Burin-St. George's (Mr. Simmons), but that could well fall under the category of debate. In any case, I will give the Hon. Member the benefit of the doubt and hear him out for a moment or two.

Mr. McGrath: Mr. Speaker, the hon. gentleman was not in the Cabinet long enough to determine what the facts were. He was only there for ten days.

During our brief period in office, we commissioned an interdepartmental study into certain—

The Acting Speaker (Mr. Corbin): Order, order. That is debate. The Hon. Member for St. John's East is an experienced Member of Parliament and I invite him to co-operate with the Chair.

Mr. Simmons: Mr. Speaker, I did not particularly want to raise the blood pressure of Hon. Members of the Conservative Party this late in the day. I just wanted to present to the House some facts. They may not be facts that are pleasant to the ears of the Hon. Member for St. John's East, but as he has confirmed himself in the last few moments, they are facts. His response to my comment is that they did another study. His response is to get abusive and personal.

An Hon. Member: Oh, listen to that.

Mr. Simmons: I will be the first to admit to the Chamber that I now have something in common with the Hon. Member for St. John's East and with several other Members on his side of the House. I admit, as he reminds me, that I was not in Cabinet for a very long time. I admit that I have something in common with Tories in the country because we all went through Cabinet on a conveyor belt. I admit that, but that does not allow him the privilege of hiding behind his short time in Cabinet. His time in Cabinet was not ten days, it was ten months.

Mr. Taylor: Yours was ten years.

Mr. Simmons: What does he do? He waves a report of another interdepartmental study.

Mr. Taylor: You've been there for years.

Mr. Simmons: The Hon. Member for Bow River (Mr. Taylor) has come briefly awake, Mr. Speaker.

Mr. Taylor: Tell us what you've done in ten years.

Mr. McGrath: What have you done since 1979? You have been in the House since 1979. What have you done? Tell us what the Government has done since 1979 to improve search and rescue in Newfoundland? Tell us.

An Hon. Member: Nothing. They are incapable of doing anything.

The Acting Speaker (Mr. Corbin): Order, please. The Chair seeks the co-operation of all Hon. Members to respect the right of the Hon. Member for Burin-St. George's.

An Hon. Member: He is not even sitting down properly.

The Acting Speaker (Mr. Corbin): Hon. Members should not interrupt the Chair. I am trying to get the House to

proceed in an orderly fashion with debate. Hon. Members may agree or disagree with what is being said, but traditionally we must respect the Hon. Member's right to submit an opinion to the House. He was recognized to make a speech and I invite him to continue.

Mr. Simmons: Mr. Speaker, as I was saying a moment ago, during the nine or ten months the Tories were in office, despite their pontifications about what needs to be done for search and rescue, they did not use that golden opportunity to put their money where their mouths were. They did nothing. They did absolutely big, fat zero.

The Hon. Member for St. John's East has just indicated that in making this statement I am misleading the House. I challenge him to demonstrate how that is true. I challenge him to tell the House and the people of Newfoundland, for whom he pontificates so loudly about search and rescue, what he did when he had a chance to do something about it. I know the answer to that question but it is best coming from him because he is an honest man. He will tell the truth if put to the test. Let him tell the people of Newfoundland what he did. If he tells them what he did and documents the facts, and if I have in any respect misled the House, I shall be the first to correct the record, Mr. Speaker. The issue is—

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Esquimalt-Saanich (Mr. Munro) rises on a point of order.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, on the West Coast at least, search and rescue is in the hands of the Department of National Defence.

The Acting Speaker (Mr. Corbin): Order. I must invite the Hon. Member to state his point of order. He is indulging in debate at this stage.

Mr. Munro (Esquimalt-Saanich): I was stating a fact.

The Acting Speaker (Mr. Corbin): Order. This is beginning to be an abuse of the rules. Hon. Members should not rise on points of order to participate directly in debate. Surely if they have not already spoken, their turn will come eventually, I trust.

Again, it is incumbent on the Chair to protect the right of the Hon. Member who was recognized to make a speech. I say that it is incumbent on the Chair to allow him to proceed and to make sure that the proper rules of debate are respected. He should not be interrupted, as is very clearly indicated by the Standing Orders.

Mr. Simmons: Mr. Speaker, the resolution would call for another study. If the Hon. Member for St. John's East has in his possession a study that was done two or three years ago, why is he not advocating some of the solutions presented in that particular study? Surely he has found something. Surely the Cross report found something. Surely the *Ocean Ranger* inquiry will find something. Do we need another study? If we believe the drafter of this resolution, he wants a study for the West Coast and, I presume, another for the East Coast and perhaps another for the Arctic. We do not need more studies, Mr. Speaker. We need a little dialogue around here.

• (1750)

In the last few minutes we have demonstrated that none is so deaf as those who will not hear. On the benches opposite the whole game in the last few minutes, on a quiet Wednesday afternoon, is to interrupt and prevent a Member of the House from saying what needs to be said in the debate.

Mr. Taylor: Don't start crying.

Mr. Simmons: I do not expect the Hon. Member for Bow River to get excited about search and rescue, Mr. Speaker. I do not believe he can get excited about many things.

Mr. McGrath: Mr. Speaker, would the Hon. Member accept a question?

Mr. Simmons: Yes, Mr. Speaker.

Mr. McGrath: The Hon. Member is determined to deal with the past. Perhaps as spokesman for the Government he can explain to the House why it has refused to accept the recommendations of the Mahoney inquiry commissioned by the Government into the sinking of the *Arctic Explorer*. That report called for adequate deployment, for fixed-wing aircraft, and it made a number of recommendations which have been ignored. Perhaps the Hon. Member would address that question.

Mr. Simmons: Mr. Speaker, as recently as last Spring when the then Minister of National Defence was in St. John's, he announced a new deployment and there have been a number of new deployments since that particular report. The capability available to the Government through DOT and DND is constantly being redeployed. That is not to say that the redeployment, however adequate or brilliant, will ever have the approbation of the Hon. Member for St. John's East, because once he gives that, he removes the whole basis of his argument. He removes his entire platform. He has the village reputation of a crusader—not a doer, Mr. Speaker.

I know he does not want to hear about the past, even the recent past. I have challenged him and I do so again, now that I have answered his question. Again I ask him where the proof is that the Government of which he was a senior and prominent member did anything to address the very concerns he now raises and has raised for a number of years? That is the acid test.

On a continuing basis the Government has deployed and redeployed. If the Hon. Member is asking whether the system is perfect, the answer is no, it is not perfect. No matter what the resources or how many dollars are applied to this particular activity, there will always be room enough to point the finger. This motion is another finger pointing exercise. As soon as a Member on this side of the House tries to put the other side of the argument, Hon. Members opposite do not want to hear.

Is it a perfect system? No, it is not. Is there a need for a study? No, there is no need for another study. We have studies coming out of our ears. What we need is a little less rhetoric, a little less pointing of the finger and cheap politics, a little less undermining, a little less bad mouthing of the men and women involved in search and rescue in the country. They get a raw deal from people who continually shout that everything is wrong. They get a raw deal from people who keep saying that everything is bad. Those people are doing a very good job and if they had more resources they would do a better job. No one argues that point.

I suppose if we had an unlimited number of helicopters in every community, things would be better. There are 135 communities in my riding and I am sure every one of them can see the need for one place in or near that particular community. This whole thing could be carried to the ridiculous, as I have done in the last few moments, in order to make a point.

Mr. McGrath: You are the disgrace.

Mr. Simmons: Mr. Speaker, if the yardstick for my disgrace is that I take a position different from that taken by the Hon. Member for St. John's East on search and rescue, I am glad to be the disgrace.

Mr. McGrath: You are when you are the only Newfoundlander to—

Mr. Simmons: The Hon. Member says I am the only Newfoundlander, etc. I will give him a unique category. He is the only Newfoundlander who went into a Cabinet without lifting a finger on an issue which he says is important, and that is the issue of search and rescue. He never lifted his finger for nine or ten months. That is the kind of action we got from the man who now would be the solver of all problems. Search and rescue needs less rhetoric and a little more support for what is a good system and would be a better system if it were not continually undermined by people like the Hon. Member for St. John's East.

Mr. Taylor: Look who is talking.

Mr. Siddon: Mr. Speaker, I rise on a point of order. As the mover of the main motion I should like to ask the indulgence of Hon. Members present to extend the sitting until 6.15 p.m. so that the full hour might be accorded to this important debate and a more positive light might be placed upon it than has been the case by the speaker who just resumed his seat.

The Acting Speaker (Mr. Corbin): The House has heard the proposal put forward by the Hon. Member for Richmond-South Delta (Mr. Siddon). Is there consent to that proposal?

Some Hon. Members: Agreed.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to speak on this motion although I regret the tone of debate in the last half hour with name calling on both sides of the House rather than dealing with the very serious issue. The motion that stands in the name of the Member for Richmond-South Delta calls for an independent commission to inquire into the whole question of search and rescue on Canada's West Coast. Incidentally, I support the amendment that would extend this to Canada's East Coast. We have to take the broad view of this subject.

There are certainly some very serious problems on the East Coast. In this Party we recognize that it is a difficult coast to monitor. It has a sparse population in some areas, the costs are high, but there have been some very tragic losses of life on that coast. It is the responsibility of the Government to provide adequate search and rescue facilities there.

Another interdepartmental study would do nothing to help deal with the many problems associated with search and rescue on the coast. An independent commission with members who would look at the whole context of search and rescue—for example, the use of volunteers, the need for helicopters, the kind of vessels that could service the area—all this would be helpful, rather than people who are concerned with protecting their departments.

The motion came up as a result of the tragic accident that occurred on Christmas Day of 1979 when 30 crewmen lost their lives in the sinking of the *Lee Wang Zin* off the northern coast of British Columbia. Sometimes it takes a major accident like that to arouse the public and bring its attention to what is really happening. This situation has been raised time and again in the House. While a tragedy the scope of the *Lee Wang Zin* has not been repeated on the West Coast in the last four years, it has been on the East Coast so the problem is a continuing one. In any given year there are dozens of smaller sinkings and smaller incidents. It has been estimated that an average of 50 lives are lost per year in incidents off our coasts.

As a United Church minister, it has been my responsibility at different times in the past to deal with the families of some of the people who lost their lives. It is a difficult task at best but how much more difficult and tragic it is when the situation could have been prevented had proper search and rescue facilities been in place and proper procedures followed. This, Mr. Speaker, is why we urge that this motion be adopted and a commission appointed.

• (1800)

We have raised this issue a number of times but progress is very slow. It seems that the Government has trouble in responding to distress calls along the Pacific Coast. When comparing the facilities and the equipment which are available to the Pacific Coast with that which is available to the East Coast, we find that in terms of the miles of coast which have to be covered and the number of incidents, we are far behind in the apportionment of money and resources.

The Hon. Member for Skeena (Mr. Fulton) has raised the problem of the type-400 search and rescue vessels which were recently deployed on the West Coast. They had to be taken out of service, Mr. Speaker, because it was found that the welding was defective. Those vessels are now back in service. However, a letter from the former Minister of Transport to my col-

league, the Hon. Member for Skeena, pointed out that it has been demonstrated that after two years in operation:

—the Type 400 vessel has some shortcomings for operations in the worst conditions encountered at certain times of the year in northern British Columbia waters. Therefore, to provide effective SAR coverage in the areas of Hecate Strait, Queen Charlotte Sound and Dixon Entrance, where regional SAR authorities had originally planned Type 400 vessels, the CCG is investigating other options.

The Canadian Coast Guard are investigating other options, but in the meantime, Mr. Speaker, we have a continuing situation where human lives are at risk.

The Hon. Member for Skeena has repeatedly urged that there should be a properly equipped helicopter stationed either on the Queen Charlotte Island of Masset or in Prince Rupert. However, this is not a request which the Minister has seen fit to accept. The Government promised two more search and rescue vessels earlier this year, one for Bella Bella and one for Prince Rupert. The money has been made available by the Treasury Board. But it is not just money which has to be voted for the acquisition of these boats; the boats have to be put in place.

There is a need for multi-tasking of all Government vessels. Certainly, it is required by law that all Government vessels, and indeed all vessels on the coast, should respond to a distress call. However, Government vessels are not all properly equipped or co-ordinated to take part in such services. Studies have repeatedly pinpointed the lengthy delays in alerting search and rescue systems after the initial notification has gone in.

This underlines the continuing need for better co-ordination of the facilities which we already have. It underlines the need for greater use of volunteers. One very simple suggestion which has been made is that volunteers should have paging devices issued to them so that if there were an incident for which they were to be called out, it would be easy to contact them.

The Canadian Marine Rescue Auxiliary, the CMRA, has been formed recently, but it has not been properly utilized. It has been utilized in a way which has, in fact, left many of the smaller lifeboat societies out in the cold. This is really ignoring the very important resource of volunteers. If there is going to be an adequate search and rescue component on the West Coast of Canada, we must use volunteers. The very length of the coast and the sparseness of the population in some areas require that we use adequately trained volunteers, but we have not done that. It is almost as though volunteers are looked upon as somehow getting in the way of the professionals.

● (1805)

The overview presented by the British Columbia Lifeboat Society has a description of the volunteer, and I would like to read it into the record because I think it accurately describes the kind of person these volunteers are and their dedication:

He typically expends a considerable amount of his available resources, be it time, vessel and equipment or money on his avocation—frequently equipping his vessel in a manner improving efficiency in handling Search and Rescue tasks. Small vessel handling skills and knowledge of local marine conditions have been generally developed over a long period of time, he is most frequently a respected individual in his chosen vocation or profession. These are resources that cannot be purchased much less contracted.

He gives much, asks little—in general—deems to have received less from the authorities.

So I urge there be greater attention paid to the whole question of volunteers.

Another area I think the Commission should be directing more attention to is that of prevention. This is especially important in the southern part of the coast, the part I represent, including the Gulf Islands where there is increasing use of pleasure boats. I believe it should be mandatory to require licensing not only of the vessels but of the operators, especially smaller vessels, because there is nothing to prevent someone from going out and buying a boat, putting a high-powered motor on it and go roaring off into the ocean without any training whatsoever. A test or examination should be required for vessel operators similar to that which we require for people who are going to drive automobiles. We should ensure vessel operators are properly equipped with the knowledge and training which will enable them to provide for their own safety and also be of some use in the event another boat gets into difficulty.

Another preventive measure I strongly advocate is that Coast Guard officials be given the power to terminate voyages which in their opinion are manifestly unsafe. I refer, for example, to situations where the people in the boat have been drinking to the extent they are no longer capable of safely handling a boat. We are able to do that with automobiles but Coast Guard officials do not have that power, only the RCMP has.

I know there are other people who wish to take part in this debate so I will conclude simply by emphasizing that we support the motion. We want to see some positive improvements made in search and rescue. We believe one way to do that would be an independent inquiry which can look into all facets of search and rescue on both Canadian coasts and come up with recommendations that a Government which has the will can implement.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I must first indicate my concern and displeasure at the approach and direction this debate has taken. The motion expressly indicated the West Coast and the problems facing search and rescue. I, through the Department, have taken time to take that concern to heart and have pointed out exactly what has been accomplished since the issuing of the Cross Report.

I think there has been so much rhetoric as to make it impossible to get that information across in the time allotted. So rather than going over the steps taken, some of which have been brought forward by the previous speaker, I will quickly indicate what has happened and what is being done in this particular field.

First of all, the Cross Report was tabled in the House of Commons in December, 1982. Since then, the Cabinet decision called for a new management system, the goal of which was to

establish more clearly the fine line of responsibility for policy making, planning, programming, monitoring and review of search and rescue. The line of responsibility would run from the lead Minister, the Minister of National Defence (Mr. Blais), through a single chairman of the interdepartmental committee supported by an independent secretariat to the line departments.

● (1810)

The Acting Speaker (Mr. Corbin): Order, please. I beg the indulgence of the Parliamentary Secretary. There was a mixup on the Chair's part as to who the next speaker should be. The Chair recognized the Parliamentary Secretary but at the same time the Hon. Member for Esquimalt-Saanich (Mr. Munro) rose. The Chair should have recognized, in all fairness in terms of the usual rotation of speakers in the House, the Hon. Member for Esquimalt-Saanich.

Having recognized the Hon. Member, I cannot unrecognize him strictly speaking, at this time. I would ask him, though, without prejudicing his right to speak further in the debate, if he would now cede to the Hon. Member for Esquimalt-Saanich.

Mr. Hudecki: I will follow your directions, Mr. Speaker.

The Acting Speaker (Mr. Corbin): The Chair is not actually directing the Hon. Member. I am explaining the situation the Chair has put itself into, not in a deliberate way, I suppose, but I appreciate the Hon. Member's co-operation and the Hon. Member reserves his right to speak after the Hon. Member for Esquimalt-Saanich if he so wishes.

Mr. Hudecki: I feel I should reserve the right to speak again after the Hon. Member has completed his remarks.

The Acting Speaker (Mr. Corbin): Such should be clearly understood. I now recognize the Hon. Member for Esquimalt-Saanich.

Mr. Donald W. Munro (Esquimalt-Saanich): I thank you, Mr. Speaker, and I thank the Hon. Parliamentary Secretary.

I will draw to your attention. Mr. Speaker, the importance of this matter as far as the West Coast is concerned in terms of numbers. However, in a matter of this importance, it is vital that there be advance notice of the appearance on the Order Paper of motions of this sort. In fact, concerning Private Members' days, I know the Table is having trouble lining people up two or three days in advance. However, last night at six o'clock, the Hon. Member for Richmond-South Delta (Mr. Siddon) was informed that his motion would be on for debate today. A motion of such importance deserves more notice than this. There is a great deal of preparation involved. There is statistical preparation. I plead with the Chair and the Table to twist arms a little more strongly and see that things are organized on Monday so that we know, well in advance, that a certain motion is coming forward.

I did mention to Your Honour that I would indicate the importance of the motion in statistical terms. It has been estimated that something of the order of 200,000 pleasures boats sail waters on the West Coast and that 5,000 to 6,000 commercial fishermen also work those waters. I would say that we are roughly talking somewhere in the order of half a million people whose lives are at the whim of the elements. For that reason, it is vitally important that we have an improved system of search and rescue on the West and East Coasts.

I am delighted that we had this broadening of the motion because it gives us an opportunity to insist that this study be carried out on both coasts. Do I have until 6.15 or 6.17, Mr. Speaker?

The Acting Speaker (Mr. Corbin): I suppose the intent was to provide for the whole hour. The Hon. Member for Richmond-South Delta (Mr. Siddon) did refer, in his motion, to 6.15. I take it that he meant 6.17 p.m., which would take us to the full hour.

Mr. Munro (Esquimalt-Saanich): That gives me two minutes to add a few comments. We have already had the tragedy of the *Ocean Ranger* brought to our attention. We have also heard mention of the Christmas tragedy of the *Lee Wang Zin*. While the *Prinzendam* was a tragedy in terms of a vessel, it was happily not a tragedy in terms of human lives. In that instance, however, we had to rely on the U.S. Coast Guard, and that is unfortunate.

This highlights in a manner which we apparently are unable to do in a debate in the House the importance of a broadened search and rescue system on both coasts. That being the case, along with the one report we have seen and the recommendations that it made, I think it is worth mentioning that there were something in the order of 53 recommendations put forward by the evaluation team. It indicated for example, that faster response comes in more often than not. We talked about the 32 hours before anyone responded to the tragedy of the Taiwanese vessel, the *Lee Wang Zin*.

Our time has almost expired and therefore I move:

That the question be now put.

Mr. Hudecki: I was given assurance that I could speak.

The Acting Speaker (Mr. Corbin): The Chair is prepared to recognize the Hon. Parliamentary Secretary but our time has now expired. Therefore this House stands adjourned until tomorrow at eleven o'clock a.m.

At 6.17 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 13, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Tuesday, October 11, 1983 consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 34 (Mr. Benjamin).

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I am pleased to speak to Motion No. 34 today, a motion which, as Hon. Members know, provides for the elimination of Subclause (4) of Clause 17. This subclause in its present form provides that the Administrator:

—may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

I am pleased to speak to the amendment put forward by this Party, because unless the amendment is passed by this House, the economic, social and cultural effects will be devastating. I am speaking not only about farmers facing the spectre of widespread branch line abandonment, the Wheat Pools facing elevator abandonment and the heavy capital costs associated with the development of inland terminals, but also the effects we can expect on the social fabric of this country as a whole through the undermining of rural communities and the co-operative system.

• (1110)

Thus, I would submit that Clause 17(4) is not "in the best interests of the grain producers". It is really the opening of a back door branch line abandonment policy, despite the Government's avowed commitment to the upgrading of branch lines. The move toward trucking an increased percentage of grain now served by rail through, in many cases, branch lines threatens the viability of small communities, many of which will be crippled by the closure of these lines. This is a phenomenon we have witnessed all too often in the past, as many of my colleagues have attested. As well, the resulting longer hauls and the increased expenditures for producers, while leading to a reduction of costs to the railways, will result in a higher total system cost to the producers.

The proposal of the Government touches upon the whole system of gathering, marketing and transporting Canadian grain. First, the decision with respect to the use of trucks and the concomitant rail line abandonment is centralized in the hands of the Administrator. One must question to what degree the Administrator's decisions will be based on very narrowly defined economic criteria and the "fudged" facts put forth too often by the railroads, and not on full economic and social impact studies.

My colleagues have also identified the effect which the closing of branch lines will have on small businesses and rural communities. No less important than the economic impact is the social impact on the network of small and vibrant farming communities which are often held together by rail service and wheat co-operatives. These are a legacy of our past and an important part of our future Canadian mosaic, one we cannot destroy to help the railroads simply gain more money and provide less service.

As well, I wonder if the Administrator, in taking the decision to move to trucks, will consider the very important negative impact such a move will have on the consequent financial burden to municipalities and provincial governments. Of course, the burden of keeping our railways in good condition is a federal one. The burden of maintaining road services is a provincial or municipal one. Under the system proposed by the Government, in which the heavy, bulky agricultural products of concern to us here are moved by large trucks, the maintenance costs will be tremendous. Is the Government, then, proposing to keep up the roads which will be overused as a result of its policies? Of course not. The burden of paying for the trucking of grain products will be shifted to the taxpayers of the Provinces involved, increasing the tax burden on the producers. I would submit that this is not "in the best interests of the grain producers".

There is nothing contained in the Bill to redress this problem. Cost transfers, which are provided by this clause, do nothing to reduce the total system costs. This represents simply another form of cost transfers, not cost savings.

It is primarily for these reasons, and for many of the reasons which my colleagues have given throughout the course of debate on our motion, that I would urge all Members of the House to pass Motion No. 34.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am glad to be able to join with my colleagues this morning in supporting Motion No. 34, put forward by my colleague, the Hon. Member for Regina West (Mr. Benjamin), because I believe

that in this motion we have come to terms with the very important social reality which could have great influence in the Province in which I live. Transportation has been the backbone of life in Saskatchewan since I was a child, and will continue to be so I am sure. The distances one must travel in Saskatchewan are unique. The pioneers who came to the country realized that unless there was an adequate transportation system put in place, they could not continue to exist there.

● (1115)

Today we are discussing a Bill dealing with the essence of that lifestyle which was built on the growing and transportation of grain. The motion we are advancing ensures that truckers will not be subsidized for carrying grain in areas where there is existing railroad transportation. To my mind that has a very reasonable ring to it. The transportation system in western Canada is what you might call the arteries of the economic life of western Canada. This motion is attempting to sustain that economic life system.

If a person has had an opportunity to visit Europe or other countries, he will find there are different ways to move things, naturally. The easiest way to move large-scale products like grain or ore is by water. Unfortunately, Saskatchewan does not have that system.

Mr. Malone: Saskatchewan canal.

Mr. Ogle: My colleague from Alberta suggests we build a Saskatchewan canal. I think that would only be an Alberta idea; we could not possibly do that in Saskatchewan. However, the most economic way of moving goods is by water through canals and rivers.

The second most economical way to move large quantities of goods is by rail; there is no question about that. If a person has had the opportunity to visit Europe, he will see that the Europeans have engineered their rivers and canals. Indeed, they have set up a network in almost the whole of Europe in which water is the major transportation mode. However, in parallel to that, double-railed all the time, they have the rail transportation system. Economically that is the simplest way to move heavy, bulky products like grain or ore, plus passengers or anything else which has to be moved in a particular direction at a particular time. They have a trucking system but that is at the bottom; it is not the lifeblood of the whole system. I think in North America there has always been a very strong automotive lobby which has pushed the production of automobiles and trucks out of proportion to their value in the long run. That lobby has forced many places to build road systems to carry that traffic.

However, Mr. Speaker, this motion simply says that we do not want a subsidy to be paid to truckers for trucking grain in areas where there is an existing rail line. We feel, and I think rightly believe, that will bring about the abandonment of particular rail lines. When that happens—and I can use many examples from Saskatchewan, when railroad lines are abandoned and track is pulled out—the lives of the people who live along that particular area are changed. They are changed in a way which causes them to abandon their homes. It means the abandonment of schools and social structures that are part and parcel of the province from which I come.

● (1120)

Also, I would like clearly to mark out that the reason we are proposing the motion is that we are basically thinking of the farmer, the person who is at the bottom, for whom the whole structure has been set up. The farmer who is at the bottom will be the last one to be protected in the Bill. What we are requesting is that the farmer be the first one to be looked after in the Bill, because the trucking system will not be set up to help the farmer. As we know now, if the motion is not carried, most of the trucking firms that will get the work will be the big trucking companies, many times also operated by the railroad. Therefore, a subsidy would be going to those very routes that would be least interested in keeping the railroad in that particular place.

I call upon my colleagues in the House and all those who are concerned with the welfare of the western Canadian farmer in the rural areas of Saskatchewan, Alberta and Manitoba to consider seriously what we are proposing here, and to use the power of Parliament to carry the motion that we have proposed to ensure that the rail lines will not be abandoned because of something that is legislated in the House.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, like my colleagues, I appreciate the opportunity to speak on Motion No. 34, which would eliminate Subclause (4) of Clause 17. Subclause (4) allows the Administrator, on behalf of the Minister, to enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

It is the contention of our Party that such agreements would never be in the best interests of the grain producers and certainly would not be in the best interests of the many communities across the Prairies, because, in effect, Subclause (4) would facilitate branch line abandonment on the Prairies. This would have disastrous effects on a great many Prairie communities.

I think all Hon. Members in the House are aware that branch line abandonment is not a new phenomenon. It is something that the railways have been attempting for years, something at which they have been disastrously successful. Branch line abandonment is not a phenomenon that is limited to the Prairies. In the last two years, in my own riding on Vancouver Island, there have been attempts by both Canadian National and Canadian Pacific to abandon branch lines to Lake Cowichan. In the submissions that I have made at different times to try to prevent such abandonment, I have pointed out the effects that this would have on our communities.

The increased movement of lumber by truck would mean that already crowded highways would be further crowded and the cost of highway building would be shifted directly on to the taxpayers of British Columbia. The Social Credit Government

of British Columbia has never done a tremendously good job of providing good highways for the people of Lake Cowichan anyhow.

There would be an increased use of energy. I am not sure about the shipment of grain, but for shipping lumber, approximately four times as much energy is required to ship lumber by truck as to ship by train. By putting more traffic, especially heavy truck traffic, on already crowded highways, we would be increasing the danger of accidents. I know the difficulty of trying to drive on some of those highways on Vancouver Island with some of those large, articulated trailer trucks, with both lumber and logs.

The Acting Speaker (Mr. Corbin): Order, please. I think the Hon. Member is straying somewhat from the purpose of the amendment now before the House. The Bill, I remind him, deals basically with the transport of grain. He is now speaking of lumber on Vancouver Island. I would invite him to come back to the amendment.

Mr. Manly: I am very pleased to come back to the amendment, Mr. Speaker, but I was trying to use the situation on Vancouver Island as an illustration of the fact that branch line abandonment all across Canada does have a disastrous effect upon communities. In fact, when we consider the social, environmental and the total economic costs, it really argues against abandonment. Clause 17(4) is basically a move to facilitate branch line abandonment. While it talks about being "in the best interests of the grain producers", it is in fact not.

• (1125)

In returning to the point, I would like to emphasize that, if anything, the situation is more critical for communities on the Prairies than it is even in my own riding. I suggest that it is clauses such as this which make people on the Prairies very suspicious about the intent of the entire Bill to change the basic Crow structure. They see this Bill as an attempt to destroy the infrastructure which has been built up over the years, including not only the branch lines but the local elevators that will be left unserviced by those branch lines as trucks are used to haul grain directly to the larger inland terminals. Branch line abandonment would be served by giving subsidies to trucking so that they would be able to syphon off increased volumes of grain hauling. The trucking firms which would get the subsidy would obtain more of this business and that, in turn, would result in lesser use of the branch lines, which would ultimately lead to the promotion of the argument by the railways that the branch lines themselves were not successful.

Therefore it is on that basis that we in our Party are very concerned that Motion No. 34 to withdraw Clause 17(4) be accepted and that the Government commit itself to maintain the infrastructure that is needed on the Canadian Prairies so that those communities, those farms and services, will continue.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to enter into the debate on our motion which I believe all Members of the House should support if they closely review the economics of our reasoning. Motion No. 34 specifically seeks to strike from the Bill Clause 17(4), which is a provision to facilitate branch line abandonment, the closing of country elevators and the development of a system of inland terminals through a diversion of a portion of funds available for transportation subsidies to trucking.

I understand that this measure evolved from the proposals put forward by the Tory Transport critic, the Hon. Member for Vegreville (Mr. Mazankowski), in some ways supported by the Deputy Minister of Transport, to get back in the Bill a means of providing subsidies to the various trucking companies that would ordinarily be going to the railways.

I believe that most people who have followed the debate closely know that the general impact of the Crow changes on the Prairies will mean a loss of 30,000 or 40,000 of the smaller rural farms, particularly in northern and more rural areas. In some cases, these areas are not even served by branch lines but are basically being served presently by some form of trucking into the rural elevators, on to the branch lines and on into the central pools to the eventual destination of Vancouver, Prince Rupert, Churchill or the Lakehead.

I believe all Members need to be reminded from time to time of what is happening in terms of the consolidation of certain trucking interests who are very clearly interested in seeing this kind of Crow Bill go through unchanged. Clearly, they would not want to see the NDP amendment accepted and would prefer to see the special deal that has been made between the Tories and the Liberals go through.

I believe it is worth reflecting on the announcement which was made in March of this year and was noted in a story by Albert Sigurdson in a story in *The Globe and Mail*. The headline was "Trucking: CN Now Runs the Nation's Biggest Trucking Network". All that delayed CN from getting that trucking network up to that point was obtaining "the missing link operating licences it needed in Quebec". What CN is now operating in Canada is some 3,000 pieces of highway equipment. They claim this is the most efficient and effective marketing operation for trucking in the country.

• (1130)

There are three key areas we have to look at if we are going to pass this part of the Crow Bill unamended. I believe, and my colleagues from the Prairies also believe, that we need to have Clause 34 changed in the way that we have proposed to take away the possibility of trucking companies picking up the freight subsidies. In our estimation, three key things will occur if the trucking companies can dig in, whether it is CN, which is now the largest trucking network in the country, CP or any other operation. These three things are branch line abandonment, elevator abandonment and the massive development of inland terminals.

Let me deal first with branch line abandonment, something that has been occurring at a great rate for many years. Branch line abandonment would be compounded by allowing federal funds, particularly federal subsidies, to go to trucking companies, which in some cases may be more efficient. I am certainly

not arguing that we for some strange, unknown reason go to some less efficient mode of transportation. My colleague the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) made the point quite correctly. Anyone who has studied the costs per unit of moving heavy commodities, whether wood, grain, iron ore or coal, knows it is more cost efficient, almost regardless of what quality of highway is constructed, to move by rail instead of by road. You simply shift very extensive costs to municipalities and provinces if you move very heavy axle weights at certain times of the year either on gravel or on paved highways.

Branch line abandonment would be compounded, certainly in a lot of rural and northern areas of the Prairies, for a very simple and obvious reason. If the subsidy would make the trucking even marginally more competitive and the Administrator had the power or the authority to say "Okay, we are going to have trucking firms bringing all of the grain from the north Peace down into the main line areas," the smaller elevators would have to consolidate.

The ones who would lose in this operation, as most Members know, are the existing country elevator systems which are really the three prairie Wheat Pools. And getting the gravy on the other side will be the private grain trade. One does not have to go too far to find a political connection between the private grain trade and the two larger Parties in this House.

Mr. Malone: The next thing you know, people will be making a profit.

Mr. Fulton: The Hon. Member from Alberta says the first thing you know is somebody will be making a profit. I have watched with some degree of pain what has been happening in my area as certain products have been shifted from rail on to the road. For a very short period of time it appears there is some kind of job creation going on, that the truckers are getting more jobs, that there are more trucks on the road and there are a few more service operations open. But you have to look at it in a more global context in terms of what happens when a branch line is abandoned. I think Mr. Justice Emmett Hall's Royal Commission's evidence on this made it quite clear. When the branch line closes and the country elevator goes, what happens? What is associated with the country elevator? There might be a butcher shop and a little grocery store, perhaps a gas station. If those go, then what happens? Kids have to be bussed farther to school because the small school in the community has moved. What you have is a complete reconsolidation.

A very dramatic facelift on the Canadian Prairies would occur if there are not changes made such as the one that we are making. It is all very good for the Liberals and the Tories to say, "Well, trucking is more competitive". I would be the first one to be calling for an amendment if all that we were talking about was making it more competitive. We have to look at the global and social costs of these kinds of massive changes. It is abundantly clear that if trucking corporations in certain areas—I am not saying in all areas—of the grain trade are to get this kind of subsidy, we will see branch line abandonment; and immediately behind that, as demonstrated historically decade after decade already, we will see elevator abandonment and the pools will start to lose their own members from the existing elevator system. The trucks will be going right by into the centralized inland pool operations.

It will have a direct impact on the largest and one of the most efficient grain elevator systems ever constructed in the world, namely the one now being constructed in my constituency of Prince Rupert. Both of the main pools, the Alberta and Saskatchewan pools which are the key components of and key financial participants in that elevator system which will cost about $300 million, stand to lose if the Liberals and Tories continue with their existing position on this amendment. We stand to lose with Motion No. 34 by allowing the subsidies to go to the trucking operations, because the majority of the grain that is going to be moving through the Port of Prince Rupert comes from the northern and rural areas of Alberta and Saskatchewan, areas that are now served in some sense by branch lines and by rural pools. They will simply no longer operate in that way.

If we were more sensitive, we would be calling for a much broader and careful articulation and evaluation of what the impact of the over-all Crow legislation is going to be four or five years from now. The farmers are saying that they will lose 30,000 or 40,000 rural farms. If this amendment does not carry, we will lose X number of country pools, we will lose more branch lines and we will see increased costs shifted to municipalities to keep the roads open and provide the depth of pavement required for the axle weights needed for hauling grain by rubber.

The costs to Canadians generally of not being very careful with amendments such as this and including them in the Crow legislation go far beyond what a Liberal or a Tory Member might say. We might hear them say: "Well, all we are saying is that if it is more cost competitive to go by rubber, then go by rubber." That is true, Mr. Speaker, very true. What we need to do in this country is to become more efficient and more cost caring. But at the same time we have to take a look at the history of what has happened in the farming community by not being very careful about applying principles that are in the long-term interests of the farming community, which are in the long-term interests of the Port of Prince Rupert and to a balance of trade in this country which is $6 billion a year from grain. I think all Members of this House have a responsibility to look very carefully at this amendment and to support it.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am very pleased to enter this debate, which is my first opportunity at this stage of the Bill. This Bill affects my riding and the people of the Peace country very much. It will have an impact that cannot be measured in terms of today but in terms of the future of our whole area.

First, I want to pay a compliment to the Hon. Member for Vegreville (Mr. Mazankowski) and to various other Members of my Party who worked so hard all summer long on this particular piece of legislation. They put in hours and hours of

tedious work. Their work has been well done and the people in my area want me to pay them the most sincere compliment.

I also wish to compliment the Chairman of the Committee. I have worked with him in the past and I know he is a very fair and capable individual. I know from the comments I have had from my colleagues who served on the Committee that they were very pleased with his chairmanship, and I just want to relay that message to him.

As far as I am concerned, this amendment we are dealing with today is probably one of the most significant amendments to this particular piece of legislation as it relates to the people of the Peace country. The reason is simple. We are in a unique situation in our part of the country. We have large pockets of farming population that simply do not have rail lines in the immediate area. The Canadian national average is something like 20 miles. For every farmer to move his grain from his fields, his farm, into the elevators, he has to transport it about 20 miles. In my area I have several people who have to transport their grain something like 120 miles, six times the national average. Obviously, this is six times the cost to those individual farmers who are already dealing with very high costs because of the region of the country in which they live.

• (1140)

I am shocked and stunned that the New Democratic Party can put forward an amendment such as this and have us believe that it is in the interests of producers. It is incredible because the very people hurt by this amendment are none other than the producers, in particular the producers of the Peace country. Clause 17(4), as it presently stands, reads:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

There are two parts of that clause which I really like. One is "in the best interests of the grain producers", and the second is the whole business of "the movement of grain by motor vehicle transport". I think this is significant, as a Member of Parliament representing that part of the country. It is the only means of transportation in much of my riding simply because we do not have rail lines. Now the NDP is saying that we should do away with trucking not allow it to exist in the system. The NDP is saying that we should not allow the Minister or the Administrator to make a payment to farmers who have to truck their grain 120 miles.

Mr. Kristiansen: Why don't we just build a railway?

Mr. Cooper: I hear the Hon. Member. That is a wonderful solution, I really appreciate it. I wish he would sit down with the Minister and convince him of that. He knows as well as I that that is not a viable solution or possibility at this point. We would love it to happen. We are working toward it, but we know that in the short term we have to have some form of trucking subsidy for our farmers. This amendment will simply not allow it.

We have been fighting for the particular concerns of this area for a long time. My predecessor, Ged Baldwin, worked for years to bring to the attention of the Government across the way the concerns of our farmers in terms of the difficulties they face in grain transportation. We worked hard to bring that to the Government's attention. When there was a change in administration in 1979, the Hon. Member for Vegreville (Mr. Mazankowski) worked very hard for our region and was making some progress. In a very short period of time we would have seen an off-line elevator concept which would have met the needs of those people. Now, because of the NDP-Leberal coalition, that has been eliminated. The NDP wants to go even further and eliminate the possibility of those farmers ever receiving any kind of help with a very expensive proposition they virtually face every day of their farming lives.

The whole purpose of looking at the Bill was to look after the concerns and difficulties of producers. Of course, Members of the New Democratic Party have pretended to be the great champions of those people, but I would like to know who they are representing with this amendment. It sounds to me as if it is the people in Regina, central Edmonton or perhaps even Winnipeg. It is certainly not the farmers, especially those in the Peace country. Those farmers need recognition for the difficulties they face because of the uniqueness of that particular region of Canada.

The region to which I refer is one of much potential and opportunity. We have literally thousands of agricultural acres which are not in production. They could be and will be brought into production when it becomes feasible to develop the land and the costs of production become a viable option. The only way we could see that happening would be if we allowed some kind of recognition of the unique difficulties faced by these people.

This particular amendment is a totally regressive motion, a backward movement rather than a forward one. I speak in the strongest possible terms against it. The present wording in the Bill is important because it recognizes the unique needs of the people of the Peace country. I will vote against this motion with the greatest of pleasure.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to have an opportunity to enter this debate and to talk a little sense after the words of the previous speaker. I support this NDP amendment.

An Hon. Member: How many grain farmers do you have?

Ms. McDonald: It is true that I do not have a large number of farmers in my riding. There are certainly a large number of ex-farmers and a large number of garden plots. That is an important question. We have excellent fruit markets and vegetable markets. We are not high in agriculture, but I want to address the system.

Certainly the people in my riding are concerned about transportation policy, agricultural policy and about having an efficient system which works equitably for all concerned and is fair to producers. Many people in my riding are former farmers and producers. They are sympathetic, and I am certain they very much favour my speaking on behalf of the

farming producers of the country. All my constituents like to eat and want to continue to do so. Agriculture affects everyone in the country. I should have thought that was perfectly obvious.

The purpose of this amendment is to delete Clause 17(4), which reads:

The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

We have heard a little nonsense and we have certainly seen crocodile tears about poor truckers and about more subsidies to truckers. I would like to give an example of what is happening in the trucking industry. This example suggests that it is not the poor little truckers about whom we have to be concerned but about who is behind all this. We have trucking companies now being taken over by CP in anticipation of the House not passing this amendment, going along with the Government's plans and making the trucking industry more profitable.

I would like to refer to an article which appeared in *The Leader-Post* of Regina, Saskatchewan, on September 22, 1983. It reads:

CP trucks announced this week it has purchased four Saskatchewan trucking firms, including one in Regina, which have been merged to form a new company.

The new company consist of personnel, facilities and equipment of Kissner Transport Ltd. of Regina, Lay's Transport Ltd. of Meadow Lake, North Central Expressways Ltd. of Saskatoon—

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. Clause 17(4) does not deals not deal with the trucking industry. It deals with providing a mechanism by which producers can choose to ship by truck and receive the Crow benefit.

Mr. Benjamin: It has to do with the trucking industry.

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for reminding the Chair of its duties. The Chair was listening attentively to the Hon. Member for Broadview-Greenwood (Ms. McDonald). My contention was that she was leading into the subject matter of the amendment before the House.

Ms. McDonald: Mr. Speaker, that is certainly what I was doing.

Mr. Evans: Nonsense.

Ms. McDonald: If the Hon. Member will let me continue the quotation, I think he will see that it is relevant. I want to deal with this as a system. One aspect of the policy is that it has long-term implications. It affects the trucking industry, rail, the size of communities, rural communities and families across the Prairies. There are many implications. I want to deal with as many as I can in the ten minutes available to me. I would like to suggest how they are all connected. The neck bone is connected to the shoulder bone, etc.

Mr. Cullen: That is a great song but not much of a speech.

Ms. McDonald: We live in a system. What one part does affects the other. There are four companies which have been bought out in anticipation of changes in the Crow legislation. The new company will operate as a wholly-owned subsidiary of CP Trucks, according to the news release. I think that is extremely important. Who would deny the relevance of CP to every discussion we have had on the Crow so far? The article continued:

● (1150)

The agreement, which is conditional on the approval of provincial and federal regulatory agencies—

That is the agreement we are talking about now.

—is scheduled to take effect Jan. 1.

Kissner, who will be general manager of the new company, said the companies will operate much the same as before except under CP Trucks ownership. "Were owned by CP, but we're running it as a separate company totally."

The four firms had revenues totalling $10 million last year and covered almost the entire Province.

The Acting Speaker (Mr. Corbin): Order. I regret to have to interrupt the Hon. Member but I am beginning to wonder if the Hon. Member for Northumberland-Miramichi (Mr. Dionne) did not have reason in the first place. I have been patient with the Hon. Member and, as usual, have given the benefit of the doubt to Hon. Members who are addressing the amendment.

I should remind the Hon. Member and all Hon. Members that we are dealing with the duties of the Administrator and not the corporate structures of companies. There may be a faint or distant relationship to the subject matter now at hand, but again, as I have mentioned on previous occasions, the Standing Orders, traditions and procedures require that at report stage in the House of Commons we address our remarks specifically to the amendment at hand. This is not an opportunity like the one Hon. Members have on second or third reading stages to wander in many directions, as provided for in the rules. I would invite the Hon. Member to attempt to relate more specifically to the amendment as it is written.

Ms. McDonald: Thank you, Mr. Speaker.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. This subclause relates to motor vehicle traffic in the western region which is made up mostly of the three prairie Provinces. My colleague is speaking about the enlargement of a railway trucking firm in the Province of Saskatchewan that is doing so in anticipation of trucking grain and getting branch lines abandoned. That is the whole point of the Hon. Member's argument. I submit, Sir, that she is perfectly in order when talking about motor vehicle transportation in the western region.

The Acting Speaker (Mr. Corbin): Order. I take at face value the comments of the Hon. Member for Regina West (Mr. Benjamin). Nevertheless, the Chair has an obligation to attempt to relate the remarks being made by the Hon. Member who has the floor to the text of the amendment. I do

not want to engage in debate with Hon. Members, but it seems to me that we sometimes wander very far afield. I do not criticize or question in any way the validity of the arguments being made. I would simply ask Hon. Members to try to relate more clearly and specifically to the amendments. I give the Hon. Member the benefit of the doubt.

Ms. McDonald: Thank you, Mr. Speaker. In any event, I had only one further sentence to quote which I think will help to make very, very clear the relationship my remarks have to the amendment. I hope the House will be patient. I am a sociologist and I am interested in social systems. I do think we must look at this situation rather more globally. Other Hon. Members have referred to the social impact of the legislation before us and I do not see why I should not be allowed to do so also.

In any event, I wish to quote only one further sentence from *The Leader-Post* article, and it reads as follows:

> He said the consolidation was in line with the rationalization of trucking services proposed by the Saskatchewan Highway Traffic Board and the Saskatchewan Transportation Agency. He denied that any of the companies were in financial difficulties.
>
> "It hasn't been done because people are in difficulty. It's a business move. They (CP Trucks) came along and we were agreeable."

This is clearly relevant to the whole question that is before us, Mr. Speaker. Let me return to that question so that there will be no doubt. The subclause that is before us reads as follows:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

My argument, Mr. Speaker, is that unless we look at the subject globally and see it as an economic system, we may come to the wrong conclusion about what is in the best interests of producers. There are direct costs and there are indirect costs. One of the indirect costs will be increases in taxes to producers to pay for the additional roads that would be required and the additional upkeep of those roads due to additional road traffic. This becomes a direct cost to the producer when he pays his taxes. We should take that cost into consideration; it may seem invisible right now. It is not actually contained in the Bill but it is a cost that will eventually be borne by the producer and it is something that we must look at. In order to have an efficient system, we must look at direct and indirect costs, immediate costs and subsequent costs.

Let us look at a few of the economic facts, Mr. Speaker. I would like to read from the testimony of the Hon. Member for Regina West (Mr. Benjamin) who has obviously been concerned with returns to producers but is also concerned with the efficiency of the whole system. His testimony reads as follows:

> Mr. Chairman, further to the reasons for my subamendment, it is an economic fact that when you reduce volumes on a rail line, that increases the costs of the rail line and the losses per bushel on the rail line. So on an existing branch line, the minute you make agreements to provide for movement of grain off that line by motor vehicle transport—

Motor vehicle transport is clearly the issue that is before us.

> —you thereby reduce the volume on that rail line, increasing the costs and the losses per bushel on the rail line, which then provides the railroads with the perfect excuse to apply for the abandonment of the line.

This policy will lead to further branch line abandonment and branch line abandonment will lead to higher community costs, higher social costs to families and to small rural communities. The Hon. Member went on to say:

> So where lines have already been abandoned—and I think it is about 2,500 miles—it would make some sense for the administrator on behalf of not only the minister but also on behalf the grain producers to enter into agreements . . . But where there is a branch line in existence, surely we would not want to contribute to the excuse to abandon the thing.

Now, this is being practical and realistic. It is agreeing that there are problems which we cannot turn back the clock to solve. This indicates that we must protect the communities that are currently being served by branch lines. We do not want to see those branch lines abandoned. We would like to see that those communities do have adequate protection and that will not happen unless we remove the subclause that is before us now.

Let me continue by reading some of the economic implications contained in the Hon. Member's argument:

> There are extra elevation charges the minute you start hauling grain. It means an extra loading and unloading when you haul grain by truck; it adds an additional loading and unloading. It adds one set of additional elevation charges if you take it from one country elevator to another one on a different line. When the farmer brings it to his country elevator and the truck takes it out to another elevator, it adds an additional loading and unloading of that truck, additional elevation charges and handling charges, compared to what the case would be if the farmer took it to his country elevator and the rail picked it up.

That is the efficient system, the system we have had so far and the system we do not want to see abandoned. The Hon. Member continued:

> If you insert an additional movement, that is an additional cost to the grain producer.

We do not want to see additional costs incurred by the grain producer and that is why we see some hypocrisy in the clause that we would like to see deleted when it talks about returns to the grain producers. We wonder what position the grain producers will be in if this provision is allowed to go through.

I shall continue reading the economic argument of the Hon. Member:

> If you start moving grain, export grain or non-board grain, off existing branch lines from primary elevators, to a primary elevator on another branch line, as I said earlier, all you have done is reduce the volume of movement on that branch line, increased the costs to the railroad and increased the losses per bushel. So why jeopardize a branch line that is viable? Ones that were considered light grain-dependent lines 10 years ago, with increased production, are now medium to heavy grain lines. Why place them in jeopardy? We are having enough problems keeping the branch lines we have left as it is.

I think we do have to consider the ecological aspects of this policy, Mr. Speaker. If we are to move from rail transportation to trucking, that means that we already have the disruption of the environment created by the rail lines as they exist and there will be additional disruption of the environment and additional use of scarce energy resources. Trucking is certainly a form of transportation that requires extensive use of non-

renewable resources. It means that we are not using resources that are scarce as wisely and as frugally as we should.

I would also like to make a pitch for "small is beautiful", Mr. Speaker. We have small communities to protect. There is a certain wisdom in keeping things on a reasonable scale. I think we ought to have more respect for that.

Social costs are costs that we cannot put a dollar figure on. There are social costs when communities are disrupted, whole towns closed down, people forced to move and services decline as the people who have services to offer move out to a larger town seeking more business. Those are social costs which have not been calculated, but there are economic costs that can be calculated more directly. When communities have to close down, families have to move, schools have to be relocated, churches have to close and reopen somewhere else. All kinds of voluntary associations that have been the backbone of rural community life are disrupted.

● (1200)

This is the kind of society that is precious to Canadians and we want to protect it. We must look at the social consequences of the policy that is before us. I strongly urge Hon. Members to support this very reasonable amendment as it will allow greater protection of community life and will be in the best interests of our ecology and of using non renewable resources very carefully. It is a reasonable amendment and I would ask support for it.

Mr. Gordon Taylor (Bow River): Mr. Speaker, after listening to five Members of the NDP speak this morning, I would like to deal with Clause 17(4). The five NDP Members talked all around it and about some other clause, but not about Subclause (4). I want to outline for them exactly why Subclause (4) is in the Bill, why I support it, why it is in the interests of producers and in the interests of the country as a whole.

In the first place, the Hon. Member for New Westminster-Coquitlam (Miss Jewett) spoke of undermining social structures. Where there is a rail line, Mr. Speaker, and you suddenly have a rock fall, sometimes it is hard to get repair equipment in so it might take several days to have the rock fall removed. In the meantime, the elevator is jammed and producers have to get their wheat to market or there is no money coming in for them. Are they to sit and twiddle their thumbs, as the NDP suggests, waiting for the rail line to be fixed? No, Mr. Speaker. The Administrator will make arrangements for trucks to haul the grain.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) said this subclause is not in the best interests of producers. I can tell him that it is in the best interests of the producers. The sociologist NDP Members had better stay and listen, because if we do what the NDP wants us to do, it would undermine the livelihood of prairie producers and put them out of business. They want their grain moved to market, and whether a Member comes from Toronto or anywhere else, she should know that. The grain must be moved to market and if there is something which impedes the railway, then it must be moved by other means. That is only common sense.

There are times when the railway lines are hauling canola or coal or something else and are completely jammed. There are times when the rail cannot get into the station. Members to my left from B.C. do not know what they are talking about. I have seen 50 farm trucks in a line, waiting for the elevators to clear and for a train that cannot come. Surely in those circumstances the Administrator should have the right to make arrangements to truck the wheat to the next elevator where there is no blockage. The wheat could then go to market and the farmers would have money in their pockets.

The NDP talk about the social structure being undermined, but the very thing they put forward would undermine the social structure of the prairie farmer. And they talk about subsidizing truckers. There is nothing in the Bill about that. Truckers do not want to be subsidized; they want to haul for a reasonable price. This clause would do nothing to subsidize truckers. Where does the NDP dream all this stuff up? Where do they find it? It is not in the Bill.

If anyone is away off the beam, in the Prairies we have a saying—"You are all haywire". Everyone who spoke for the NDP this morning is haywire. None of them talked about the right Bill. This Bill would help the prairie producer, not hinder him.

In wintertime I have seen the rail lines so blocked that an engine or a snowplow cannot get in. Sometimes the snowplows are busy on the main lines so the branch lines suffer. But what happens on the highways? The snowplows get in next morning. Sometimes the rail lines are blocked for a week and B.C. Members who know all about this should put that in their hat. The trains cannot get in. What is to be done then? Are the farmers to sit there and let their wives go without any money, or their kids have no money to by a school lunch, because they cannot sell their wheat? The Administrator will arrange to hire the trucks and move the wheat on the highway that has been cleared. That would be in the interests of the producers and the truckers would make a dollar. They will not be subsidized.

The Hon. Member for Skeena (Mr. Fulton) spoke of the global effects of this clause. Let him talk to the farmer on the quarter section who needs some money in his pocket about global effects and he will tell you where to go. He will not say you are "haywire" either; he will use the proper language.

Truckers cannot be nationalized so the global effect is adverse to the CCF—or the NDP philosophy. Truckers are independent. They want to work for a living and they want to get a dollar when they earn a dollar, but they do not want to be subsidized. The NDP should know that. It is easy to nationalize a railway. We did it with the CNR and the NDP wants it done with the CPR. That is the global effect the Hon. Member is talking about.

I am talking about the welfare of the individual farmer, the man on the soil, the man who milks ten cows every morning to make a living, the man whose wife has to go out and gather the

eggs, whose kids go out and pick the carrots. They are not rich but they have a desire to work and to do things for the country. They want to make their own way but the NDP want to deny them the right to earn their own living by selling their wheat. They say the wheat has to go by train.

An Hon. Member: No.

Mr. Taylor: The man from the Island says "No". He says there is never a time when you can use a truck in the best interests of the producer. Such nonsense. Truckers contribute to the economy of the country just as much as the railways do. Truckers are able to step in and fill the gap when the railways cannot deliver.

I can go along with the arguments the NDP make about abandonment of lines, but there is nothing in this subclause about that. I have gone through abandonment. I have sat in homes and have seen the farmer and his wife cry because the line was being abandoned. I have gone to the Board of Transport Commissioners and pleaded with them to leave the railway lines, so I know what I am talking about. This clause has nothing to do with abandonment. Its purpose is to get the grain to market so that the producer can put the money in his pocket.

The NDP talk about trucks ruining the highways, but I wonder if they know what they are talking about. The hopper trailers used by trucks today carry 110,000 pounds or about 900 to 1,000 bushels. They have sufficient axles that the actual toll on the road is less than that of a small truck with one axle and a small tire.

Highway construction is not immature in this country; it is mature. Highways are built for the type of axle that is used on them. A proper subgrade is built and a proper base course, so the only thing that wears out after years and years is the surface and that is a very small part of the costs. The surface can be renewed and the axle load can be regulated. The Member from B.C. who knows so much about trucking should put that in his hat. Highways will not be ruined. A lot of this happens in wintertime when the highways are frozen, but even the inadequate roads constructed by some municipalities because they do not have sufficient money are able to carry heavy loads. They are gravel and they are frozen. Every road in Alberta in winter is hard surfaced, not with asphalt. Jack Frost does the job for them. Those roads carry the traffic.

• (1210)

When one talks about wearing out roads, what better way to wear out roads, if they have to wear out, than by hauling the grain of the producer so we can put some money into the pocket of the producer? Every one of those five speakers of the NDP was completely haywire. They are talking about the wrong clause altogether. We are talking about the interests of the producers and the economy of this country.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, it is always a privilege to speak in this Chamber and to follow the Hon. Member for Bow River (Mr. Taylor). He has had a long and very creditable career in politics in Canada. Much of what he said in the last ten minutes reflects his enormous amount of experience after 30 years as a Minister.

Some Hon. Members: Hear, hear!

Mr. Malone: In the Province of Alberta he was the Minister of Highways and the good people of his area, and throughout the whole Province, I might add, always referred to having "Taylor-made" roads in that Province.

It is with that wisdom, I am sure, that he tells us something very important which relates to this amendment, and that is that the fundamental issue which we are talking about is the question of efficiency. The New Democratic Party has used the word "efficiency" and I intend to use it also. The NDP believes it is efficient to keep a railway system because it wants to keep the railway system. I submit, Sir, that efficiency is not desire. It is the bottom line as measured in dollars and cents.

I would like to use an example which I believe even the NDP can understand. In a nearby constituency there is a branch line which serves one community. In that community they use four trains a year to remove the grain. Calculating a train at 100 cars, it would mean that train would have to make some 66 trips on the average of 4.5 cars per stock lot. An engine, Sir, is around 80 tonnes. In addition to the engine there is the caboose, plus the cars, plus a whole network for fixing up the railway bed. In virtually everyone's judgment, that rail line is not likely to stay in service ad infinitum. What is the answer of the NDP? When the line is abandoned there will be no service for the farmers, although the NDP claims it is looking after the farmers. The reality is that trucks are more efficient in some instances. In the majority of other instances, the train is more efficient.

Surely it is not difficult to comprehend that to have a rail line which moves only grain, which has sometimes as many as four 80-tonne engines, would be a cheaper way of moving grain. The actual data indicate that a train can move grain at one-fifth the cost and one-twentieth the pollution. However, surely on the short hauls in some directions, to have a whole network which services the train, its engine, its caboose and all of its line people, may not be as efficient and trucks may be more viable.

That is the data I have and I submit, Sir, that when those situations come into play, obviously the farmer ought not to be the one denied the service, but rather Government should opt for different modes of transportation. There is a $651 million subsidy, not for transportation but for the railways, and under what philosophical judgment should the railways receive that support from the Government at the expense of any other mode of transportation?

If it could be clearly demonstrated that many persons with little baskets could carry the grain to Vancouver, the Port of Churchill, or the Port at Thunder Bay, cheaper and more efficiently and our economy could be enriched, then all those social arguments which the Hon. member for Bow River said were for naught would in fact come into play in the argument

of the NDP. There is always a dollar left over as a result of efficiency, so there can be a social heart and concern. It is just utter nonsense to hear people say we should spend more money to keep up inefficient policies because of a social conscience. One does not have to be a socialist to have a social conscience. But one must be able to recognize that if one can operate a society with efficiency, then the wealth in the nation is assured and one is able to have that social conscience.

We must look at the fact, then, that it takes approximately 60,000 bushels of grain per mile to make a railway efficient. We do have some branch lines in which trucking would operate very efficiently. That gives different options and alternatives. From 1974 to 1979 the then Minister of Transport, Otto Lang, removed 2,300 miles of branch lines from the Prairies. I submit to you, Sir, that had the NDP policy been in place then, none of those people on the abandoned branch lines would have had any option. Their railway would have been gone. There would have been no support for trucking. Those communities would have shrivelled and died. That would have been the answer of the NDP.

When the facts dictate it is more efficient to move by truck, and the Grain Transportation Authority makes that judgment, then the trucking mechanism should be available. There is lots of business for the railways. There can be flexibility. It may well be that farmers will not easily be able to get rid of some of their wheat because it will not sell for export or for flour, but he will then have the choice of selling it to a nearby feedlot and he will be able to use the trucking system to deliver to a place where the railway does not run.

I submit to you therefore, Sir, that the argument which has been put forward by the Hon. Member for Broadview-Greenwood (Ms. McDonald), as well as other Members of the NDP, that what the Government is really doing is shedding itself of a federal burden and transferring it to the Provinces, is not the main point. It is not the dispute between the federal and provincial governments; it is the case that there is only one taxpayer. That taxpayer wants the most efficient transportation system irrespective of how it is accomplished.

The argument which should be made is that, while we will pay a certain amount of money for the maintenance of railway beds, the railway grain lines move one commodity. When one spends money for highways, one not only moves grain but uses those highways for many other purposes.

● (1220)

Basically, Mr. Speaker, the rail system is used today when carload shipments are made. The lumber train hauls a full load of lumber, the potash train hauls a full load of potash. The same with coal, grain and the like. The days of a train hauling mail, groceries for the store, parts for the machinery shop and a few cream cans are long gone. I submit, Sir, that the cost burden which must fall on the grain producer for the shipping of grain in less than trainload quantities is such that, if there is a more economical option available to the Grain Transportation Authority, then surely the NDP would not deny that saving to the region involved.

The bottom line, Sir, is efficiency. We need to have the greatest level of efficiency possible, and rail is demonstrably most efficient only when you can move larger volumes. Many farmers will be denied service unless they are able to use the trucking option. It increases their ability to deliver products to markets other than export markets.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the nays have it.

And more than five Members having risen.

The Acting Speaker (Mr. Corbin): Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

Mr. Les Benjamin (Regina West) moved:

Motion No. 35

That Bill C-155 be amended in Clause 17 by striking out line 25 at page 8 and substituting the following therefor:

"the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission."

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I find it a little bit incongruous to be standing to speak to this motion because it assumes that Motion No. 34 is lost. I am sure that you, along with other Members of the House, will recognize that Motion No. 34 was really the key motion and that the arguments our Party made over the last couple of days on that motion have persuaded both the Liberals and Conservatives to vote for it. I am also sure that it is incomprehensible to the audience watching to have us arguing about a motion which assumes another motion has already been lost when we have not even voted on it. But such is the case so we have to argue as if Clause 17(4) has not been deleted.

I think to get the sense of this it is necessary to read the clause as well as the amendment. Clause 17(4) provides:

The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interest of the grain producers.

The amendment reads:

—but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

That makes it impossible, Mr. Speaker, for the Administrator to have grain hauled by truck from an elevator where a rail line is operational. If you were to review the arguments of many Conservative Members over the last couple of days, as I did to some extent, I am sure you would find that in arguing against Motion No. 34 they put up a good number of arguments in favour of Motion No. 35. So I am sure that we will have the support of the Conservatives for this particular amendment.

For example, the Hon. Member for Peace River (Mr. Cooper) thoroughly explained the need for trucking in his area of the country where there are no railways. I submit that Motion No. 34 would not have made any difference to his particular situation because if there are no railways, trucking must be and will continue to be used. It was a little difficult to follow his arguments on that basis.

I also noted that the Hon. Member for Bow River (Mr. Taylor) spoke about the irrelevance of the arguments of the NDP and was himself—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member. However, I should remind him that the House has come to a decision relative to Motion No. 34 and the debate on that motion should not carry on any longer. His comments must now be addressed to Motion No. 35 which is before the House.

Mr. Hovdebo: Mr. Speaker, the two motions are so intertwined that it is impossible to eliminate a reference to one without the other. We have not voted on Motion No. 34 so we have to assume that it is still there.

The Acting Speaker (Mr. Corbin): No. I am sorry, that is not the way things should be considered. For all practical purposes the House has left Motion No. 34. It is quite true that the determining outcome of that will occur at the time of the recorded vote. However, in a sense, there has been a preliminary determination. A voice vote has taken place.

• (1230)

However, there must be a clear distinction that what we are now debating is no longer Motion No. 34 but, rather, Motion No. 35. It is contrary to proper procedure, to logic itself, to come back to Motion No. 34 at this time. The Hon. Member, if he so wishes, if I may be helpful, may bring forward any argument he wishes, but if he keeps on relating to Motion No. 34, he is clearly out of order. I invite him to proceed with Motion No. 35.

Mr. Hovdebo: Thank you, Mr. Speaker. I recognize your ruling.

Mr. Evans: Do you understand?

Mr. Fisher: Will you live by it?

Mr. Hovdebo: In discussion on Motion No. 35, what we are attempting to do is to ensure that the clause which is being amended, Clause 17(4), cannot be used to assist the railways, the CTC and the Government of Canada in the abandonment of railway branch lines. Clause 17(4) could obviously be used by the railways in the process of abandonment. This particular clause will ensure that Clause 17(4) cannot be used for the abandonment of railways.

Even now, in many parts of Canada, in many parts of the Prairies, movement of grain by truck is being used to assist the abandonment of railways. For instance, in my constituency is the Carleton line, which is a short line just north of Saskatoon going into the Prince Albert district. The Carleton line has been partially abandoned but is still operating to some extent. Last week I received a number of calls concerning the line from farmers who said that they are not getting cars and, therefore, the grain is being trucked from those elevators to Saskatoon or to a main line. Therefore, when we review the abandonment of that line next year, the CNR will say: "Look, we did not move the 60,000 tonnes required to keep the line in business and, consequently, we will have to abandon it."

The amendment would disallow the Administrator, the CTC and the CNR the right to use trucking as a method of abandoning the lines. So, Mr. Speaker—

Mr. Flis: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order. The Parliamentary Secretary to the Minister of Transport (Mr. Flis) is rising on a point of order.

Mr. Flis: I know you have been very lenient, Mr. Speaker, with the New Democratic Party speakers, but we are discussing Clause 17 which has to do with the duties and functions of the Administrator. There is nothing in Clause 17(4) that refers to abandonment or even suggests that it would lead to abandonment. The NDP moved Motion No. 35 and, as Your Honour ruled earlier, I wish its Members would stick to Motion No. 35 as it relates to Clause 17(4). All we have heard from speaker after speaker is "abandonment", which has nothing to do with the duties and functions of the Administrator.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Prince Albert heard the Parliamentary Secretary's comment. I am in the middle, and I must come to some kind of judgment. The Chair, in terms of relevancy of remarks concerning the amendments at report stage, has time and time again invited a number of Hon. Members to make an effort at least to demonstrate to the Chair in what way their remarks are related to the amendments. Once again, I would invite the Hon. Member for Prince Albert to do just that.

Mr. Hovdebo: Mr. Speaker, I could make a considerable argument on that particular point, but just to bring the

arguments into context as far as the Parliamentary Secretary to the Minister of Transport (Mr. Flis) is concerned, the amendment which we are discussing very specifically states:

"the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission".

I submit that Clause 17(4), without the amendment, will be used by the CPR, the CNR, the Canadian Transport Commission and the Government of Canada to go ahead with their planned abandonment of branch lines on the Prairies. Therefore, the reason this amendment is being put before the House by our Party, in view of the arguments that the Conservatives have been putting before us in the last two days against the Clause that we are trying to amend, is to ensure that the Administrator, by the authority that he is given in Clause 17(4), will not be able to use trucking to assist in the abandonment of branch lines. Therefore, the whole impact of our arguments on Motion No. 35 is based on the fact that it would be possible to use that amendment to abandon rail lines.

A number of Hon. Members have spoken on the effects of trucking and the efficiency of lines. That is the key to this particular amendment. If efficiency is used as an argument to abandon lines, it ignores the social impact of abandonment. It ignores the needs of rural communities. It ignores all the other factors which are part of abandonment of branch lines on the Prairies.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member, but I must inform him that his allotted time has expired.

Some Hon. Members: Continue.

The Acting Speaker (Mr. Corbin): The Hon. Member could be allowed to continue if there was unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I am somewhat disappointed that the other Hon. Members in the Chamber did not choose to allow my hon. colleague to continue.

Mr. Fisher: We're not.

Mr. Keeper: I know there is no disappointment on that side of the House, but certainly on this side of the House we were deeply impressed with the wisdom of his remarks. I am sure that every Member of the House knows in his heart that my colleague was making very telling arguments. That is why they would not let him continue.

Mr. Evans: Of course, it was irrelevant to the amendment.

Mr. Keeper: A colleague of mine suggests that other Members in the Chamber do not have hearts. I would not say that at all.

At this moment in the Chamber we are dealing with Motion No. 35, which is a motion to amend Motion No. 34, relating to trucking of grain, and Clause 17(4), all of which comes under the purview of the Crow legislation which is now before the House.

The policy that is being promoted by the Bill that is before us, whether it applies to subsidized trucking or to the handling of the Crow rate itself, has the same fundamental flaw in it; that is, that the action being undertaken by the Government in this instance, I understand, supported by the Conservative Party, is detrimental to the farming community and to grain producers. What is being debated is the fact that the Administrator, by virtue of the Government's action, would be given authority to subsidize the movement of grain by truck, by motor vehicle.

• (1240)

Our Party has suggested that this provision be amended so that the subsidies would be limited to cases where rail lines have already been abandoned. We put forward this amendment because grain transportation is a vital part of the grain industry which, in itself, is essential to the western economy and economic health of Canada as a whole. Our Party fears that if these subsidies are permitted to take place on existing branch lines, the railways could use their own trucking companies to haul the grain and thereby reduce the amount of grain being transported over the branch line. This would provide the Government with statistical justification for further abandonment of branch lines.

We oppose trucking subsidies where branch lines already exist because the whole process of branch line abandonment across western Canada and particularly in Saskatchewan has been very detrtimental to small rural communities. We believe that the removal of branch lines is the elimination of the most efficient and cost-effective way to transport grain.

We are appalled that not only is the Government contemplating the abandonment of these lines, but it is proposing a subsidy for trucking which would naturally lead to the further abandonment of branch lines. We know that branch line abandonment is a sensitive issue in the West since there has been a great deal of protest over previous efforts to abandon branch lines.

Our amendment makes it clear that we would limit these subsidies on lines that have already been authorized for abandonment by the Canadian Transport Commission. In those cases there has already been an opportunity for public hearings at which communities could state their case. There has been the opportunity to examine the social and economic impact of the abandonment of a particular branch line.

While there may be some debate whether a certain branch line is economically viable, we should at least grant the people and the communities who depend on those branch lines the

opportunity to present their views with regard to the necessity for the continuation of those branch lines.

That is the central part of our amendment. We make reference to the Canadian Transport Commission because we believe it could hold public hearings before branch lines are abandoned in order to give communities the opportunity to state whether they believe a railway's argument that a branch line is uneconomical is valid. As well, they could indicate to the Commission the extent to which the subsidy of truck transportation has contributed to the reduction of transportation on the branch line. This may then indicate to what extent the Government has actually subsidized the creation of a situation which it has then used to justify abandoning a branch line.

Citizens could document the increased costs in terms of road maintenance as a result of branch line abandonment. They could then argue whether the abandonment of a particular branch line would be a saving to the economy or a simple cost transfer from the railroad, which is under federal jurisdiction, to the roads, which are under provincial and municipal jurisdiction. Canadians already carry a heavy burden with their property taxes and it is unimaginable that the federal Government would subsidize something which would lead to increased property taxes for Canadians. If the Government wishes to do this, the people in those communities which are affected should have the opportunity to be heard since it is a simple principle of democracy that every citizen have the right to speak out on Government policies before they are implemented. This gives the Government the opportunity to reconsider its policies and possibly abandon them.

I believe our motion is reasonable. If trucking subsidies are to take place, it should only be in those areas where there are no branch lines. The subsidization of trucking on branch lines is the same as subsidizing a reduction of branch line use, which will provide the justification for the abandonment of that branch line. If the Government decides to permit the subsidies, it must allow the local people who will be affected by this drastic change in policy to voice their opinion so the Government can reconsider its action and withdraw its policy.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, when I perused the newspaper this morning, I found that the Conservative Party stood at an unprecedented 62 per cent in the polls and that the NDP, at the same time, stood at an unprecedented low of 14 per cent. I wondered why this had happened, but now, after having listened to the speeches by the Hon. Member for Winnipeg-St. James (Mr. Keeper) and the Hon. Member for Prince Albert (Mr. Hovdebo), I know the reason full well. The people of Canada know full well why they stand so lowly in the polls.

We on this side of the House have had one aim in mind when dealing with western grain transportation. That is to secure the lowest cost and most effective system to benefit the farmers. Just think what would happen if this amendment were to carry. Let us consider a branch line which services two or three elevators. Suppose that the culvert is washed out and that line is inoperable until repairs can be made. In our view, it should be possible for the farmer to have his grain trucked to another elevator without having to bear the full cost that he would entail if the Senior Grain Transportation Commissioner had not had the power available to him which we propose. This would be impossible if what the gentlemen to my left are saying was accepted.

I wanted to make a very brief presentation in order to demonstrate that what they are saying is nonsense and that the amendment does not make sense. If they continue in this vein they will not stand at 14 per cent in the polls, they will stand at 4 per cent.

• (1250)

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

Mr. Evans: Question.

Mr. Dionne (Northumberland-Miramichi): Question.

Mr. Keeper: Mr. Speaker, I rise on a point of order. Given the extraordinarily brief presentation, would the Hon. Member for Western Arctic (Mr. Nickerson) entertain a question?

The Acting Speaker (Mr. Corbin): Does the Hon. Member for Western Arctic (Mr. Nickerson) wish to entertain a question?

Mr. Nickerson: I certainly would, Mr. Speaker, but I think it would be necessary for you to get the consent of the House for the Member to ask his question because it is not permitted under the rules governing report stage.

The Acting Speaker (Mr. Corbin): I should perhaps explain to the Hon. Member that he has not exhausted his full ten minutes. Within that time span he can, if he wishes, receive a question, but that is his decision.

Mr. Nickerson: Mr. Speaker, I would be very pleased if I am allowed by the rules to receive a question from the Hon. Member for Winnipeg-St. James.

Mr. Keeper: I thank the Hon. Member for having the courage to submit to a question, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Keeper: I noted the Hon. Member was mesmerized by today's Gallup poll. I took note of the fact that his speech was so short that it is facilitating the passage of the Crow Bill through the House. Is the Hon. Member more concerned with fleeting popularity than with the actual economic circumstances of the prairie farmers?

Mr. Kempling: That is a dumb question.

Mr. Fisher: And the answer is yes.

The Acting Speaker (Mr. Corbin): In a sense, even though questions are allowed, they must be relevant to the amendment. The extraneous matter brought in by the Hon. Member

for Western Arctic was, in the Chair's opinion, a lead-in to the substantive discussion of the motion. However, the question having been put, I will allow the answer.

Mr. Nickerson: Mr. Speaker, the simple answer is it is not fleeting. It is a long-term trend.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nickerson: I can assure the Hon. Member for Winnipeg-St.James that there are very many Members within the Conservative Party who are quite prepared to argue at length so that the Crow Bill can be improved, and it will, as I said before, facilitate the transportation of western grain to the benefit of the producers of western Canada.

Some Hon. Members: Hear, hear!

Mr. Evans: The answer was a lot better than the question.

The Acting Speaker (Mr. Corbin): Is the House ready for the question? I see the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). Is he rising to speak?

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, this motion we are speaking to at the moment would amend an amendment to the original Bill, an amendment from the committee. It attempts to spell out some further duties for the Administrator, as you know. It is correct, as the Hon. Member points out, that we opposed this provision in committee. We opposed the addition of specifying powers to the Administrator to enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers. We have had that debate. We just finished it. You begged us, Mr. Speaker, not to go back to that debate.

We thought in committee and argued in the House that this was an unnecessary power to mention. I would remind the House that the Administrator has a considerable amount of power in the Act already without making those extra powers quite explicit. The problem with making the powers more explicit is that it is not a completed circuit. The Administrator is being asked on behalf of producers to enter into agreements to provide for the movement of grain by motor vehicle transport, but there are no funds being allowed. There are no funds in this Bill. There are no funds available to complete those agreements.

What we are left with is a conclusion based on the testimony given at the committee hearings, where the former Deputy Minister of Transport indicated that the only source of such funds would be the funds available for keeping up branch lines. The funds would have to come from the branch line program. This is why many of my colleagues referred to branch line abandonment. We concluded, I think correctly, that this particular provision would permit the Administrator to provide funds, which would be in the form of a subsidy over and above what the farmer or the elevator company is prepared to pay, to move grain—to trans-ship it from an existing branch line to a larger volume line with a heavier traffic flow not too far distant from it.

I think the conclusions drawn in the arguments made up to this point are probably correct. The effects were laid out quite clearly. What we have proposed, since this is part of the Bill at this stage, is to ameliorate the problems that it creates the way it is worded. We have attempted to restrict those subsidies, which we have assumed are going to be there, for use only on lines that have already been abandoned. We think this is the second best option.

I remind the House that during the course of discussions concerning branch line abandonments there were both task force reports and, at actual CTV hearings, suggestions that there should be short-term subsidies to producers and elevator companies to provide trucking service and off-line elevator services. None of them has ever been implemented for any period of time, but that has been discussed a great many times.

I would argue, if we are going to persist in having Clause 17(4) as it is now in the Bill before us, that to protect the interests of producers in those communities which do not have high-volume lines, an amendment such as we have proposed in Motion No. 35 is vital to those people. In Saskatchewan about 15 per cent to 20 per cent of the producers use lines that could be so affected. It is not something that is not relevant to a lot of producers; it is. It is something that we think could have been addressed by the Administrator who is, as the Act says, an agent of the Government of Canada through the powers, duties and functions previously described in the Act in the same provision. It gave the Administrator powers, according to the original Act and the Bill as it has come to us from committee, to:

—make recommendations to the Minister and such system participants as the Administrator considers appropriate to increase the capacity, reliability and efficiency of the grain transportation, shipping and handling system—

I think that would give the Administrator all the powers he needs to include truckers and trucking in those instances where it was deemed possible. Yet in committee it was felt necessary to spell that out, and so we have Clause 17(4). The fact it is spelled out now draws attention to some of the misuses to which it could be put. I would like to go into that for a few moments after the lunch hour.

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

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

APPLICATION TO ABANDON COLLINGWOOD TO MEAFORD, ONT. LINE

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, there is an application in place before the Canadian Transport Commission by the CNR to abandon the Collingwood to Meaford, Ontario, rail line located in the riding of Grey-Simcoe. The CNR claims that this section of the line has been a losing proposition as far as freight revenue and the cost of maintenance are concerned. However, what has not been realized by the CNR is that there is already a plan afoot to develop this portion of the line into a tourist railway operation to serve our four seasons tourist area, an area that depends heavily on tourism as a major part of its economy.

Therefore I call upon the CNR and the Government to withdraw this application and hold reconsideration of this decision in abeyance for some three years to give the area the necessary time to develop and to put into operation such a tourist railway oriented operation. This would be a shot in the arm which would not only benefit all aspects of the southern Georgian Bay area but other areas of the country as well.

* * *

MULTICULTURALISM

UKRAINIAN CONGRESS—CONDEMNATION OF MINISTER'S SPEECH

Hon. Jake Epp (Provencher): Madam Speaker, I rise to speak on a serious matter today which primarily concerns Canadians of Ukrainian heritage but in many ways affects all Canadians concerned with the preservation and enhancement of the multi-ethnic and multicultural nature of the country.

The facts are that two Cabinet Ministers, who were scheduled to address the Fourteenth Ukrainian Canadian Congress in Winnipeg on October 8, cancelled their speaking engagement without an explanation. Their replacement to speak to the Congress, the Minister of State for Finance (Mr. MacLaren), would have done better to stay away. Instead, he delivered such an offensive address to the delegates of the Ukrainian Canadian Congress that it prompted 500 delegates to send a letter of complaint to the Prime Minister (Mr. Trudeau) describing the Minister's remarks as "inappropriate, condescending and . . . totally lacked perception of the nature and tone of this Congress". One delegate, reflecting the views of many, said that passages of the Minister's speech were "patronizing and playing on stereotypes".

Also he was quoted as saying about Ukrainian ancestors:

—stalwart peasant in a sheepskin coat, born on the soil, whose forefathers have been farmers for ten generations, with a stout wife and a half-dozen children—

We on this side of the House call on the Prime Minister to demand a total public retraction of those statements from the Minister concerned, and that the Minister of State for Finance be required to send a letter of apology to each delegate at the Canadian Ukrainian Congress for his discriminatory remarks.

More appropriate words would have been those of the Prime Minister in 1961, the late Right Hon. John Diefenbaker, when he said about multiculturalism:

—Canada is a garden . . . into which has been transplanted the hardiest and brightest flowers of many lands, each retaining in its new environment the best of the qualities for which it was loved and prized in its native lands.

That is the quote the Canadian Ukrainian Congress will hear when the Conservative Party and our new Leader form the next Government of Canada.

Some Hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

TREATMENT OF NATIVE PEOPLE IN NORTH

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, it is about time Parliament faced a few unpleasant facts about the administration of criminal justice in the two northern Territories. The proportion of the population in prison is two, three and four times as high in the Territories as in the South, yet we have no reason to believe that northerners are any more immoral or criminal than anyone else in Canada. In fact a recent report of the Solicitor General (Mr. Kaplan) indicated very clearly that crime in the Northwest Territories "refers mainly to disorderliness and minor anti-social behaviour", unlike the case for the South where there is more serious, premeditated crime.

The prison population in the Territories consists disproportionately of native people, yet again we have no reason to believe that native people are any more immoral or criminal than non-native people. Indeed, common sense and humanity suggest otherwise.

The criminal justice system in the North is overwhelmingly our responsibility, from policing through prosecutions, to the courts, unlike the case for the rest of Canada where the Provinces have prime responsibility. Thus I have asked the Justice Committee of the House to take up the issue of the administration of criminal justice in the North as a subject for study and resolution. We must explore with our colleagues in the territorial legislatures, native organizations, and the people who run the current system, better ways to adapt it to the needs of the North. Experiments in the involvement of native people and their justice councils have begun and should be further explored.

S.O. 21

GARRISON DIVERSION

CONSTRUCTION OF LONETREE RESERVOIR—DEMAND FOR SAFEGUARDS

Mr. Lee Clark (Brandon-Souris): Madam Speaker, the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of the Environment (Mr. Caccia) are scheduled to meet in Halifax this weekend with the Secretary of State for the United States and with other American environmental officials. It is an excellent opportunity for Canada to state strongly its objection to the Garrison Diversion Project which threatens our country's waterways, particularly in my home Province of Manitoba. Canada has not fared well in its efforts to halt the project, and I submit that the federal Government is largely responsible for that failure. Its efforts have been half-hearted.

This failure was most apparent when a contract was awarded for the construction of phase one of theLonetree Reservoir Dam. With this weekend's meeting in Halifax, and with the recent resignation of the American Secretary of the Interior who was an ardent Garrison proponent, Canada now has a real fighting chance of halting further construction. I strongly urge the Secretary of State for External Affairs and the Minister of the Environment to tell the United States in no uncertain terms that we want, at the very least, safety features built into phase one of the Lonetree Reservoir, and that we want the American Government to abandon future phases.

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CANADIAN BROADCASTING CORPORATION

TELEVISING OF BASEBALL WORLD SERIES TO NORTHERN AREAS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, Members of Parliament such as myself, the Hon. Member for Churchill (Mr. Murphy), and the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), find ourselves each year having to ask the Canadian Broadcasting Corporation to allow the World Series to be shown in northern areas through the use of CBC microwave facilities. It seems incredible that the CBC, which prides itself on fulfilling its mandate of service to all Canada, should force this kind of game each year. No one is happy with the results. Northern viewers are kept waiting until the last moment before they know if the games are on. Northerners feel discriminated against again because of their place of residence.

Therefore I ask the Minister of Communications (Mr. Fox) to instruct the President of the CBC to begin a policy review which will cover the kinds of instances where the CBC has to break its schedule in order to broadcast major events to the North. A change in policy would allow northerners to enjoy the same service as southern Canadians and would give the CBC the necessary lead time to supply that service.

THE ECONOMY

CONDEMNATION OF GOVERNMENT POLICIES

Mr. Gordon Taylor (Bow River): Madam Speaker, this Liberal Government is all mixed up. With a lot of fanfare the Government appointed a commission to ascertain how to remove the economic distortion in the agricultural sector stemming from the statutory rate. Then, when Gilson and his committee said to pay the shortfall to the producers, the Government did the reverse and is paying it all to the railways—all $625 million.

Again, the Government spends money to increase jobs. Then the Minister of Finance (Mr. Lalonde) removes part of the capital cost allowance on farm machinery for the first year, with the result that scores of farmers cancel orders for new combines and put up with their old equipment, and hundreds of jobs are lost.

The Government talks about the private sector making investments, and then enacts a capital gains tax on instalment buying of land in western Canada where the retiring farmer is required to pay the total capital gains tax at once, so aging farmers cannot sell, and this freezes investment in land in western Canada.

Even when the Government comes out with a good policy, for example, the Canadian Home Ownership Stimulation Plan, it blows it by cancelling the program just when it is speeding up, leaving hundreds of Canadians with footings but no houses and no money.

This Government is as mixed up as Mulligan's stew. That is a bad example, as Mullingan's stew is good to eat and this Government is good for nothing, except to hand millions to the railways while a million unemployed Canadians exist on UIC and welfare. The Liberals are really a mixed-up crowd.

Some Hon. Members: More! More!

* * *

YOUNG OFFENDERS ACT

AGE OF MAJORITY PROVISION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, eighteen months ago the House was debating legislation affecting young offenders. One of the major provisions of the Bill was to change the year of majority from 16 or 17 to 18 years. We were warned at that time to go slowly, not only because of the social adjustment that would need to take place but also because of the tremendous cost that would involve for the Provinces.

• (1410)

Officials of the Province of Ontario appeared at that time and said that there would be $80 million in capital costs alone to make that adjustment. For Saskatchewan it would cost $20 million, and now we have heard that for the Province of British Columbia it will cost $20 million for this year, plus $20 million

in increased operating costs this year, and an additional $20 million for operating costs next year, making a total of $60 million.

The Attorneys General of the Provinces have asked the Solicitor General (Mr. Kaplan) and the Minister of Justice (Mr. MacGuigan) to move slowly and not implement that legislation in the foreseeable future. I would urge the Minister of Justice to listen to the Attorneys General and not implement that legislation until the Provinces are ready to enact it in a proper way. If the Minister is interested in good and just legislation, and in justice for all, he will listen to his provincial counterparts.

* * *

EDUCATION

FUNDING REQUIREMENTS OF UNIVERSITIES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, a major institution in the constituency of Saskatoon East is the University of Saskatchewan. The University of Saskatchewan, like many other universities across Canada, has found itself in an extremely grave financial situation this year because of the large number of students who have been forced to go back to school because there are no jobs in the marketplace.

I received a letter today from a fifth year student in the University of Saskatchewan, Wayne Schlapkohl. His letter explains very clearly the difficulties that lack of financing is causing for students. Library hours have been shortened, and the library has cancelled a massive number of journal subscriptions. The hardware in the various physical sciences laboratories is becoming outdated. The computer facilities are scarce. Classes are incredibly large. He cites as an example the fact that the Psychology 110 class has 550 students this year. Buildings are in need of repair, and major problems are being created because of lack of funding for the administration and professors. Mr. Schlapkohl claims that, because of this, the professors are frustrated and the general quality of teaching has gone down.

I say to the Government of Canada, the Governments of the Provinces, and everyone who is interested in post-secondary education, that because the unemployment situation in Canada means that many young people do not have jobs, a new strain is being put on university and other post-secondary education facilities. I would call for immediate solutions to that problem.

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PARLIAMENT BUILDINGS

SUGGESTED LOCATION FOR MEMORIAL TO PEACE OFFICERS

Mr. Girve Fretz (Erie): Madam Speaker, it is my understanding that the Solicitor General (Mr. Kaplan) was present at a ceremony in memory of peace officers killed in the line of duty. At that service which was held recently, he was given, on behalf of the Canadian people and the spouses of those who died, a book of names and a plaque, to hold in trust until an appropriate place could be found in the Parliament Buildings for their display.

This is not the first time, Madam Speaker, that I have stood in my place to ask that action be taken on this matter. It has been over a year since I passed on a similar request to the appropriate authorities. I thought that some action would already have been taken.

May I suggest once again that the Peace Tower would be an appropriate location for such a memorial? The atmosphere of hushed dignity and reverence makes the Peace Tower a fitting place to remember the valour of these brave men and women. I urge the Solicitor General, now that the book and plaque are in his possession, to take immediate action to ensure that they are placed promptly in a prominent and appropriate location in the Centre Block of the Parliament Buildings.

* * *

MINES AND MINING

VACANCY IN CABINET PORTFOLIO

Mr. John A. MacDougall (Timiskaming): Madam Speaker, this week marks the 50th anniversary of the founding of the Macassa gold mine in the Kirkland Lake region of my riding. This week also marks the eighth consecutive week that the Canadian mining industry has not had a voice in Cabinet since the resignation of the former Minister because of tax evasion charges.

The Canadian mining industry employs over 274,000 people from coast to coast, and in 1980 it represented 4.7 per cent of the Gross National Product. It is an industry that is far too important to ignore for this length of time.

A former Minister of State for Mines released a mineral policy discussion paper in March, 1982, and the House has yet to see any concrete or constructive policy proposals made by the Government based on this lengthy report.

As a Member of Parliament who represents a riding in which mining is of the utmost priority, I urge the Prime Minister (Mr. Trudeau) to make the appointment of a Minister of Mines one of his top priorities. Now is the time for the Canadian mining industry and the hundreds of thousands of people associated with it to have a strong voice to represent their interests and concerns in the federal Cabinet.

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

LABOUR CONDITIONS

HIGH UNEMPLOYMENT RATE IN GASPÉ REGION OF QUEBEC

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, in the absence of the Right Hon. Prime Minister, I wish to direct my question to the Acting Prime Minister.

Considering the human drama that is unfolding in the Gaspé, is the Acting Prime Minister . . . But here is the Prime Minister! I shall repeat my question.

Considering the human drama that is unfolding in the Gaspé, has the Right Hon. Prime Minister met or tried to meet personally with the Premier of Quebec in order to break the stalemate on a matter that is absolutaly vital to the Gaspé area?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

Mr. Mulroney: I have a supplementary, Madam Speaker.

I know the Prime Minister is starting another series of trips across the country, as he announced and will spend two or three weeks trying to meet other heads of government in order to conclude agreements. It is therefore rather surprising that he does not take five minutes to call the Premier of Quebec on behalf of the people of the Gaspé—

An Hon. Member: Did you call him?

Mr. Mulroney: The Prime Minister has referred to a $250 million program for the Gaspé Peninsula, announced more than five months ago by a number of his ministers. Could the Prime Minister inform the House when the people in the Gaspé will be hired under this program, and could he also inform the House how many people will be involved and what the duration of their employment in the Gaspé will be under this $250 million program?

Mr. Trudeau: Madam Speaker, the Leader of the Progressive Conservative Party is asking me the same question I was asked yesterday by the Leader of the New Democratic Party.

An Hon. Member: He was not here!

Mr. Trudeau: He could have asked about what I told the Leader of the New Democratic Party yesterday, namely, that the office in Rimouski would be opened within the next few days, and that the funds we had committed would be spent as the projects were carried out. For instance, I know that as far as transportation is concerned, we have already spent $20 million of the $50 million that were allocated, and I can say that everything is proceeding according to plan, as far as the creation of jobs is concerned. Again, I am sorry we were unable to reach an agreement on priorities with the Government of Quebec, but as I told the Leader of the New Democratic Party yesterday, that should not prevent us from earmarking these funds for a disadvantaged area of the province—the member for Central Nova knows what I mean—that must be helped with public funds.

Mr. Mulroney: Madam Speaker, it is just like the Government to appoint a public servant in an office in Rimouski to help people in the Gaspé Peninsula. That really makes a lot of sense.

An Hon. Member: Ask your question!

Mr. Mulroney: Madam Speaker, the question, in this increasingly sad and difficult situation, is as follows: In view of the fact that the plan was announced five months ago by his own Cabinet colleagues—two years ago he himself went to the Gaspé to announce the program—five months ago, he was advised that the program was imminent, will the Prime Minister, in view of the emergency situation that continues in the Gaspé and is affecting human beings, both individuals and their families, could the Prime Minister table in the House a schedule specifying the amounts to be spent and the jobs that will be created in the days, weeks and months to come in the Gaspé Peninsula, and could he do so as of today?

Mr. Trudeau: Madam Speaker, I fail to understand why the Leader of the Opposition is so upset about the fact we are opening an office in Rimouski. The alternative would be to run everything from Ottawa, but I think it makes sense to have Government employees in this area to help the ministers implement these projects, and I fail to see why the Leader of the Opposition should criticize this form of decentralized administration.

As far as the actual projects are concerned, as I said in my first reply, certain funds have already been committed for airports and harbour facilities. The Minister of Agriculture (Mr. Whelan) has gone to announce other projects as well. However, I repeat that when we announced the major development plan for this very disadvantaged region of the province, we did not do so on impulse, spontaneously, without preparation, a little like the Leader of the Opposition seems to ask questions. The problem has been given serious thought and has given rise to a program that will be spread out over 15 years, and it would be misleading the people of this area to say, as the Leader of the Opposition seems to want me to say, that we are going to spend all this money in the first month or the first year. It will be spread out over a number of years, just as the problems in this area of the province have grown over many decades. A major decision was necessary to help this region, and our ministers have done their share. Once again, I am sorry this has to be a federal rather than a federal-provincial undertaking, but I really do not see why the Leader of the Opposition is so upset.

• (1420)

Mr. Mulroney: Madam Speaker, the Prime Minister referred to a plan that was given serious thought, so serious, in fact, that in 1980, in January and February, the unemployment rate in the area was 9.5 per cent, and has now risen to 18.4 per cent, in a highly disadvantaged area.

My question is very simple and very straightforward. Could the Prime Minister table in the House a schedule specifying the number of jobs to be created and when, when the local population will be able to benefit from the programs promised under $250 agreement? To date, nobody, not even his dog has been hired! Table your schedule.

Mr. Trudeau: Madam Speaker, the Leader of the Opposition is complaining that no dogs have been hired. Madam Speaker, dogs may be his priority but our priority is human beings, and we are hiring them.

Many of the projects announced are already underway, and believe me, these are not projects for cats and dogs but for human beings.

The press releases were published. If the Leader of the Opposition wants us to buy advertising space with public funds to announce what we are already doing, we shall do so. However, perhaps his research office would be better off asking the Government for the press releases we published as we were announcing the projects. Let him do his homework and study his lessons, first, before asking questions.

Hon. Roch La Salle (Joliette): Madam Speaker, I have a supplementary, and it is not about homework and lessons. Today, in the poll results, Canadians are reminding the Prime Minister that whatever his lessons were, their practical application has not been successful.

Madam Speaker, my question is the following. If the Government was so serious about its proposals for a recovery program for the Gaspé, why is the Prime Minister today refusing to engage in a direct dialogue with the Premier of Quebec, after acknowledging yesterday that it had not been possible to conclude a joint agreement between Quebec and Ottawa on this long-term program?

In the circumstances, should not a responsible Prime Minister promise the House today to get in touch with his Quebec counterpart, for the sake of a region that has suffered more than enough?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I wish to appeal to the Hon. Member's common sense. He referred to a dialogue with the Quebec Premier. I am constantly in touch with him. For instance, on the matter of the community funds we want to spend in the municipalities, we have been seeking ways to solve this problem, and I have been doing so personally for many months.

It is a simple matter, Madam Speaker, and perhaps the Hon. Member for Joliette could give us the benefit of his innate knowledge. We want to spend public funds to create jobs in the municipal sectors. We have been trying for months to get permission to spend those funds. Municipal councils and mayors have complained to me. I got in touch with the Premier of Quebec, and we are trying to find a formula under which, as I said before, we will be able to spends public funds in Quebec municipalities.

If the Hon. Member believes he has a magic solution, let him call up the Premier of Quebec and tell him what it is. As far as accusing me of not having a dialogue with the Premier . . . Madam Speaker, I have been trying to find a solution.

The Hon. Member knows how stubborn and unpredictable the péquiste government is. It does not like co-operating with the federal Government.

Why are the Hon. Member and his leader hiding behind an ideology I know they do not support, to blame me for not co-operating with a government that wants the province to separate from Canada?

Mr. La Salle: Madam Speaker, the Prime Minister was talking about co-operation with the provinces, but if I recall correctly, he himself repeated not long ago that as far as he was concerned, co-operative federalism was dead, and now he is complaining about a lack of co-operation on the part of the provinces! My question is as follows: If the Prime Minister wants a solution, I would ask him to inform the House, whether in the circumstances, he feels co-operative federalism is really dead. If so, then why is he trying to mislead people by referring to genuine co-operation and consultation with the provincial premiers?

Mr. Trudeau: Madam Speaker, I would not be surprised if the Leader of the Progressive Conservative Party did not know the answer to this question, since he is a newcomer on the political scene, but the member for Joliette ought to know—unless he is asking questions for the sake of indulging in rhetoric—that the kind of co-operative federalism I criticized consists in the federal Government giving funds to various provinical governments to spend, while they get all the credit. That is exactly what is happening in the case of the municipalities I referred to earlier.

Mr. La Salle: That is not federal business, and you had better reach an agreement with Quebec!

Mr. Trudeau: Madam Speaker, I wish the Hon. Member would listen. We have public funds, we want to create jobs, we want to spend those funds to create jobs through community projects which, for the most part, do not come under the direct jurisdiction of the municipalities but are initiated by individuals or groups that apply for funds. The Government of Quebec is saying: Give us the money, we are going to spend it. That is

the kind of co-operative federalism I am against, when the federal Government does not exist as far as the people are concerned, when the federal Government can only exist through a proxy, the provincial premiers. That is not how we see federalism and I do not think the Hon. Member's leader sees it that way either. That is why we are quarrelling with the provinces because they want to spend the federal Government's money.

Madam Speaker: Order!

* * *

FINANCE

REQUEST FOR ASSISTANCE FOR HOME OWNERS WITH HIGH INTEREST RATE MORTGAGES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I thought the questions put by the Leader of the Official Opposition today were excellent, and if I may say so, I thought they were pretty good yesterday when I asked them the first time.

• (1430)

[*English*]

My question is directed to the Minister of Finance. The fact is that right now thousands of Canadian families are paying anywhere from $200 to $300 more per month on a mortgage than they should have to pay, given the prevailing rates, because they are locked into mortgages which they took out at 18 per cent to 23 per cent some time ago. Considering that the Minister of Finance had questions put to him two days ago by this Party, and yesterday by the Conservative Party, on this important matter, and he has not provided a specific answer, will he now give us a commitment and, more important, will he give a commitment to those families who are suffering, that the Government of Canada will do something about the overpayment which these families must make at this time?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, first of all I would like to thank the Leader of the New Democratic Party for having pointed out that we have had the opportunity of taking our weekly peek at the Leader of the Opposition, whom we are happy to receive in this House today.

Some Hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): What a sweet tempered man you are.

Some Hon. Members: Twenty-three per cent!

Madam Speaker: Order, Order, please.

Mr. Lalonde: Madam Speaker, it seems the Conservatives would like me to say the "bi-weekly" peek. Perhaps I made a mistake.

An Hon. Member: You made your mistake a long time ago.

Mr. Lalonde: As far as the question raised by the Hon. Member is concerned—

Mr. McDermid: You are off on another month's trip. Tell us about your next trip, Pierre.

Madam Speaker: Order, please. The Chair cannot follow the debate, so I expect that many Hon. Members cannot.

Mr. Lalonde: Madam Speaker, as the Hon. Member knows, I have made strenuous representations to a large number of financial institutions to bear in mind the plight of individual Canadians. In a very large number of cases action has been taken, not only following my own representations but following representations by individual Members of Parliament.

An Hon. Member: Not true.

Mr. Lalonde: I hear a Member of the New Democratic Party saying that he has not been successful.

An Hon. Member: Not in my riding.

Mr. Lalonde: I would suggest it is probably because the Hon. Member has not done his job properly. I can point out to the Hon. Member a number of cases which Hon. Members on this side have settled on their own without asking the Minister of Finance to do their job. Steps have been taken. A large number of cases have been settled and arranged.

The Hon. Member wants us to go further and legislate in this regard. I have also received representations, as I indicated, from a number of Hon. Members on this side of the House on this subject over the last few weeks. We have been examining this question. There are obvious advantages to it, but there are also problems. One of the problems which the Hon. Member should bear in mind is that anything we do will have a cost implicit in it. We are concerned that this should not mean that it would lead to some increase in the total amount of interest rates which people will have to pay for mortgages, because if you force institutions to allow repayment, let us say with a three month penalty in all instances, you may face a situation where institutions may have to bear that in mind in terms of the total amount they have to charge in terms of the rate of interest.

We are examining this matter. If it can be resolved in a way which will be to the advantage of the consumer, you can be assured that this Government will take steps in that regard.

REQUEST THAT MINISTER INTERVENE WITH CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I point out to the Minister of Finance that during the 18 month period when Canadians had to renew their mortgages at that exorbitant level of 18 per cent to 23 per cent interest, the chartered banks of Canada made $2.5 billion in profits. I would say to the Minister of Finance that the banks are not exactly suffering. In the United States at the time when President Kennedy had comparable concern with the steel

industry in his country, he took immediate action by telling the Companies either to bring down the price of steel or expect Government action against them. Will the Minister of Finance take comparable action with the banks in Canada, and tell them to renew those mortgages at a rate where Canadians can now save money which they ought to be saving, or the Government of Canada will take immediate legislative action?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would tell the Leader of the New Democratic Party that his question deals with only a small part of the problem. If he looks at the correspondence which he has received, and certainly I have received such correspondence from citizens and Members of Parliament, he will see, no doubt, that a very large number of those cases do not deal with banks. They deal with trust companies and other financial institutions which have had to go into the market to borrow, let us say, on five, ten and 15-year bonds. These institutions have loaned also on a long-term basis, five or ten years. They are in a situation where they have borrowed money on the long term and which they have loaned long term also. Now the Hon. Member wants the Government to tell them they should renew on short term at a different rate. There is a cost to these institutions for that. That is what I am trying to tell the Hon. Member.

We are examining the situation so that institutions will not take the opportunity, on the pretext of any action the Government might decide to take, to charge the consumer at large more than they would otherwise have charged. I believe this is a serious problem which needs and deserves careful consideration. Anything we do here should be for the—

Madam Speaker: Order, please. Order.

Mr. Broadbent: Madam Speaker, the point we make is simply that the financial institutions were making lots of profit at that time and the least they could do now is to share some of the burden with the families who are affected by exorbitant mortgage rates.

REQUEST THAT INTEREST ACT BE AMENDED

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to ask a question of the Minister of Consumer and Corporate Affairs who has responsibility for the Interest Act. Considering what the Minister of Finance has just said, that institutions other than the banks are involved, will the Minister bring in, say next week, a bill which will amend the Interest Act, to permit families to renew their mortgages by paying only a three month penalty? That would be an example of concrete action which would show Canadians that the Government actually cares, and would replace the empty rhetoric of which we have heard so much from the Government?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, as the Minister of Finance has pointed out, we have been consulting. We are very much aware of this problem. I would like to point out to the Hon. Member that mortgages which have been put out by trust companies are under provincial legislation and many of them are not subject to federal law. That is also one of the problems which we face.

An Hon. Member: Nonsense.

Mr. Trudeau: Study the law.

Mrs. Erola: I want to stress that we are very much aware of the problem. We are examining all ways in which we feel we can make sure that both the borrower and those who are doing the lending are treated fairly.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. FUAD K. MOHAMED, MINISTER OF DEVELOPMENT FOR THE YEMEN ARAB REPUBLIC

Madam Speaker: I would like to draw to the attention of the House the distinguished presence in our gallery today of Mr. Fuad K. Mohamed, the Minister of Development for the Yemen Arab Republic.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

MECHANISM TO CREATE JOBS—POLICY INQUIRY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Government will be shortly announcing its decision on Unemployment Insurance premium rates for 1984. We know that expenditures under the Unemployment Insurance Program for this year are estimated to be $11 billion. Given the Government's track record, that situation is going to get worse. I raise my question to the Minister in the context of the recommendations made by the Economic Council of Canada and the statements made by the Canadian Federation of Independent Business. Will the Government be announcing, along with the premium rate schedules, what steps it proposes to take to make the Unemployment Insurance fund a more efficient mechanism for job creation?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I do not anticipate making the kind of statement which the Hon. Member has described at that time. There is now, as I think the Hon. Member knows, a mechanism within the Unemployment Insurance Act, namely, Section 38, which does provide a method by which funds which would otherwise be paid out for income support can be used to support workers in job creation. We have had considerable success with the use of that provision over the past year. It may be that at some particular time we might focus in again on whether there is some way in which that mechanism can be improved. However, I do not anticipate making the kind of suggestion for changes which the Hon. Member has described

at the same time at which we bring forward the establishment of rates for the coming year.

PREMIUM RATES

Hon. James A. McGrath (St. John's East): Madam Speaker, I assume the Government has had consultations with the other two partners in the unemployment insurance scheme, namely, employee and employer representatives. If so, is the Government satisfied, following those consultations, that a further substantial premium increase can now be absorbed on top of last year's substantial increase, without curtailing job creation? That is the question which the Government has to address.

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the consultations to which the Hon. Member refers have indeed taken place. I will be making recommendations to Cabinet very shortly about what the levels should be for the forthcoming year.

* * *

● (1440)

HUMAN RIGHTS

PAKISTAN—DETENTION OF TARIQ ASHAN

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, in the absence of the Secretary of State for External Affairs I would like to address my question to the Minister of State for External Relations.

On Tuesday of this week Carleton University held a benefit for Tariq Ahsan, a Ph.D. student who has been a political prisoner in his homeland for approximately 24 months. It was fully 16 months before a charge was brought against Mr. Ahsan, and he still awaits trial for a charge unrelated in any way to violence or sedition. He is what one non-governmental organization terms a "prisoner of conscience". I know the Secretary of State for External Affairs is aware of this case. Could the Minister tell us what measures the Canadian Government is undertaking on behalf of this gentleman, and, by extension, all citizens of the world who are incarcerated without the assurance of a prompt and fair trial?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, I am also familiar with the matter. Given the state of international law today, it is not possible for the Government to intervene in a foreign country on behalf of non-Canadian citizens. This is one of those instances. The only thing we can do, and we do it in the framework of bilateral relationships with Pakistan, is dialogue with officials of that country regularly on matters of common interest. Human rights is one of those. We have done that repeatedly. The Secretary of State for External Affairs on his last visit to that country had conversations on that subject at the highest level. The Department is continuing these efforts. The case of this gentleman, Mr. Ahsan, has been talked about.

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES INVOLVEMENT IN CIVIL STRIFE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in the absence of the Secretary of State for External Affairs perhaps I could direct my question to the Prime Minister. I had not realized that the Minister would be leaving for his meeting with U.S. Secretary of State Shultz this soon.

In light of the bombing raids inside Nicaragua last month, with at least one plane being provided by the CIA, and the combined air and sea attack on Nicaragua's main oil port this week by the CIA-backed group FDN, does the Prime Minister know if the Secretary of State for External Affairs, in his meeting with Secretary of State Shultz this weekend, plans to discuss our very grave concern about the growing number of CIA-backed attempts to cripple the economy of Nicaragua and ultimately overthrow its Government?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, the subject of sending arms to Central America has been condemned by us on a number of occasions, the last time by the Secretary of State for External Affairs at the UN General Assembly meeting. I do not know specifically if that particular point will come up in the discussion to be held tomorrow or the day after between Secretary Shultz and our Secretary of State for External Affairs, but I think so. I will make sure and I will call my friend this afternoon.

Miss Jewett: Would the Minister or the Prime Minister get in touch with the Secretary of State specifically on the CIA-backed attacks? That is what I was asking about.

EXTENSION OF CREDIT BY CANADA

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, would the Minister of State for External Relations be able to inform the House today whether the Government has now approved its pledge of an $18 million line of credit to Nicaragua?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): I am not too sure. I am sorry, I am a new man in the game.

Some Hon. Members: Oh, oh!

Mr. Pepin: I saw a report on that subject. I will make sure and communicate this afternoon with my hon. friend.

* * *

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

NEW BRUNSWICK PROJECTS

Mr. Bob Corbett (Fundy–Royal): Madam Speaker, my question is for the Minister of State for Economic Develop-

ment. I have in my hand a Cabinet document marked "Confidential", dated September 16, 1983, entitled "Special Recovery Capital Projects Program", and under a section entitled "Status of Preliminary Project Approvals" it states that, with two exceptions, preliminary project approval has now been given to all the—

Madam Speaker: Order, please. The Hon. Member will please refrain from quoting from documents and go immediately to a question.

Mr. Nielsen: Why not? Is that a new rule?

Mr. Corbett: Madam Speaker, in view of the fact the Minister brought to the attention of his Cabinet colleagues that it was the Minister responsible for Public Works who was foot dragging and abrogating his responsibility to the residents of New Brunswick, I ask him if he would now give assurance to the tens of thousands of unemployed people in that Province, including the 76.8 per cent of the construction work force who are jobless in the city of Saint John, that these projects will indeed be implemented, with or without the approval of the Minister responsible for Public Works?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I have some difficulty in understanding what the Hon. Member is referring to.

Mr. Stevens: You usually do.

Mr. Johnston: When this question was addressed to me the other day I pointed out that people in New Brunswick, I believe, are very happy, as I am sure he is, with the enormous amount of work which has gone into that Province under the Special Recovery Capital Projects.

You can ask the people of New Brunswick about route 11, about Newcastle, and about the Moncton Core development, or about the Saint John drydock, which I know is a matter of concern to them. Ask them about the Maritime Forestry Research Institute. I have not heard the Hon. Member for York-Sunbury complaining about that. It is in Fredericton and is one of the most important research institutes going in under this program. Ask them about the Forest Rangers School. As I recall, that is in New Brunswick. So I do not understand what the Hon. Member is talking about.

Mr. Corbett: Madam Speaker, that is ridiculous. He indicates everything is tickety-boo in New Brunswick, and he knows full well that is not the case.

REQUEST FOR MINISTERIAL ACTION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, will the Minister go down there and ask the four or five hundred people about to be laid off from the Saint John drydock what they think of his program, or the 3,500 people about to be laid off in Chatham, New Brunswick? Will he go down there and clean up that mess in New Brunswick which the Minister responsible for Public Works is either unwilling or unable to do?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, it is true I have not had the opportunity of asking all the people in New Brunswick, but I have had the opportunity of asking the Premier of New Brunswick and he seems to be very happy with the Program, very pleased with it, as a matter of fact. My colleague, the Minister of Public Works, participated in that meeting, and I am sure that if the people of New Brunswick really felt the concerns expressed by the Hon. Member, the Premier might have raised them with us during that meeting.

* * *

AIR CANADA

SELECTION OF MONTREAL HEADQUARTERS—MINISTER'S STATEMENTS ON RCMP INVESTIGATION

Hon. Erik Nielsen (Yukon): Madam Speaker, my question is for the Minister of Justice. I am sorry the Solicitor General is not here but I am sure the Minister of Justice will have seen today's media reports which state that the Solicitor General said yesterday the RCMP submitted a report to the federal Government on the investigation into alleged improprieties in the selection of Air Canada's new headquarters office in Montreal.

The Minister will recall yesterday he informed this House, as reported at page 27940 of *Hansard*, in responding to a question by the Hon. Member for Annapolis Valley-Hants, that "the investigation is not entirely complete in all respects".

One of those statements is false. Is it the statement of the Solicitor General or is it the statement of the Minister of Justice that is false?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I thank the Hon. Member for raising the point. I advised the Hon. Member for Annapolis Valley-Hants this morning, and I notified the Chair, that I would be rising at three o'clock to say that after Question Period yesterday I learned from my departmental officials that the RCMP have now in fact completed that investigation into the purchase by Air Canada of its new headquarters site in Montreal. They have communicated their findings to the Department of the Attorney General of Quebec. The matter is therefore now entirely in the hands of the Attorney General of Quebec.

POSITION OF CHAIRMAN

Hon. Erik Nielsen (Yukon): Madam Speaker, I fully expect that the Minister has read the report, and I fully expect the Minister of Transport has read the report. Quite apart from any recommendations which may exist in that report with respect to the laying of criminal charges, can the Minister of Transport tell us whether there is anything in that report

suggesting any conflict of interest involving Mr. Amyot in the selection of the building in Montreal? Is the Government now considering, or is it to consider, anything in the report which might affect the continued employment of Mr. Amyot in Air Canada?

● (1450)

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I think that, as the Minister of Justice has already pointed out, the matter of conflict of interest is one which will now be referred to the Attorney General in Quebec.

Some Hon. Members: No, no.

Mr. Dick: That's for criminal matters.

Mr. Axworthy: That is a matter that was purely and completely in the hands of the legal process. I have just received a report on the particular situation this morning. I will be having an opportunity over the weekend, I hope, to review it carefully, to discuss it and examine it with the appropriate officials. At that time we would have to make some judgments, but at this time we have not had the opportunity to do so.

REFERENCES TO CONFLICT OF INTEREST

Hon. Erik Nielsen (Yukon): I would like to direct a supplementary question to the Minister of Transport. He cannot weasel out of it that way. I said, quite apart from any criminal charges that are possibly being considered, the question of conflict of interest stands apart. Is the Government considering the references in the report to conflict of interest which would affect the continued employment of Mr. Amyot? He told the House yesterday that there was no anticipation that Mr. Amyot would resign. Is he just as certain today as he was yesterday?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would like to make it very clear to the Hon. Member that it is a matter that I treat with some degree of seriousness and will therefore give the report the proper attention it deserves. When we can make those kinds of judgments, we will make them, not according to the timetable of the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. McDermid: A little nervous over there.

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MULTICULTURALISM

UKRAINIAN CONGRESS—COMPLAINT ABOUT MINISTER'S SPEECH

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister. On October 8, over the past weekend, the Ukrainian Canadian Committee held its fourteenth Triennial Congress in Winnipeg. The federal Government was represented by the Minister of State for Finance, who gave a speech on behalf of the Government which was received by that body, and by Ukrainian Canadians, as being offensive and containing racist stereotyping. The Minister quoted, with approval, the speech of Clifford Sifton wherein he described central Europeans as follows:

> I think a stalwart peasant in a sheep-skin coat, born on the soil, whose forefathers have been farmers for ten generations, with a stout wife and a half-dozen children, is good quality.

The Congress has written to the Prime Minister complaining about the speech and the references made by the Minister of State for Finance. What is the Prime Minister going to do about this matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know of the speech, but I do know the Minister and I am absolutely certain that he intended no racial or other slur.

Mr. Hnatyshyn: Madam Speaker, I can only describe the remarks of the Minister of State for Finance made to the Congress as being in the tradition of Earl Butz.

POSITION OF PRIME MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): I want to ask the Prime Minister a supplementary question. He gave a lot of free advice yesterday as to the activities of a member of the other place. I want to ask him whether or not, since this man is involved in the policy-making of the Government, he will tolerate this kind of racist statement with respect to a very important component of our population, or whether he will try to slough it off and suggest that this is not an inappropriate, offensive kind of speech, as indicated in a letter from the Congress, which was adopted unanimously.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I repeat, I do not know the speech. I would be happy to look at it.

Mr. Hnatyshyn: It's been delivered to everybody's office.

Mr. Trudeau: I do know the Minister. He is a man of high sensitivity and culture. The Hon. Member says that he was quoting something?

Mr. Hnatyshyn: The speech that was delivered to my office and to your office, too.

Mr. Trudeau: No, but I understood the Hon. Member said that he was quoting something about—

Mr. Andre: Another Grit.

Mr. Trudeau: Who was he quoting, Madam Speaker, and in what context?

Mr. McGrath: He was quoting from the speech.

Mr. Trudeau: No, no, I undestand—

Mr. Epp: Clifford Sifton.

Mr. Trudeau: The Hon. Member, in asking his question, referred to a quote in the speech. Who was he quoting?

Mr. Andre: A Grit.

Mr. Trudeau: Who was the Minister quoting? That is what I am asking him.

Mr. Epp: Supplementary!

Madam Speaker: The Hon. Member for Yorkton-Melville.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: It was a quote of your friend, Clifford Sifton.

Mr. McDermid: Double standard again, Madam Speaker.

Mr. Hnatyshyn: With approval, with approval!

Mr. Trudeau: Madam Speaker—

Madam Speaker: Order.

Mr. Trudeau: Come on. Have the courage to say it.

Mr. Hnatyshyn: With approval!

Mr. Trudeau: What a lot of—

Mr. Hnatyshyn: You're good at giving advice, but—

Mr. Trudeau: What a coward!

Madam Speaker: Order, please.

Mr. McDermid: Double standard!

Mr. Trudeau: What standard? What does Clifford Sifton have to do with me, you imbecile?

Madam Speaker: Order, please. I heard the Hon. Member. He was asking for a supplementary. However, at this time we are already five minutes late in recognizing the NDP. Therefore, I must recognize the NDP because we are five minutes late moving to that party. I recognize the Hon. Member for Yorkton-Melville.

Mr. Epp: Madam Speaker—

Mr. Nystrom: My question is for the Minister of Industry.

Mr. McGrath: Saved by the NDP.

Mr. Epp: I don't think it is funny either.

Mr. Trudeau: Why don't you have the honesty to say who you are quoting, somebody who has been dead one hundred years, you creep? What a phony.

Madam Speaker: Order, please.

Oral Questions

FOREIGN INVESTMENT REVIEW AGENCY

OBSERVANCE OF COMMITMENTS BY FOREIGN INVESTORS

Mr. Lorne Nystrom (Yorkton-Melville): My question is directed to the Minister of Industry, Trade and Commerce, Madam Speaker. Last week a senior official of FIRA said that an increasing number of foreign investors are not keeping the promises they made as a condition of entering Canada. The Minister knows that he has the legal sanctions of the Act to ensure that those conditions are kept. Why has the Minister not taken action to ensure that they keep the conditions when they enter this country? If he does not take any action, how can he expect us to take FIRA seriously?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member raises a very good point, and the officials of FIRA have been most vigilant in looking at each one of these cases which, I understand, represent only about 6 or 7 per cent of the total cases that have been decided, where the company in question has not lived up to its original commitment. After investigation, we discovered that most of those conditions were not lived up to because of market conditions. As the Hon. Member knows, the capacity utilization throughout the industrialized world is 50 per cent, 60 per cent, or 70 per cent, in many sectors. So, it is very difficult for an applicant to live up to a commitment of investment when those conditions exist internationally.

Mr. Epp: Supplementary.

Mr. Nystrom: Madam Speaker, in the last three months, the Minister has allowed 99 per cent of the takeover applications to go ahead, which is even worse than Jack Horner.

CONNAUGHT LABORATORIES—LEASING OF INSULIN FACILITIES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I think we know that one of the most important inventions by Canadians was insulin, by Banting and Best. Last week Connaught Laboratories, owned by the CDC, let it be known that it intends to lease its insulin-producing facilities to a foreign firm. I would like to know what the Minister is doing, or what FIRA will do to ensure that the production of this very important product remains here in Canadian hands.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): First of all, Madam Speaker, the Hon. Member is very specific in his choice of figures about approvals. He also forgot to mention that last year, through FIRA approvals, we negotiated $3 billion of investment by firms in this country. That investment will create jobs, and I have always thought that is what the NDP is pushing. He also forgot to mention that we created or preserved over 30,000 jobs through FIRA proposals last year.

Mr. Nystrom: How about insulin?

Mr. Lumley: I think he should just broaden his scope a little bit in the selection of his statistics.

With respect to the second part of his question, the Hon. Member knows that I cannot divulge, by law, the specifics of any application. However, he can be assured that we will look at that application very closely in keeping with the recommendation that was made.

Madam Speaker: I will recognize the Hon. Member for Provencher on a supplementary.

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MULTICULTURALISM

UKRAINIAN CONGRESS—CRITICISM OF MINISTER'S SPEECH

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct a supplementary question to the Right Hon. Prime Minister regarding the affair in Winnipeg, at which Ukrainian Canadians commemorated the famine of 1932-33 in which approximately seven million people died. On that solemn occasion his Minister of State for Finance made remarks of which the Prime Minister has now heard. However, if he had not even heard about those, he received a letter from the delegates in which they describe the Minister's statements as "inappropriate, condescending and totally lacking perception of the nature and tone of this Congress". In light of those words, and in light of the Prime Minister's constant commitment to the Constitution and the enhancement of multiculturalism in the Constitution, what will he do about those kinds of statements from his Ministers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have just had a word of explanation from the Minister. He tells me he was quoting from Sifton, a well known politician and Minister who was responsible for immigration from the European countries to the West. I understand the offensive quotation is one in which he would have spoken about the sturdy families, and stout women, and so on. I do not know who was being insulted. I know if I were told that my great-great grandfather came from France in homespun cloth and in wooden shoes, and that he was not very clean, I would not be ashamed of him. I am proud of my ancestors and I do not feel slurred because someone is describing how they arrived from Europe decades or centuries ago.

• (1500)

If the Hon. Member is trying to get this House to forget a recent slur by a Senator from his Party, on the Indians and about how they should be killed, that shows that is the name of the game.

Mr. Epp: A supplementary, Madam Speaker.

Madam Speaker: The Hon. Member for St. Boniface.

Mr. Bockstael: Madam Speaker, my question—

Some Hon. Members: Supplementary!

Mr. Epp: A supplementary, Madam Speaker.

Madam Speaker: Order. I have to be fair to all Members in this House. I have allowed the Hon. Member a supplementary question, and now I must go to the Hon. Member for St. Boniface who has been seeking the floor since the beginning of the Question Period.

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PETRO-CANADA

ANNOUNCED CLOSURE OF HIGHWAY RESTAURANT

Mr. Robert Bockstael (St. Boniface): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources who is responsible for Petro-Canada. At Warren's Corner on the TransCanada Highway opposite the Royal Mint in St. Boniface, Petro-Canada owns a 24-hour truck stop service station and restaurant which has provided valued service to local residents, tourists and truckers for 30 years. Petro-Canada has announced the replacement of this facility with a simple self-serve gas bar without a restaurant.

Some Hon. Members: Oh, oh!

Mr. McDermid: "It's Ours." Fix it up.

Madam Speaker: Order. I think the Hon. Member could save us all those details—

Mr. Andre: Axworthy, your Cabinet seat is safe.

Madam Speaker: —and go to his question.

Mr. Bockstael: Could the Minister obtain a commitment from Petro-Canada that proper tourist and truck stop facilities will be restored on this site concurrent with the reopening of the gas bar service?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would—

Some Hon. Members: Oh, oh!

An Hon. Member: Build a post office.

Madam Speaker: Order. Every Member is at least entitled to be able to listen to his answer. I believe that is what the Hon. Member for St. Boniface would like to do, and I would ask the House to co-operate.

Mr. Chrétien: Madam Speaker, I am not aware of the particulars of this question. Of course, it is a decision for the corporation to make. I know that there are some people in Winnipeg who have been complaining about this problem in serving the local population. I will get in touch with the corporation and ask them when they are making changes to make sure that the public receives the best service possible from the corporation.

PETITIONS

BROADCASTING ACT—AMENDMENT RESPECTING PORNOGRAPHY

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, October 12, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I have the usual Thursday question for the Government House Leader and request that he inform the House what business we will be dealing with for the remainder of this week and as far into next week as he can take us.

I have also spoken with him, and he realizes that I will be making this offer today, concerning the seven outstanding reports of the special committee on parliamentary reform which, after one and one-half years of steady work, produced ten reports—seven of which are still on the table—with total unanimity from the committee. They have now completed their work with the tenth report.

I discussed this with the Government House Leader at a House Leaders' meeting on September 14. At that time, he indicated that he would be speaking to his Cabinet colleagues to see whether or not we could pass all of those reports before prorogation which, I understand, is to happen some time before Christmas.

Anticipating that he might say something about consultation, I would think that the month that has transpired since September 14 would have been sufficient time for that kind of consultation. Since I believe, unlike he, that those reports will die with prorogation unless they are passed, we, and I understand the NDP also, are very concerned about implementing those seven reports which go to the very heart of meaningful parliamentary reform. I am informed by the Member for Nepean-Carleton (Mr. Baker) that there was no agreement not to move concurrence in those reports. He informs me that no such agreement was entered into.

In any event, I am prepared to ask the Chair to seek unanimous consent to pass all seven of those reports today, at once, without any debate. I understand from talking with the Hon. Member for Hamilton Mountain (Mr. Deans) that he is prepared to commit his Party to such consent. It will take two or three minutes to complete that process so we will not hold up any time in the House of Commons, and we will have those seven excellent reports in place which will give some substance and meaning to the reform which we have all been seeking for so many years. I would ask the Chair to seek that consent from the House.

[*Translation*]

Mr. Pinard: Madam Speaker, the first part of the Hon. Member's question refers to the business of the House for the next few days. We shall continue, and I hope complete, the debate on Bill C-155, the legislation we shall be considering today, tomorrow and next Monday and Tuesday, unless otherwise specified. Regarding the latter part of the Hon. Member's remarks, I am surprised, and agreeably so, that the Member for Yukon (Mr. Nielsen) should show an interest in parliamentary reform. I am prepared to believe that this suggestion is not a matter of political expediency but reflects a new desire for improving our parliamentary institution without drum rolls or trumpet flourishes and also, I should hope, without bells. In the circumstances, if the Hon. Member for Yukon wishes to make concrete proposals for parliamentary reform in general, covering both the House of Commons and the Senate, an important part of our Parliament, for reform that also reflects the present experiment, I can assure him that we are prepared to collaborate fully in order to negotiate these changes in a reasonable manner that will provide the basis for a sound and lasting reform. I can assure the Hon. Member that we are now examining these reports and are prepared to negotiate their application, and meanwhile, I hope he will follow up on his undertaking to negotiate in good faith on adjustments to be made in the light of our present experiment based on a major reform proposed in the third report of the same special committee on parliamentary reform.

[*English*]

Mr. Nielsen: Madam Speaker, I still request that you put that question seeking unanimous consent. It might appeal more to the Government House Leader, who now appears to be shying away from the adoption of those reports which have been approved by all Parties in committee and are ready for approval, that while I cannot make a more reasonable offer than to pass them all without debate, since it will only take two or three minutes, I will sweeten the pot for him and say that we are also prepared to pass all of those reports standing on the Order Paper dealing with Regulations and Other Statutory Instruments without debate, because they come from that joint committee with the approval of all Parties and with unanimity. We will pass all of those and it will take only two or three minutes to do that.

I also offer to him to pass Bill C-96 through all stages in one day and Bill C-168 through all stages in one day. I cannot be more reasonable than that, but I would ask you, Madam Speaker, to seek consent for dealing with those seven unanimous all-Party reports from the committee and see who opposes that consent.

[*Translation*]

Mr. Pinard: Madam Speaker, we are now testing a number of changes in the Standing Orders proposed in just one of the Committee's reports, the third report. I fail to understand, and once again, I do not doubt the Hon. Member's good faith or I prefer not to doubt it, but I fail to understand, when Parlia-

ment agreed unanimously to a trial period of at least a year to implement just one of the Committee's reports, why today, the Hon. Member is suggesting that we implement immediately, without a trial period, not just one but seven reports that go to the very heart of our parliamentary system, since some of them concern the supply procedure.

If the Hon. Member could explain his motives, perhaps we would harbour fewer doubts as to his good faith and the sincerity of his desire to improve the institution. That was why the members of the Committee agreed not to propose adoption of the reports to which the Hon. Member is referring. So once again—and I checked with the Committee chairman who is in the House today and who declared publicly that I was right—the members of the Special Committee decided not to play politics with parliamentary reform and agreed not to propose adoption of the reports, because we must take into account the general context of parliamentary reform and because we want changes that have been tested before they become permanent.

In the circumstances, I would again refer the Hon. Member to the members of this committee. I would ask him not to play politics with reform, and I again wish to express my sincere desire for negotiating these changes in good faith, keeping in mind the general context of parliamentary reform.

● (1510)

[*English*]

Mr. Lefebvre: Madam Speaker, because my position as Chairman of the Committee was brought into question by the words that were spoken, I want to say that there definitely was an understanding by the members of that Committee that these reports would be arrived at by consensus, that there would be unanimous decisions on the understanding there would be no move to concur in the House.

Mr. Baker (Nepean-Carleton): Madam Speaker, what we are dealing with now is quite important. With regard to the question of understandings, that this Committee would work for a year and a half within a vacuum, with nothing being done and nothing flowing from it, was not the case. I have to say that to the House. Many Members can attest to that. There were members on the Committee who worried very much as to whether or not the work of the Committee would be acceptable to the Parties and whether or not, under those circumstances, the work would lie on the Order Paper as part of history. That was a concern of members of the Committee. But to take that to the stage of saying there would never be parliamentary action, especially when the Committee did act by way of consensus, if in the event there was consensus in the House of Commons, is to carry this matter much too far.

I say to my hon. friend, for whom I have a great regard and who is Chairman of the Committee, that what is happening today, at least with respect to my Party, is that we are indicating unanimity in terms of those reports. I do not know what the position of the New Democratic Party is with respect to this matter, but it would be interesting to hear that. I am not saying the NDP has held back in any way. I believe it is important that the questions be put so that we understand in the House whether, if it is found there is resistance to consensus, that resistance can be overcome. It was not done on the basis put to me and to the House by the Government House Leader.

Surely there is not a member of that Special Committee in the House of Commons who would not take the position that if the reports are accepted unanimously in the House of Commons, we ought not to proceed with them. Surely that is not the case at all. That Committee was not working for nothing. We did not invest 18 months of our lives in that work, we did not compromise and come to understandings, to have these reports lie on the Order Paper. We hoped they would not die.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I am going to put it strongly to you, Madam Speaker, that we worked damned hard and damned well to have this matter come to some fruition. An offer has been made. Whether or not it is accepted will lie in the hands of the Government, but an offer has been made. I assume my friends in the new Democratic Party who worked hard on this matter feel the same way. But there was never any understanding that the matters would not be proceeded with.

Mr. Deans: Madam Speaker, I do not want to deal with the understanding. It is quite clear that we cannot achieve parliamentary reform unless we are prepared to adopt the recommendations of the Committee.

I want to suggest two things in answer to questions posed to me. First, as far as the rules that are apparently in place on a trial basis are concerned, we are prepared to implement those, either permanently or to negotiate in a short period of time any minor changes that might be necessary, in order to make those the Standing Orders and rules of the House of Commons.

Second, as far as the seven outstanding reports are concerned—and I use outstanding in both terms; they are outstanding and they are indeed outstanding—I want to suggest that, as far as this Party is concerned, we would be prepared to pass them forthwith, without debate. If we can do so today, all the better. We believe the reform of Parliament is essential and that Parliament, given that there is a much better mood here today than there was, say, a year ago, would work even better if we were to undertake to put into place the recommendations of the Committee. I was a member of that Committee for a period of time, on which my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), sits as Vice-Chairman along with the Hon. Member for Nepean-Carleton (Mr. Baker). We believe that the implementation of those reports in total would make for a more workable and more responsive and responsible Parliament.

Mr. McGrath: Madam Speaker, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), who was such an outstanding impartial Chairman of that Committee—and I

say that to him in all sincerity—has implied that there has been a breach of an agreement. I think the hon. gentleman misunderstood the agreement because I made it very clear on the last meeting day of that Committee that the agreement that we would not move concurrence only held while the Committee was deliberating. Once it had completed its work that deal was off, and that was clearly understood by most, if not all, members of the Committee. That certainly was my understanding. I regret very much that the hon. gentleman would suggest we would be a party to a breach of such an agreement.

Mr. Lefebvre: Madam Speaker, an agreement to me is an agreement. There was no such understanding as explained by the Member who just spoke.

Mr. Collenette: Madam Speaker, as a member of this Committee before I was elevated to Cabinet—

Mr. Beatty: Being appointed to this Cabinet is not an elevation.

Mr. Collenette: —I must take issue with my colleagues on the other side and support the Chairman of the Committee. It is true we did not have any agreement in the words of "an agreement", but there was a general understanding along the lines explained by my colleague from Pontiac-Gatineau-Labelle (Mr. Lefebvre). I regret that this kind of debate is taking place on the floor of the Chamber. Perhaps we could settle it outside the Chamber.

Madam Speaker: At any rate, perhaps that is a good suggestion. I leave it to Hon. Members, but I do have an obligation to ask the House if it will give its unanimous consent to move acceptance of the seven reports on parliamentary reform.

Mr. Nielsen: Without debate.

Madam Speaker: Does the House give its unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is not unanimous consent.

Some Hon. Members: Shame!

Mr. Huntington: One big game after another. What a phony show.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA STUDENT LOANS PROGRAM

TABLING OF ANNUAL REPORT FOR LOAN YEAR 1981-82

Hon. Serge Joyal (Secretary of State): Madam Speaker, pursuant to Standing Order 46(2), I have the honour of tabling, in both official languages, the report on the Canada Student Loans Program for loan year 1981-82.

* * *

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved for leave to introduce Bill C-692, an Act to amend the Canada Elections Act.

Madam Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Beatty: Madam Speaker, the purpose of this Bill is to ensure that all Canadians, no matter where they reside, will be able to exercise one of the most fundamental rights in a democracy, the right to participate in an election. If this Bill passes, it will prevent the repetition of a shocking incident during the Central Nova by-election where a Canadian citizen living in the United States was investigated for participating in the by-election.

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

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 4,433 and 4,927.

[*Text*]

SUBSIDIES FOR NUCLEAR POWER

Question No. 4,433—**Mr. Gass:**

What amount was spent by the Government for the subsidizing of nuclear power (a) during each year 1971 to 1981 (b) inside Canada (c) outside Canada?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of

Order Paper Questions

Energy, Mines and Resources and the Export Development Corporation as follows:

(a) and (b) Federal Government expenditures supporting Atomic Energy of Canada Limited's research and development program and Atomic Energy Control Board's regulatory functions:

	($ Millions)
1970-71	76.6
1971-72	89.5
1972-73	87.0
1973-74	96.3
1974-75	97.9
1975-76	107.6
1976-77	115.5
1977-78	140.6
1978-79	133.5
1979-80	137.5
1980-81	147.3
1981-82	173.2

Notes:

1. Excludes $822.7 million additional appropriations for forgiveness of heavy water plant loans.

2. Excludes $87.531 million budgetary expenditures covering write-off of Gentilly 1 debt.

3. Excludes $85.491 million budgetary expenditures due to forgiveness of interest on Gentilly 1 and Douglas Point reactors.

4. Excludes $25.239 million budgetary expenditures due to write-off of NRU reactor.

5. Indicates mission oriented research (i.e. AECB activity related research including special safeguards).

(c) Outside Canada, during the years in question, there were three sales which were supported by financing from the Export Development Corporation (EDC). Each sale involved concessional financing arrangements which could be regarded as an element of subsidization. The calculation of the precise amounts of pure "subsidies" paid in external marketing would require the release of commercially confidential information.

FRESHWATER FISH MARKETING CORPORATION ADVISORY COMMITTEE

Question No. 4,927—**Mr. Mazankowski:**

1. Is there an Advisory Committee under the Freshwater Fish Marketing Corporation and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. Yes. (See below).

2. (a) The Committee advises the Corporation on those matters related to trading and dealing in fish, fish products or fish by-products referred to it by the Board.

(b) Prices to fishermen; freight subsidies; fuel tax exemption; quality control and fish station construction.

(c) It met twice. It is required to meet at such times as determined by the Board of the FFMC.

(d) Advisory Committee Newsletter, July, 1982 and January, 1983.

(a) Members	(b) (i) Background and Expertise	(b) (ii) Term of Appointment	(c) Remuneration since date of Appointment
M. C. DeAlexandra	Commercial Fisherman	2 years Jan. 29/82	$2,214.65
G. A. Bird	Fisherman	2 years Jan. 29/82	1,635.10
B. C. Buckley	Commercial Fisherman	2 years Jan. 29/82	0
J. W. Corman	Fisherman/ Trapper	2 years Jan. 29/82	2,019.78
B. Lyall	Acting General Manager Ekoloktotiak Co-op	2 years Jan. 29/82	1,532.04
W. M. Kennedy	Self employed fisherman contractor	2 years Jan. 29/82	803.89
T. Paupanekis	President of Fishermen's Union Norway House	2 years Jan. 29/82	1,787.43

(Chairman's honorarium $100 per day plus travelling expense).

(Member's honorarium $50 per day including travel time).

There now exists eight vacancies on the Committee.

(d) No other direct funding is provided; however, certain secretariat costs, such as office supplies, stationery, etc., are covered by the FFMC.

[*English*]

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

[*Translation*]

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

[*English*]

Mr. Forrestall: Madam Speaker, I rise on a point of order. There is a rather ancient tradition in the Chamber that Starred Questions are attended to with some degree of promptness, usually within 48 hours but certainly where it might be somewhat difficult, not more than three or four days.

I placed Starred Question No. 5,038 on the Order Paper on September 21. It is now October 13. About a week or ten days

ago I asked the distinguished Parliamentary Secretary whether he could look into the matter, if not to avoid being seen as not responding to the question, at least to preserve the tradition and right. I wonder whether he has now had a chance to look at it.

Mr. Evans: Madam Speaker, the Hon. Member's remarks about his Starred Question is somewhat confused. He alleged on September 30 that Starred Question No. 5,038 had been around for some ten days or two weeks. In fact it was dated September 21 and would have appeared on the notice paper only on September 22. His Starred Question had not been around for that length of time; it had only been around for some six to seven days. We will certainly get to that question at the earliest possible moment.

Mr. Forrestall: Madam Speaker, I am sure the Parliamentary Secretary was quite unintentional in what he said. In order for it to have appeared on the Order Paper on September 21, it would have to have been submitted somewhat earlier. I appreciate his attention and reiterate my concern that, in accordance with the tradition of the House, urgent Starred Questions are dealt with as expeditiously as possible.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 35 (Mr. Benjamin).

Madam Speaker: Last Thursday I expressed a number of reservations concerning certain motions in amendment to Bill C-155. I am now prepared to rule on the procedural acceptability of these motions.

Before doing so, may I take this opportunity to thank all Hon. Members who participated in the extensive procedural debate for their very valuable contributions. I must say that these contributions have facilitated the Chair's deeper understanding of a very complex and technical piece of legislation. I am grateful for the arguments they have set forth.

During the debate Hon. Members often referred to the desirability or merit of certain proposed motions. Of course, that puts the Chair in a rather awkward position. I must

remind Hon. Members that unfortunately such remarks could not be taken into consideration by the Chair in reaching a decision since only the procedural acceptability of motions concern it.

When I made my preliminary remarks in relation to Motion No. 1, I indicated to the House that this was an attempt to place into the Bill a disguised preamble. Although the Hon. Member for Vegreville (Mr. Mazankowski) in presenting his argument used the term "statement of purpose and intent", I am not convinced that there is a substantial difference between such a statement and a preamble.

In his very valuable contribution to the procedural debate, the Hon. Member for Yukon (Mr. Nielsen) quoted Citation 779(3) of Beauchesne's Fifth Edition as follows:

> Where the Bill, as introduced, does not contain a preamble, it is not competent for the committee to introduce one.

In my view, the effect of Motion No. 1 would be to introduce a preamble into the Bill. However desirable it may be to some Hon. Members—and I understand that it is to many Hon. Members—the introduction of such a preamble is contrary to our rules and practice. Therefore I have no alternative but to rule that Motion No. 1 is not acceptable.

With reference to Motions Nos. 2 to 19 inclusive, 59, 64, 66, 67, 70, 129, 134 and 135 to which I referred in my statement to the House last Thursday as substantive amendments to an interpretation clause, I have not been convinced otherwise. Hon. Members argued that a great many of these motions attempted to move definitions from clauses later on in the Bill and place them in Clause 2, which is the general interpretation clause in the Bill. Of course, this is a novel approach.

In his presentation the Hon. Member for Hamilton Mountain (Mr. Deans) quoted from May's Nineteenth Edition that it was perfectly in order to move clauses from one part of a Bill to another part of a Bill. The Hon. Member is quite right in this regard. However, the motions in question do not attempt to move clauses but to move definitions into an interpretation clause which covers the whole Bill. This is the dilemma faced by the Chair. The fact that these motions, as argued by the Hon. Member for Hamilton Mountain, could be considered to be within the scope of the Bill and within the terms of the Royal Recommendation does not necessarily ensure that they are in order, and this is not the Chair's main concern. What concerns the Chair is that substantive amendments are being proposed to an interpretation clause.

In my preliminary statement I referred to a ruling of one of my predecessors in this regard. For the benefit of Hon. Members I would like to quote from Citation 773(10) of Beauchesne's Fifth Edition, which reads:

> A substantive amendment may not be introduced by way of a modification to the interpretation clause of a bill.

In my view to transfer definitions limited in scope to parts of a Bill to the general interpretation clause which applies to the whole Bill enlarges substantially the effect of the definitions, and this is not an acceptable procedure. Likewise, to modify

existing definitions substantially or to add new definitions substantive in scope is not procedurally acceptable.

Hon. Members have argued that Motion No. 14 was consequential to Motion No. 164 and therefore should be put to the House for debate. This does not alter the fact that Motion No. 14 proposes a substantive change to an interpretation clause and as such is irregular. The fact that the Chair has not accepted Motion No. 14 does not affect the admissibility of Motion No. 164, which can stand on its own.

The Hon. Member for Yukon argued that Motion No. 145 was not necessarily consequential to Motion No. 129. After having reviewed the Hon. Member's arguments and having reconsidered the two motions, I am still convinced that Motion No. 129 proposes a substantial change to an interpretation clause and therefore is not acceptable. However, in relation to Motion No. 145, I have to agree with the Hon. Member that it is not necessarily consequential to Motion No. 129 and that it should be put to the House.

The Hon. Parliamentary Secretary to the Minister of Transport (Mr. Flis) referred to the fact that several motions to delete certain definitions in Clause 34 and Clause 54 were consequential to motions upon which the Chair had some doubt as to their acceptability. While there might appear to be some relationship between those motions, it does not alter the fact that certain of the motions delete lines in the Bill, and a motion to delete stands by itself. Therefore, with regret, I have no alternative but to rule Motions Nos. 2 to 19 inclusive, 59, 64, 66, 67, 70, 129, 134 and 135 out of order.

I would like to turn to the next grouping of motions about which I had some doubt as to their procedural acceptability, namely Motions Nos. 20 to 23 inclusive, 28, 36, 41, 54, 57, 80, 81, 85, 89 and 166. In my statement to the House on October 6 I indicated to Hon. Members that these motions appeared to go beyond the scope of the Bill.

• (1530)

After hearing the arguments, the Chair has not been convinced otherwise, with two exceptions. Motions Nos. 36 and 41, as argued by the Hon. Member for Hamilton Mountain (Mr. Deans), merely restrict the powers of the Administrator as provided for in the Bill. The Hon. Member's explanation has raised enough doubt in the mind of the Chair to allow these two motions to be put to the House. It is my intention to group Motion No. 36 with a previous grouping, namely, Motion Nos. 37 and 38. Each motion should be voted on separately. Motion No. 41 will be grouped with Motions Nos. 42, 43, 44, 45 and 46, with separate votes on each motion.

Before concluding my ruling on this grouping, I wish to inform the House that I have carefully studied the extensive remarks of Hon. Members in relation to Motion No. 57. Even though it was argued that the intent of this motion was similar to that of Motion No. 156, it is not the role of the Chair to rule on the intent of Hon. Members in proposing motions but only to rule on the procedural acceptability of these motions. The Chair still finds Motion No. 57 to be outside the scope of the Bill. I must therefore rule that Motions Nos. 20 to 23 inclusive, 28, 54, 57, 80, 81, 85, 89 and 166 are out of order.

The next grouping concerns Motions Nos. 87, 139, 146, 147, 150, 153, 155 and 165. All of these motions, with the exception of Motion No. 153, go beyond the principle of the Bill as agreed to at second reading.

In the case of Motion No. 153, the contribution of the Hon. Member for Yukon (Mr. Nielsen) has raised sufficient doubts in my mind and I propose to allow this motion to be put to the House. I intend to group this motion with Motion No. 154 for debate, but they will be voted on separately.

The Hon. Member for Yukon also commented on Motion No. 155. This motion seeks to authorize payments to parties other than the railway companies, which is not contemplated in the Bill. This is contrary to the principle of the Bill as agreed to at second reading. For this reason I must rule Motion No. 155 out of order.

After careful study, the Chair is still convinced that Motion Nos. 87, 139, 146, 147, 150 and 165 are contrary to or beyond the principle of the Bill, and I therefore rule them out of order.

Motions Nos. 104 to 114 inclusive, 172 and 173 infringe upon the financial initiative of the Crown, as I indicated in my preliminary statement on Thursday last. Motions Nos. 104 to 114 inclusive, if allowed, would permit a shipment in excess of 31.1 million tonnes to qualify for the Crow benefit, and Motions Nos. 172 and 173 would add new crops to Schedule I. These motions would involve expenditures not covered by the Royal Recommendation or would extend the objects and purposes or relax the conditions and qualifications as expressed in that Recommendation. For the benefit of Hon. Members, I refer them to Citation 773(7) of Beauchesne's Fifth Edition.

As I indicated on Thursday last, Motions Nos. 51, 73, 86 and 151 are contrary to the principle of the Bill and infringe upon the Crown's financial initiative. The Hon. Member for Yukon suggested that Motion No. 86 would have the effect of decreasing the charges on the public purse and hence does not infringe upon the financial initiative of the Crown. While the Chair is persuaded by this argument, the motion is, nonetheless, still contrary to the principle of the Bill in that it proposes to freeze the prescribed rate charged by railway companies to producers for the movement of grain, whereas the Bill, as agreed to at second reading, contemplates an annual rate change under certain conditions. In my mind, this renders the motion contrary to the principle of the Bill and is therefore unacceptable. Motions Nos. 51, 73 and 151 are also ruled out of order.

On October 6 I stated that Motions Nos. 74, 152 and 157 are new propositions which are clearly outside the scope of the Bill. I went on to say that Motion No. 157 proposes to place in the Bill a new Part IV concerning "Shipper Share Limitations". The argument presented by Hon. Members has not convinced me that this is not a new concept. While protecting the farmers may be a highly desirable addition to the Bill and is, as far as the Chair can see, acceptable to many Members of the House, it is not procedurally in order, and that is the only

aspect that concerns the Chair. As Motion No. 74 is consequential to Motion No. 157, a decision with respect to Motion No. 157 would also apply to Motion No. 74. Thus I find Motions Nos. 157 and 74 out of order.

Motion No. 152 proposes to extend the Crow benefit to the grain producers of the Peace River district, which, likewise, is not covered by the Bill as read a second time. Thus I also find it out of order.

Motions Nos. 75 and 116 to 126 inclusive are clearly irrelevant to the Bill as amended by the committee and reported to the House and thus they are out of order for the reasons I gave on October 6. Members are referred to Citation 773(4) of Beauchesne's Fifth Edition. Motion No. 174 proposing to amend the title, as I said on October 6, will be ruled on by the Chair when the motion is reached.

The Hon. Member for Yukon has suggested a grouping of certain motions in relation to the rate structure proposed in the Bill. I am prepared to accept this suggestion. However, in order to accommodate this proposal, certain other motions will have to be grouped with them for the purpose of debate.

Therefore, Motions Nos. 63, 68, 69, 99 to 103 inclusive, 115, 127, 128, 130 to 133 inclusive, 136 to 138 inclusive, 140 to 144 inclusive, and 148 and 149, are grouped for debate with the voting steps as follows: Motions Nos. 63, 68, 69, 103, 115, 130, 133, 138 and 142 are to be voted on separately. A vote on Motion No. 99 will dispose of Motion No. 100. An affirmative vote on Motion No. 101 will dispose of Motion No. 102; a negative vote on Motion No. 101 will require a vote on Motion No. 102.

A vote on Motion No. 127 will dispose of Motion No. 128; a vote on Motion No. 131 will dispose of Motion No. 132; a vote on Motion No. 136 will dispose of Motion No. 137; a vote on Motion No. 140 will dispose of Motion No. 141; a vote on Motion No. 143 will dispose of Motion No. 144, and a vote on Motion No. 148 will dispose of Motion No. 149.

In summary, and for the convenience of Hon. Members, I will enumerate all those motions ruled out of order. They are Motions Nos. 1 to 23 inclusive, 28, 51, 54, 57, 59, 64, 66, 67, 70, 73, 74, 75, 80, 81, 85, 86, 87, 89, 104 to 114 inclusive, 116 to 126 inclusive, 129, 134, 135, 139, 146, 147, 150 to 152 inclusive, 155, 157, 165, 166, 172 and 173.

An Hon. Member: What's left?

Madam Speaker: You can debate the rest.

There are other points that I must address which arise from the able arguments put forward by Hon. Members during the procedural debate. The Hon. Member for Yukon has questioned whether or not the Royal Recommendation which the Government has attached to its amendments has been provided in the required form. This is an interesting point. It is also novel in that such arguments have not been raised since 1969 when the present report stage was first introduced and adopted by the House.

The Hon. Member had no objection to the original Royal Recommendation accompanying Bill C-155 and, to this end, quoted Citation 541 of Beauchesne's Fifth Edition. However, the Hon. Member feels that Citation 548 of Beauchesne's is in conflict with Standing Order 79(6), which states:

> (6) When a recommendation of the Governor General is required in relation to any amendment to be proposed at the report stage of a bill, at least twenty-four hours written notice shall be given of the said recommendation and proposed amendment.

I can understand the Hon. Member's point of view but I do not agree with it. He bases his argument on the words "once for all (unless withdrawn and replaced)" which can be found in Citation 540 of Beauchesne's. However, it is clear to me that the present practice of covering a report stage motion with a specific Royal Recommendation as required by Standing Order 79(6) goes back to 1969. It is the final sentence of Citation 540 which convinces the Chair That the Hon. Member does not have a case on this point, and I quote that citation:

> And this standard is binding not only on private Members but also on Minister whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the Royal Recommendation to new or supplementary resolutions.

● (1540)

I am in agreement with the views expressed by the Parliamentary Secretary to the President of the Privy Council (Mr. Pinard) that the interpretation to be given to this sentence is that Ministers may obtain new or supplementary Royal Recommendations which are attached to report stage motions and printed on the notice paper.

I thank the Hon. Member for Yukon for having brought this point to the attention of the House, but I can only suggest that the apparent anomalies or inconsistencies ought to be considered by the Procedure Committee.

The other matter I wish to address was brought to the attention of the House by the Hon. Member for Hamilton Mountain when he expressed his concern that the Bill was not properly before the House. The Hon. Member argued that the long title does not cover the content of the Bill. With respect, I must disagree with this view. As I stated in a ruling I made on June 20 of this year, when the Hon. Member for Hamilton Mountain raised a similar point during the second reading debate, the Bill is properly before the House.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has the floor.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, before lunch I was pointing out some of the powers given to the Administrator in this Bill and was commenting on Motion No. 35 which would amend one of the provisions of the Bill that was added in committee. It seemed to me that the powers of the Administrator had been quite generally stated in the original Bill and that the addition of Clause 4 simply spelled out a power concerning agreements for the trucking of grain which had already been available to the Administrator, but did not deal with the question of where the money would come from.

In committee, the former deputy minister said that the only source of funds was the branch line fund. I should like to draw it to the attention of the House, however, that the funds for developing branch lines are inadequate. Approximately $1.6 billion will be required to upgrade all the lines already guaranteed by the CTC to the year 2000, but under $1.1 billion has been allocated for that purpose, leaving a shortfall of $500 million. There was some doubt about where the funds would come from to provide the trucking proposed in Clause 4.

In previous speeches my colleagues have shown that there would have to be some qualifications on the use of subsidies for the trucking of grain from other elevator points and from other branch lines. We therefore added the requirement that such agreements for the trucking of grain from branch lines should only apply to those lines where the CTC has had a hearing and heard the views of all the affected parties in the communities and has decided that the rail line should go out. Only in those instances should trucks be used to transfer grain to main line points. I think there is no other choice. The question of who gets the subsidy or what trucks should be subsidized, has not been properly dealt with in the Bill and it leaves the whole question of where the subsidy starts and where it ends. Should we adopt the system of having the grain moved f.o.b. from the farmer's combine? If some trucking is done under subsidy for some farmers, then who should be eligible and who should not?

We are trying to clarify those questions by simply stating that any agreements that would include subsidization should apply only to areas where elevator points exist and where the CTC, through the normal, legitimate process, decided to close down the line. That would leave the farmers in the area with no choice but to haul the grain long distances themselves. As an interim measure, for an adjustment period, the Administrator would be permitted the option of setting up a trucking program for a few years until adjustments could be made if the motion were to pass.

I think it is only fair that the clause be restricted to those instances because it is too difficult to decide where the subsidy should go. There are already many arrangements between farmers and truckers and between elevator companies and truckers. To interject a partial form of subsidy into that system would only make things uncertain. We would not know which companies could survive and which could not. From some of the statements that have been made it would seem that the program would aid the amalgamation of trucking firms under the aegis of the two major railway companies which are already running the largest trucking firms but have not yet gone into the business of trucking grain, although they seem to be moving in that direction.

I see that my time is almost up, Mr. Speaker. I hope the House will consider this amendment which would limit the funds the Administrator could spend on a trucking program to those branch lines closed down by a CTC ruling.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is with pleasure that I rise to participate in the debate on Motion No. 35 introduced by my colleague, the Hon. Member for Regina West (Mr. Benjamin). Like Motion No. 34, it seeks to restrict the use of trucks for hauling grain. We proposed Motion No. 35 to cover the situation in the event that Motion No. 34 is defeated. Our preference would be for Motion No. 34 but if it is rejected by the House, then we urge serious consideration of Motion No. 35.

We are pleading with the House to ensure that rail lines not be abandoned. We are imploring Members of the House not to allow a whole new radical system of grain transportation to be introduced on a gradual—or not so gradual—basis in western Canada.

As was mentioned during debate on Motion No. 34 and on Motion No. 35, the rail line system is essential to the movement of grain, particularly in Saskatchewan. Large numbers of small towns and villages are scattered through the Province, connected by a network of roads. The population is scattered over a larger area than in Alberta or Manitoba. The rail system is essential to get grain from various points collected into a central system so that it can be sent to both coasts and to Hudson Bay. To introduce the possibility of moving significant amounts of grain by truck would be devastating to that rail system as well as to our road system. What we in this Party are afraid of, Mr. Speaker, is that the Bill as it now stands will allow the Administrator, the Government and the railroads to start the process of moving grain by truck and producing statistics to indicate it is no longer justifiable to move grain along certain rail lines, then eventually abandoning those lines.

• (1550)

Some Hon. Members in the Conservative Party and, I believe, some Members of the Liberal Party have accused the New Democratic Party of being reactionary, of trying to protect an outdated system. What we are trying to protect, Mr. Speaker, is a way of life in Saskatchewan, a diversified agricultural community. We are trying to protect all these small rural villages and towns because we believe that this is an essential way of life in Saskatchewan which must be protected and should not be destroyed. Sheer economics alone should not determine the social fabric of rural Saskatchewan. There are other considerations to be taken into account as well. That is why we implore Hon. Members of the House to accept the amendments which we are proposing.

The economic arguments which have been advanced are mischievous arguments in some ways because only certain economic aspects are taken into account, not the whole. Very often the cost to rural municipalities and to the Province for maintaining a road system is ignored. For the record, Mr. Speaker, I wish to quote from the submission to the Transport Committee hearings in Regina on August 8, 1983 by Mr. Charles Phelps, President of the Saskatchewan Association of Rural Municipalities. He said as follows:

> If the Crow rate is abolished the railways will have the flexibility to charge different rates on different lines by charging higher rates on lines that are less profitable, lower rates on lines that are profitable. The railways will have an economic level to persuade farmers to truck their grain to certain points and abandon others. This tactic, coupled with the presence of large inland terminals,

will force the farmers to haul to inland terminals or pay higher freight rates to keep their local elevators open. If they are forced by this economic pressure to haul to inland terminals, the local elevator will close and, as recent studies have shown, the local community will decline very quickly after the local elevator has been shut down. This will have a serious negative impact on the nature and viability of rural life in small towns.

I implore Hon. Members to listen to these words. Mr. Phelps is pleading for the hundreds of small towns and villages in Saskatchewan, for a way of life. Surely neither the Conservative Party nor the Liberal Party believe it is socially desirable to only have three or four large communities in Saskatchewan with no viable small towns and villages throughout that Province. Surely Hon. Members of both these Parties do not believe that the good life is just in the large urban centres. These Hon. Members cannot ignore the study which was filed with the Committee by Randy Passmore of the Planning and Research Branch, Saskatchewan Department of Municipal Affairs, and prepared in May of 1982. The study is called "The Impact of Increased Grain Movement on Rural Roads". It is a fascinating study which goes into specific detail about the impact of road costs on various districts if abandonment occurs. For the record, I would like to read his general statement in the opening paragraph:

A 50 per cent increase in grain truck traffic on the rural road system over the next five years could mean an additional 5.6 per cent per year in incremental maintenance and reconstruction costs, or roughly $3.4 million per year in 1981 dollars. Rail line abandonment will amplify the effects of increased grain handling. Limited abandonment could add another $1.8 million per year to maintenance and reconstruction costs. In some areas this may be great enough to warrant special consideration—including the possible reconstruction to pavement standard of a portion of the Primary Grid system. If the Crow rate is changed in such a way that it results in an inland terminal system, the cost of municipal and provincial road maintenance could reach $150 million per year (in 1981 dollars).

This study is predicting major increases in costs to the Province of Saskatchewan and to the taxpayers of Saskatchewan if there is large-scale trucking and the abandonment of branch line systems. Who will bear those costs? The taxpayers of Saskatchewan. What is occurring, Mr. Speaker, is a transfer of costs from the railroads to the public of Saskatchewan. This is unfair. It is unfair that the federal Government, through this legislation, should pass that cost on the Province of Saskatchewan and to the provincial taxpayers.

I am surprised that the Official Opposition is in fact encouraging this. That is a Party which has stood on many occasions for the interests of our western provinces. Yet with this particular piece of legislation, Mr. Speaker, it is opening the door for the transfer of costs to the Province and its taxpayers. I am surprised that Hon. Members of the Conservative Party who represent Saskatchewan are not on their feet opposing the original piece of legislation with repect to trucking. In fact, they were responsible for the amendment which allows for trucking to be introduced. I am surprised they did not consult with their provincial colleagues in Saskatchewan and were not warned by the Department of Municipal Affairs as to what it would mean to the taxpayers of that Province, and I am surprised they have indicated to the House that they will be opposing our amendment. I implore them to reconsider, Mr. Speaker. I can understand that Hon. Members from Alberta, where the population is not as dispersed as it is in Saskatchewan might not understand how important it is for Saskatchewan to maintain the railroad system.

In conclusion, I plead with Hon. Members of the Conservative Party to reconsider their stand, particularly on Motion No. 35, and I hope that they will join with us in voting for it.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I would like to add a few comments on Motion No. 35 which we are debating this afternoon. I support the motion which basically protects the branch lines going into many of the small delivery points we have throughout western Canada. Without this amendment some trucking firms, specifically Canadian Pacific Transport, could force the closure of a number of branch lines in the constituency I represent, as well as throughout western Canada, especially small delivery points. I say there can be a conflict of interest there, Mr. Speaker, and it is developing now and could come about if we do not accept Motion No. 35. Just this past week Canadian Pacific Transport announced it is purchasing four trucking companies in the Province of Saskatchewan: Lays Transport of Meadow Lake, North Central Expressways of Saskatoon, Swift Current Freight Lines Ltd. and Kissner Transport Ltd. of Regina. It makes me wonder why all of a sudden CP Transport is purchasing small and medium-sized independent trucking companies in Saskatchewan. I place no blame on the trucking companies which have sold out. It shows the good management and enterprising spirit with which they built up those trucking companies over the years, and they now have the opportunity to sell, hopefully, for a profit on their investment. But I believe CP is buying these trucking companies in anticipation of Bill C-155 passing, which would provide not only their rail lines with a guaranteed annual income but also their trucking division as well.

• (1600)

My fear, Mr. Speaker, is that if this amendment is not passed, wherever CP has a branch line and they see they can maximize their profit by taking grain out by truck instead of rail, they will surely bring grain out by truck and allow some of those branch lines to die. Their argument would be that the grain is not going out over the rails so there is no need for the rails to be in place because the main reason for the rail was the movement of grain. However, if the Administrator, who is responsible to the Cabinet, enters into an arrangement with CP to truck grain out from that delivery point, they have a conflict of interest because they are not doing it in the interest of that branch line but in the interests of maximizing their profits. I suppose that is a good business deal for CP but it is not a very good deal, socially or economically, for the people who live in the communities serviced by those branch lines.

With that conflict of interest which could, and I expect will, exist there, we will find that some branch lines have to suffer to the benefit of none other than Canadian Pacific. Previous speakers in this debate have mentioned that with the removal of a branch line the delivery point would die altogether. There would be no real need for the elevator if the branch line is

gone, because the grain would be trucked out directly from the farm or possibly some gathering area to a larger terminal elsewhere, either on the main line or at some inland terminal. Once the elevator is gone there is a ripple effect which takes place throughout the community. If there happens to be a town at that delivery point, it will suffer because revenue generated and turned over many times because of the grain hauled into the local delivery point will no longer exist for the community. Of course, if that happens it can lead to many other social problems for the specific community or delivery point. The local butcher, the grocery store, whoever may have a business at that particular delivery point, will be out of pocket, and I do not think that is a very good situation.

In connection with this, Mr. Speaker, regarding Madam Speaker's ruling this afternoon on the motion to include the Peace River area under the statutory rate, I thought back to a community in my own riding which would have been affected as well, the Goodsoil area. They used to have an elevator very close to Goodsoil at a community called Peerless. That community eventually had its elevator closed down because of the high cost of trucking grain to another point. I say that because you are not aware, Mr. Speaker, that the elevator at Peerless had no branch line to service it. It was actually a gathering point where farmers hauled their grain. The Saskatchewan Wheat Pool was thoughtful enough to service the farmers in that area, but because of the branch line not being there, eventually the elevator closed up and the farmers now have to truck their grain much farther.

I suppose the point I am trying to make is that an elevator without a branch line will not last very long if it relies totally on trucking. Under this amendment there may be some branch line sometime down the road that the Government would see fit to phase out or close down or refuse to upgrade, forcing trucking of our grain out of those areas, and as soon as that happens the elevator surely will die. If that happens, if the local farmers and officials have no control, I suppose so be it, we tried to do everything we could to prevent it. But in this situation, if this motion is not put in place, we will have Canadian Pacific Transport taking away business which could have gone over the rail lines which sustain the life of many of our rural areas. In some of these communities there might not even be a store at the delivery point, but there is a focal point because there is a branch line and an elevator and they add to the local economic and social good of those communities. It is one of the things which has held communities together in Saskatchewan so well, and I am sure in Alberta and Manitoba too.

• (1610)

I would be very concerned if the branch lines were to die because of conflict of interest between Canadian Pacific and CP Rail, the railway company. I would ask that other Hon. Members within the House support Motion No. 35 put forth by the Hon. Member for Regina West (Mr. Benjamin). Incidentally, if my memory serves me correctly, it was supported by the Progressive Conservatives in committee. I would very much like to see them stand and give support to the motion which, as I have outlined, would be a sustaining force within this piece of legislation. I would still prefer to see the legislation not through as a Bill encompassing the statutory rate, rail line upgrading and the Dominion coal blocks. However, if we cannot have the Bill split and it does go through, amendments like that found in Motion No. 35 would do something to protect not only the farmers who live in western Canada on smaller branch lines, but also our communities along those branch lines that go into the districts, hamlets and towns that are so much a way of our life in western Canada. If we do not put in motions like this, we will eventually lose our way of life, which is very unique, just as each region of Canada has a unique way of life.

I believe in co-operative federalism. This is one of the things on which the Government, the Conservatives and the New Democratic Party can come together and show that there is co-operative federalism in Canada.

I see that Your Honour is motioning that my allotted time has run out. I thank you for the opportunity to intervene here this afternoon.

Hon. Don Mazankowski (Vegreville): Madam Speaker, once again we are getting a taste of the NDP hypocrisy. In Motion No. 34, it proposed a motion which—

Mr. Benjamin: Order.

Mr. Mazankowski: —which would lock out the—

Mr. Benjamin: Order. The Speaker called him to order this morning.

Mr. Mazankowski: —which would lock out the trucking industry in terms of the whole scheme of grain transportation. In Motion No. 35 it is saying, "Trucking, yes, but only in those areas where the branch lines have been abandoned."

Mr. Benjamin: Subsidies in those areas.

Mr. Mazankowski: I notice that the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) tried to skate around those motions somewhat because I sense that he realizes that there is some merit in allowing the trucking industry to become more deeply involved in the whole scheme of grain handling and transportation. I should also say that I always enjoy the comments of the Hon. Member for The Battlefords-Meadow Lake because he always does make a very positive contribution and certainly speaks with much more knowledge than some of the other Hon. Members in his corner of the House. I think he has pointed out some areas where trucking can play a very useful role, not only by enhancing the entire grain gathering and handling system, but also in terms of providing better and more efficient service to the producers.

We have dealt with this motion in committee. The NDP wants to restrict the application of trucking only on those lines that have been abandoned by the order of the Canadian Transport Commission. We can certainly support the spirit and thrust of that. We did in committee and we will do so here again, because it is not this Party's desire to accelerate the

abandonment of branch lines in western Canada. As a matter of fact, our record is pretty clear on that account. I think that our record of performance clearly speaks for itself. However, placing this particular motion before the House and having it incorporated into Clause 17(4), notwithstanding the good intention of the Hon. Member for Regina West (Mr. Benjamin), in the event a branch line became unserviceable for a period of time if there was a bridge washout or if the line was soft, would preclude the opportunity to truck that grain, affecting the ability of producers to deliver, thereby affecting their cash flow position. I point that out because, notwithstanding the good intention, it could very well tie the hands of the Administrator if this particular amendment were to be incorporated.

I know that the New Democratic Party seems to be trying to make the case that if one allows trucking one will accelerate the demise of the branch line system. They carry this point a little too far, so much so that they tend to deliberately mislead and spread fear and anxiety. I think it clearly overstated the situation. If we read Clause 17(4), we find that it states:

That the administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

That is pretty clear. It certainly does not set out to accelerate the branch line system as the NDP suggests. That is simply not true. We are really proposing to provide a service to the grain producer in areas where farmers have in fact lost their branch line, or where they have never had a branch line. As the Hon. Member for Peace River (Mr. Cooper) and the Hon. Member for The Battlefords-Meadow Lake pointed out, there are areas of Alberta and Saskatchewan which have never had branch lines in existence or have lost them through the abandonment process.

I repeat that our Party's commitment to the retention of the branch line system is very clear. When we were in Government, our policy was that we would maintain branch lines in those areas where the elevator companies thought that they would be providing facilities and service to the year 2000. We believed it was the elevator companies that were in the best position to determine whether they would maintain an elevator system or whether they would build such a system on a given branch line.

It was based upon their knowledge of the facts that we assessed and indeed rationalized the branch line system. In the course of so doing, the Hon. Member for Moose Jaw (Mr. Neil) commissioned a one-man study to consider the retention of branch lines which were up for abandonment under the previous administration. Concerning some 1,500 miles put under the aegis of PRAC, the Prairie Rail Action Committee, he recommended that a good portion be guaranteed to the year 2000. That recommendation was ratified by the Governor-in-Council, with some 500 miles placed in the permanent network and 236 miles frozen for five years pending the testing of the off-line elevator concept, which was a recommendation advanced by the Hall Commission. Seven hundred miles were referred to the CTC for the purpose of examining the necessities and conditions surrounding the maintenance or abandonment of those particular lines.

We certainly are not a Party which designs our policies around the rationalization of the branch line system to the extent that we will end up with 50 or 60 centralized locations—quite the contrary. Where there is a need for service, where the line can be developed and the elevator system is developed in the interest of serving the producer, it is in everyone's interest to ensure that that branch line system remains in place.

I repeat, that those producers who are situated in isolated areas, such as the northern parts of Saskatchewan and Alberta, are the ones who have been shortchanged concerning the grain handling and transportation system.

● (1620)

We have a system that has been developed on the basis of equity in which there is a pooling of all the receipts and expenses. However, when we look at northern Saskatchewan and northern Alberta, we see that many of those producers must haul their grain over a distance of from 60 miles to 100 miles. That imposes a very heavy cost upon them. If we consider the freight rate under the new regime, the increase in the freight rate will escalate more dramatically for them than for the producer in Regina or Saskatoon. Therefore, they will be doubly affected. I submit that there could have been an important role for the off-line elevator concept to serve those producers in the northern parts of all three prairie Provinces if that concept could have been tested. It could have restored some sense of equity and equality in the whole system, but unfortunately that has not been done. I very much regret the fact that the Government chose not to test the off-line elevator concept.

I believe the New Democratic Party is really working against the principle of equality and greater equity for all grain producers by trying to lock out the trucking system. By virtue of its tactics, the NDP is denying producers that opportunity, and the amendments which it has proposed deny the trucking industry, and therefore the producers, that opportunity, particularly those producers who have not heretofore experienced a sense of equity or fairness.

Fairness, equity and a semblance of equality is a cornerstone and a very fundamental principle of our entire grain handling and marketing system. Since many areas have been shortchanged in terms of the fulfilment of that principle, I believe that, as we are debating this important piece of legislation, we should try our very best to restore equity and fairness so that all producers would be treated equally in terms of their handling and transportation costs. We believe that subclause (4) which would allow the Administrator to become involved in negotiating a contract for the trucking industry to provide a service to producers which they have not yet received would go a long way in fulfiling an objective which I am sure all Members of the House want to achieve.

In conclusion, our Party's position is certainly not one which would aid and abet the demise of the branch-line system. That

is not the principal aim of our amendment. The object of our proposal is to try to develop the best system, using all modes of transportation available under the most effective and efficient system so that it can increase the producers' cash flow, improve their welfare and thereby permit the spin-off benefits associated with the grain industry to permeate the total economy. For that reason we will have no difficulty in supporting this particular motion. However, I want again to draw to the attention of the mover of the motion the fact that it is somewhat restrictive and may very well be defeating a purpose which I am sure Hon. Members would want to achieve.

Mr. Dan Heap (Spadina): Mr. Speaker, I rise in support of Motion No. 35 which is an amendment that would protect the farmers who now use branch lines from having those branch lines unnecessarily abandoned. The amendment states:

—the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

This is a very useful amendment and one which, I have noticed, has received some positive arguments from some Conservatives. We have not heard this today but, as I said before, they are very flexible. For example, a couple of days ago the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) commented on the situation of the Kelfield branch and pointed out that people in the area wanted to save their branch line because it was their preference. My impression is that branch lines are the preference of most farmers on the Prairies and that they want to save their branch lines. Of course, if this is not possible, they will want assistance with long distance trucking, and no one disagrees with that.

This motion provides for both those situations precisely. It provides that long distance trucking should not be used to undermine or destroy the viability of a branch line, but also allows for the provision of a suitable substitute if the branch line, for good reasons, I would hope, is abandoned. While I have not heard this raised this afternoon, I hope the Hon. Member for Kindersley-Lloydminster and some of his colleagues will speak on that very point.

The problem with the Bill as it stands without this amendment is that we would see the railroads working on both sides of the street. They would be running the trucking company that would be competing with their own rail lines. While we have been told, and it may be, that small truckers would be involved in this transportation system, the fact is that the pattern has been for the railroads to buy up or force out the small truckers. Undoubtedly, not every last one has been forced out of business or bought out, but perhaps this will be done if the railways encourage this House and succeed in having this Bill passed without this amendment. This pattern of buying smaller trucking companies has been evident in many parts of the country. In fact, one does not have to live in Saskatchewan to know that the effect of allowing railroads to dominate the trucking industry is very damaging to branch lines and to the communities that depend on those branch lines. We have certainly seen what happens in Ontario when rail lines are abandoned and railway supported trucking companies are allowed to run alleged competition with the railroad. Since companies like CP can arrange their cost figures internally, they can make rail transportation appear expensive and therefore inefficient to the point where it must be abandoned. At that time, of course, the railway trucking company will find itself with a monopoly, one which it had arranged. This is the type of eventuality we want to prevent from happening to the farmers in Saskatchewan.

It is unfortunate that the Government has not done any studies to compare the total costs of grain transportation by rail and grain transportation by truck. However, there is a comparable case in a study that was done by the State of Iowa. I submit that before such a step is taken in Saskatchewan, Manitoba and Alberta there should be a study conducted that is comparable to that done in Iowa. That study compared the total benefits to the user, to the railroad and the public with the total costs of paying both the railroad and the trucks to haul the grain. Those are the direct costs to the producer. Of course it is necessary to give primary consideration to these, but they are not the only costs to the producer. The producer may very well be paying other costs for road transportation. This is what the State of Iowa provided for in its study. The costs that a producer pays as a citizen of his municipality and a taxpayer—and as a citizen of his Province and taxpayer—are for the maintenance of the highways on which these trucks travel. It is possible to reckon those costs to get a reasonably reliable objective figure. No doubt it would be different from place to place. Canadian weather perhaps would be a little different from Iowa weather, but this would not put the costs totally out of the ballpark. The Iowa study estimated the amount of grain that was being moved by the railroads and converted that into the number of truck loads. It was estimated what it would cost in added maintenance for the highways to move goods by way of highways. That is not the cost the farmer pays to the trucking companies. That is the additional costs farmers and other citizens of that State pay to maintain the road, in effect to subsidize the trucking company. It is not just the subsidy paid perhaps to the truckers directly or perhaps to the producer to pay the trucker; that is an open and above board subsidy. The hidden subsidy is not being reckoned by the supporters of this Bill. It should be reckoned before we plunge the farmers into paying the hidden cost. The hidden cost is the cost of maintaining the highways for the extra wear and tear exacted by these large trucks. Trucking companies do not pay much of that. According to any reckonings in Ontario, Iowa and other places, what they pay for the use of the road is less than what it costs in the wearing out of the road.

● (1630)

Therefore, what will happen if this Bill goes forward without the amendment in Motion No. 35 is that the railroad will be dumping part of its cost on to the local farmer producers, on to the municipalities, which includes the farmers, and on to the provincial Governments, which also includes the farmers. It does not include for the most part the shareholders of the railroad.

If the railroads claim they have a case for dumping that cost on to the farmers, let them put forward that case. They have not done that. They have not attempted to. The Minister of Transport (Mr. Axworthy) in promoting the Crow Bill has also not attempted to estimate that cost or to bring any figures forward for public examination.

One example of how very heavily this cost will affect the farmers has been suggested in the area around Arelee where farmers who had this experience found transportation payments doubled. This is leaving aside the cost of maintaining the roads through the Province and the municipality. As well as paying 13.8 cents per bushel to ship to Thunder Bay, according to the Crow rate, they also have to pay 13.6 cents per bushel to ship by road. Previously, they could haul it just two miles to the northeast branch line elevator. Once that was taken from them, some of the other elevators were sometimes small and full and there were varying distances they had to ship, the cost to a great many of them was almost the same as the cost of shipping on the rail from that larger central point to the Lakehead. In other words, by closing the branch line the railroad doubled the cost to the farmer to ship his or her grain. This is in addition to the further hidden cost which those producers must pay as taxpayers in Saskatchewan to maintain the highway. The railway would prefer not to pay the cost of maintaining the railway. Therefore, by a back door route the railway dumps the equivalent of that cost on to the farmers whom they are supposed to be serving. One of the primary objects of the creation of the railroad and of the massive subsidies given to the railroad was to have them haul the grain and other such necessary commodities.

I think it is very important that Motion No. 35 be unanimously supported by this House. It does not in any sense disadvantage farmers who find their rail line has been abandoned. It does not in any sense hinder provision to them of adequate trucking services. It is very carefully defined so as to indicate that the only restriction, the provision of trucking services, perhaps by the railroad itself, shall not be used to destroy present branch line service.

I see that you are indicating my time is up, Mr. Speaker. I hope we will hear further from our friends to the far right who previously have spoken up in defence of the farmers.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next Hon. Member, may I deal with the proceedings on the adjournment motion?

It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised at the time of adjournment are as follows: the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall)—Shipping—Monitoring of UNCTAD agreement—Effect on Canada. (b) Request for release of studies; the Hon. Member for Red Deer (Mr. Towers)—National Defence—Fatal accident at Lac-la-Biche—Establishment of board of inquiry. (b) Age of equipment; and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—Employment—Request for forestry job-creation program.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 35 (Mr. Benjamin).

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I had not originally intended to speak to this motion, but having sat through most of the day listening mainly to Members of the New Democratic Party talking in defence of this motion, I feel I should put a few facts on the record.

First, the amendment proposed by the Hon. Member for Regina West (Mr. Benjamin) is an amendment to Section 17(4), which reads:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

The amendment would alter the effect of that subclause only on those branch lines which have already been abandoned by order of the Canadian Transport Commission. The original Bill as referred to the committee did not contain Clause 17(4). It was an amendment moved by the Hon. Member for Vegreville (Mr. Mazankowski) and adopted by the committee. The committee adopted it obviously because it thought it would make Bill C-155 a better Bill. While I did not vote on it, I agreed with it. I thought it was a sensible amendment to provide greater latitude in the transport of grain and to make better use of other modes of transport.

All day we have listened to tales of woe about how this will mean the end of branch lines in western Canada. I think it is nothing more than a red herring being hauled across the trail of this Bill to continue a filibuster which the NDP has obviously mounted against this Bill. That should come as no surprise to any of us because Members of the NDP said forthrightly from the very beginning that they would use every tactic in the book to delay passage of this legislation.

• (1640)

The effect of the amendment which was defeated in committee would be to provide the opportunity for the Administrator

to enter into agreements with trucking firms or to allow producers to enter into agreements with trucking firms for the transport of grain by truck when it was in their best interests. It is only logical to conclude that although Clause 17(4) indicates that the Administrator may form an opinion, he would not form an opinion unless he consulted with the shippers and producers involved. I find it rather strange that Hon. Members of the House would believe that the Administrator would be so incompetent as to enter into such an agreement based only on his opinion. Of course this is a legal way of phrasing legislation and does not mean that it precludes consultation. The effect of the amendment would be that he has the ability to enter into agreements only in areas where branch lines have already been abandoned and where there is no longer the opportunity to move grain by rail.

What is the point of having Clause 17(4) if we virtually negate its purpose by accepting Motion No. 35? What surprises me most is that the Conservatives, having achieved the inclusion of Clause 17(4) in the Bill, will now emasculate it by supporting the NDP counterproductive amendment. I do not know how they can square that with their desire to have Clause 17(4) in the first place. It is not what I would have expected from that Party.

I know that all committee members have worked at this diligently. I was surprised in committee when the Tories supported this rather nonsensical amendment. I say "nonsensical" in the sense that it destroys the sense of the subclause it amends. This clause does not deal with the abandonment of branch lines, with the corporate make-up of trucking firms or with how they operate. It deals only with the powers of the Administrator. In my opinion most of the debate we have heard today has been extraneous to the issue. I agreed this morning with the Hon. Member for Bow River (Mr. Taylor) when he indicated the necessity for Clause 17(4), but I believe that that necessity will be almost totally negated if we accept the NDP amendment. Therefore, I urge the Official Opposition to change its position on this, to be consistent and to support the amendment achieved at committee stage of the Bill.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in supporting the amendment of the Hon. Member for Regina West (Mr. Benjamin), I would first like to clarify for the record what that amendment is. It reads:

> That Bill C-155 be amended in Clause 17 by striking out line 25 at page 8 and substituting the following therefor:
>
> "the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission."

It would clearly limit any subsidy paid for the trucking of grain to delivery points which are not served by a branch line.

In speaking on Motion No. 34, I stated clearly that the New Democratic Party position could be summed up, in relation to both this amendment and the previous one, as being that we want the best possible results for the grain producers of western Canada and for the people of Canada at the least possible cost. As far as we are concerned, this would rule out any proposal which would end up giving grants and subsidies to anybody and everybody who comes along.

I was somewhat mystified by some of the comments on this amendment by Members of the Progressive Conservative Party, as I was when the previous amendment was before the House. The Hon. Member for Vegreville (Mr. Mazankowski) made comments which led some of my colleagues and me to believe that he was opposing our amendment. Later he suggested that he was supporting it. I can only conclude that the Progressive Conservative Party has shown a remarkable degree of consistent inconsistency throughout the entire Crow debate. Not only has it changed position as to whether or not it supported the so-called reform of the entire package, as it shilly-shallied, flim-flammed and went back and forth on whether it was for or "agin" it, it appears that the same representative, the Hon. Member for Vegreville, seems undecided as to whether or not he is in favour of, or opposed to, the amendment before us. I suppose we should not be surprised. It is rather typical of the schizophrenia implicit in the nature of any Party with a contradictory name like "Progressive Conservative"—two words with opposite meanings. Its record in this whole debate, as has been the case in many others since the resumption of this session on September 12, has indicated that as well.

Before lunch the Hon. Member for Western Arctic (Mr. Nickerson) seemed to suggest in a brief dissertation that the Gallup poll result reported this morning was somehow indicative of the position that Party had taken since September 12, forgetting that the polling was conducted prior to the recommencement of this session. I am willing to bet that the Conservative Party will fall in the next Gallup poll; there is not much dispute of that. One of the major reasons for that will be what the Hon. Member for Western Arctic mistakenly suggested was the cause of the current result, what has been going on in the House over the last month, as that Party changed its position two or three times on the reform of the Crow and took a schizophrenic position on this particular amendment. If it is not a schizophrenic position, I hope one of its Members will rise to make its position clear.

In the same way as the new Leader of the Progressive Conservative Party wants to provide jobs for all living and breathing Conservatives, to people with only that qualification, Conservative Members also want to ensure that they can give out subsidies and contracts to every Tory contractor for the next 15 years before considering anyone else. If that is their only purpose, I suggest that they had better come clean. Perhaps one of them will edify us as to what is their real purpose in either supporting or opposing the amendment before us. We are having a difficult time trying to analyse—never mind their motivations, we would never question those—what they intend to do. Do they know what they are doing, Mr. Speaker? With this point as with many others, it seems to be a matter of just offering contracts to their friends. This is illustrated by the speech of the Conservative Party Leader as reported in the Montreal *Gazette* on May 18 dealing with the

subject of jobs for the boys. The Leader of the Official Opposition (Mr. Mulroney) said, "Oh, there'll be jobs for Liberals and NDPers . . . but only after I've been Prime Minister for 15 years and can't find a single living, breathing Tory to appoint". Is that their reasoning? I would not suggest that it is, but perhaps it is the reason they have taken their position or non-position on this amendment as it relates to passing out grants and subsidies helter-skelter to either truckers or railways or anybody else they can find.

• (1650)

According to statements that Members of that Party have often made, that position is so untypical because the tories are always knocking subsidies and grants. They want to let the market work. Now not only do they want or not want to provide subsidies for western grain, which have a very good historical reason which still continues, but they want to extend it to others and they go on and on. They want to give subsidies to anybody who seems to want them.

Conservative Members are now going to trust a bureaucrat to make the decision as to whether or not these subsidies are worthwhile. The Conservative Members who are knocking big Government and the bureaucrats are now going to trust a bureaucrat to make the decision as to whether something is a worthwhile objective or not without any other kind of supervision. They want to hand out subsidies and grants by the truckful to all the boys. I leave it to my colleagues on my right to decide whether or not that is relevant to their purpose in this debate or the larger debate on the Crow rate. Do they still even know what their position is?

Underlying the positions taken by the various Parties on this particular amendment and on the matter of the Crow as a whole is the basic nature and purpose of the various political Parties. Where do we get our support and campaign funds from? Looking back, Mr. Speaker, the official record of political contributions in Canada shows that in 1982, the Liberal Party received $50,000 from Canadian Pacific Limited and the Conservative Party received $50,000 from Canadian Pacific Limited. In the three previous years, 1981, 1980 and 1979, $128,000 was given to the Liberals by CP Limited and 12 affiliates and $134,000 was given to the Conservative Party by CP Limited and 12 affiliates. It is interesting to note that the figures for CP Limited alone indicate that its contribution to both Parties has doubled in the last year. Why is that?

I refer to another article which is related to this matter, "Unshackled from Crow, Profits Flow" by Barry Wilson published in the *Western Producer* at the end of September, 1983. That report shows very clearly that the profits for CP Limited have absolutely skyrocketed in the period of time since CP has begun to smell the gravy train coming. Is there perhaps a relationship between where political Parties get their money from and the positions they take and which corporations in our society profit from those positions? No one is suggesting that an individual politician is corrupt and no one is suggesting that a Party is corrupt, but perhaps a political and economic system that allows this sort of thing—

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

Mr. Malone: Mr. Speaker, I rise on a point of order. I had the intuition to ask you to remind the Hon. Member who is speaking what clause we are dealing with, but I have decided instead to ask you to remind him what Bill we are dealing with.

Mr. Deputy Speaker: The Chair has been listening closely to the Hon. Member and attempting to relate his remarks to the amendment before us. However, the Hon. Member for Kootenay West has the floor for another minute.

Mr. Kristiansen: Thank you, Mr. Speaker. Now that political donations can be traced through official Government records, we can see that there may indeed be a relationship between where political Parties get their financing and what position they take on issues in the House of Commons. That position can be measured against the profit performance of such companies as Canadian Pacific Limited and CP Transport at a time when we have amendments and resolutions before us such as we have today.

One has to wonder if in fact Members of the Conservative Party have a position on this question and whether or not they will make up their minds. We hope that they will. We hope that they will support this amendment and join the New Democratic Party in trying to get the best results for the people of Canada at the lowest possible cost. Let us not simply shovel out money by the truckload from the gravy train. That serves no useful purpose.

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member but his allotted time has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am pleased to be afforded the opportunity to speak on Motion No. 35. I have listened with a great deal of attention to the various contributions that have been made to this motion as well as previous motions by Hon. Members of the NDP and very occasionally by Hon. Members of the Conservative Party and even more occasionally by Hon. Members of the Liberal Party.

When listening to Members of the Progressive Conservative Party, I have noticed that many of them have made a great deal out of the fact that some of us from the New Democratic Party who are speaking on this motion come from British Columbia or from Toronto or from other parts of the country other than from the Prairies. This is quite true. Our entire Party is involved in the struggle over the Crow rate. I suppose that prairie farmers would much sooner listen to someone from Vancouver Island defend their interests than put up with the rather horrifying silence from some of the Members of the

Conservative Party who have not had the gumption to get up and speak on these amendments.

It was rather interesting although depressing to note than when an amendment moved by the Hon. Member for Vegreville (Mr. Mazankowski) was before the House earlier this week and last, at one point ten Members from the New Democratic Party spoke on his amendment and only one Member from the Tory Party spoke. It makes us wonder about the kind of support that these Members are giving to their own constituents who are concerned about this issue.

I shall refer specifically to Motion No. 35, Mr. Speaker, to would amend Clause 17(4) of the Bill which now reads as follows:

The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

Motion No. 35 would amend that by adding the following words:

"—but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission".

Very frankly, Mr. Speaker, this amendment is at best our third choice. Our first choice is to keep the Crow rate intact. We believe that this entire Bill is harmful to the prairie communities and to the Canadian economy in general. We would like to see the Government withdraw this Bill. That has been the basic intent of our Party and continues to be the basic intent of our Party. However, in some particular cases, we have some recommendations to make that would help to ease the hardship that this Bill will cause. Those recommendations represent our second choice.

With regard to the use of trucks to haul grain, our second choice was represented by Motion No. 34, which would have deleted the entire section, because we feel that subsidies to the trucking of grain will in fact be used to facilitate the abandonment of many branch lines on the Prairies by the railways. It is not true that we are trying to lock out the trucking industry; we simply do not want to subsidize it through branch line abandonment. We do not want to subsidize the trucking industry at the expense of many small communities that would suffer a great deal if the lines were abandoned.

● (1700)

I would like to quote briefly from the testimony of Mr. Charles Phelps, President of the Saskatchewan Association of Rural Municipalities, when he appeared before the Transport Committee in Regina on August 8, this year. He said:

Local governments are required to spend twice as much for road building and maintenance every time hauling mileage of farm products is doubled. Furthermore, rail line abandonment in many areas of Saskatchewan has become a significant contributor to the overall strain on the rural road system. This change has produced a direct reduction in the elevator delivery points in Saskatchewan, but has also concentrated traffic on some road lengths and added to the hauling distances.

Later in his testimony he said:

Continued rail line attrition will have a significant impact on municipalities' budget allocations and priorization. There is no doubt in our mind that the proposed Crow rate change will make necessary demands of the municipalities for additional services. Policing roads and enforcement of traffic load limits on each and every municipal road will become a necessity. This adds to the total cost of every rate payer within the municipality as well as to the taxpayers of Saskatchewan. All additional direct costs, whether maintenance, construction, or reconstruction related, will affect the disposable income and the taxable income of the rural producer. As the costs escalate, greater discrepancies will occur rurally, and the family farm will be eliminated, never to return.

In this Party we hope that Members of the House will support Motion No. 34 which would eliminate Clause 17(4) altogether. If it is not supported, then we urge upon the House the wisdom and justice of Motion No. 35, which also stands in the name of the Hon. Member for Regina West (Mr. Benjamin).

Motion No. 35 would limit subsidies to truckers to those areas which are not presently served by branch lines. We do not want to pay for a system of subsidies that will subvert the basic life of the community and will subvert the transportation system already in place. Some of my colleagues have pointed out the links between some trucking companies and the CPR. It is a well known fact that if any subsidies are available, Canadian Pacific will find some way to get its hands on them. It is a fact that over the years Canadian Pacific has received a total of $106 million in subsidies and 43 million acres of land for building the railway and putting the infrastructure in place. Now it wants to get out of its agreements and be subsidized for introducing a system of trucking.

I was interested in the speech given by the Hon. Member for Vegreville who brought up the question of bridge washouts. I would be interested to know where he was when this issue came up and was answered in committee on September 8.

Mr. Towers: He was there.

Mr. Manly: He might have been there, but it would have been helpful if he had paid attention to the question and answer. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) asked the same basic question as follows:

The problem I see with Mr. Benjamin's subamendment "shall not from the primary elevator system" is that in my riding there is a branch line that goes down to Cardston, which is quite a ways off the Lethbridge-Medicine Hat line, and periodically the bridge goes out, and it seems to me that under those circumstances your subamendment would block the administrator from paying for that grain to go from the Cardston primary elevator.

The Hon. Member for Regina West answered that by saying—

Mr. Deputy Speaker: Order, please. The Chair hesitates to interrupt the Hon. Member but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I have listened intently and with some concern to the debate on Motion

No. 35. On the one hand, the Liberal Party decided to give everything to the railroads and on the other hand, the NDP decided to stand in the way of any advancement whatsoever. I should like to make the position of this Party perfectly clear.

The situation of the primary producer in the wheat producing areas of the Prairies must be recognized. Certainly some rail lines have been abandoned. There are some people, however, who would suggest that more lines should be abandoned. I should like to put on record some of the work done by the Hon. Member for Moose Jaw (Mr. Neil). After an investigation, he recommended that 490 miles of line be placed in the permanent network up to the year 2000. He also recommended that 236 miles of line be frozen for five years pending the Hall recommendation to test the off-line elevator concept at Fisher Branch in Manitoba. This is basically what we are dealing with in Motion No. 34, which was debated yesterday, and in Motion No. 35, which was debated yesterday and today.

There is a good deal of confusion on the subject, Mr. Speaker. Apparently the Liberals are willing to give everything to the railroads, saying, "We cannot look at the position of the primary producer". The NDP, however, say, "We stand in the way of any advancement whatsoever". But this is the twentieth century, Mr. Speaker, and we have trucks that have 18 wheels under them. This Party would like to see better railroads and better roads and advancement in all areas of grain transportation. The result would be a better position for the primary producer.

Some Members of the NDP have said that the Conservative Party is all for rail line abandonment. I want to say to the NDP through you, Mr. Speaker, and to the producers, that no one has fought harder for the preservation of rail lines than the Hon. Member for Moose Jaw. At several hearings in my own riding we have made strong representations for the preservation of the rail lines. To disregard the suggestion that there might not be points where trucking would be useful for off-line elevators is irresponsible, and that is the position of the NDP.

It is probably no coincidence that newspaper headlines today show that the NDP has dropped to a new low of 14 per cent in the polls. That is a reflection on the type of irresponsible argument we have heard for a number of days. The Liberals have also dropped to a new low—23 per cent, which indicates that they want to give everything to the railways. Do not think for one minute, Mr. Speaker, that possibly the primary producer does not understand the situation better than anyone sitting in this House. He is out there on what I would call the firing line. He realizes the problem as it exists. It seems that the New Democratic Party has disregarded the fact that there may be a producer who is 50 or 100 miles from a rail line and where trucks would certainly be an advantage. That advantage should be used in the best interests of the primary producer. If we must, let us build better roads. If one goes back in the history of agriculture, in 1905 some 95 per cent of the people were involved in agriculture. They produced enough food to feed themselves, basically.

• (1710)

Mr. Flis: I rise on a point of order, Mr. Speaker. The history of agriculture is very important and very interesting. However, I would remind the Hon. Member that we are concerned with a transportation Bill. What would guide Hon. Members on this side in how to vote for this subamendment proposed by the New Democratic Party would be if the Hon. Member could explain to the House why Conservative Members are willing to support the NDP subamendment to their Clause 17(4), which almost makes it null and void. I am having great difficulty in knowing how to vote on this because Clause 17(4) is a clause brought in by the Conservative Party. Now it is willing to support the NDP amendment which wipes out its own clause, which was proposed in committee.

Mr. Deputy Speaker: I call to the attention of the Hon. Member for Assiniboia (Mr. Gustafson) that debate at report stage must be strictly relevant to amendments which are before the House.

Mr. Gustafson: Thank you, Mr. Speaker. I was just coming to the relevant part of why trucking is so important to the primary producer and to grain transportation. This is what we are talking about. If Hon. Members opposite do not understand that, then we are going to have a very difficult time to communicate the greater import of Motion No. 35. What I was saying—which was very relevant to the motion we are discussing—was that in 1905, 95 per cent of all the people in North America were directly related to agriculture. Today it is less than 4 per cent. Yet they produce enough food to feed everyone. If we are going to stand in the way of progress and say we are not going to build roads and, on the other hand, as the Government would say, we are going to abandon all branch lines, then we are going to have some problems. We must take the best of both, and that is what we in this Party have tried to do in respect of Clause 17, so that the producer can benefit both from a better branch line—as my colleague, the Hon. Member for Moose Jaw (Mr. Neil) pointed out in his recommendations—better trucking and better roads. This would strengthen the position of the primary producer.

It has been my observation that on Motions Nos. 34 and 35, the New Democratic Party, particularly, has been playing politics. It has been digging itself deeper and deeper. If it is not careful, the headlines will not read only 14 per cent in the polls but the pools will show that Party going down to 10 per cent or 12 per cent. I believe what we are seeing here is a Party struggling for survival. In order to save their seats, Hon. Members are making some irresponsible statements in the House with regard to the situation of transportation which exists, in reality, for the primary producer.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is interesting to hear my good friend, the Hon. Member for Assiniboia (Mr. Gustafson) talk about how irresponsible this Party is with respect to Motion No. 35. I understand, though, he is going to be supporting Motion No. 35. I wonder, therefore, why he is making those kinds of comments. I believe it shows that he is speaking for the sake of speaking. I am not

sure if I could really trust him when he makes that kind of speech, then later on votes for the motion.

Mr. Gustafson: Mr. Speaker, I rise on a point of order. My direct reference was to Motion No. 34, which was absolutely out of order.

Mr. Deputy Speaker: The House is debating Motion No. 35. The Hon. Member for Yorkton-Melville.

Mr. Nystrom: The debate, Mr. Speaker, is on Motion No. 35. I know the Hon. Member for Assiniboia is a relatively new Member of the House, but he has been here for at least four years, I believe, and he should realize that we have finished with Motion No. 34. He is out of order in speaking about something which the House has already dealt with. There is going to be a deferred vote. He cannot go back and reflect on Motion No. 34.

Another comment of the Hon. Member for Assiniboia which I found very strange coming from a person who is a farmer, was that this Party is totally anti-trucking. I wish he would read Motion No. 35, because what that motion says, if paraphrased, is that where there is not a branch line or a rail line, we should be subsidizing trucking for the farmers who have to live there. Therefore, if the Hon. Member is concerned about trucking, this is the motion which would allow some money to subsidize trucking for communities such as Jedburgh, Wishart, Bankend and West Bend. I hear the Tories making fun of some very nice towns and villages in my riding, and in the riding of the Hon. Member for Humboldt-Lake Centre (Mr. Anguish). I feel those people are great people and deserve help. Under Motion No. 35 those people would get some assistance. They would receive that assistance in a way that would not punish people who live on branch lines. Under the current legislation, the money which would go to subsidized trucking—the Hon. Member for Assiniboia knows this—would come out of the rail line rehabilitation fund. In other words, some money is taken out of one pocket and put in a different pocket. People who live on branch lines would not have enough money to have these lines rehabilitated.

What we in this Party are saying is that there should be some subsidization for trucking for people who do not have a rail line. That money should come out of the money which is going to be allocated by the Crow Bill, which is before the House today. Therefore, Motion No. 35 would amend the Bill. In fact, it would amend Clause 17(4) of the Bill. It would allow for grain producers to be subsidized to truck their grain where there is no branch line, and I believe that is fair. I believe that is an argument which should be supported, not just by the Conservative Members of this House but by my friends in the Liberal Party as well.

I know the Hon. Member across the way, the Hon. Member for Gaspé (Mr. Cyr), is concerned about people who live in far-reaching communities. He is nodding his head. I am sure he would be concerned with making sure that people who live in small and isolated communities are not discriminated against by a very centralized and bureaucratic transportation system.

In trying to persuade you, Mr. Speaker, as a well-intentioned soul from Ottawa West, I will give you four very good examples from my riding. We have four rail lines which we have fought to keep in the Yorkton-Melville area. One goes into Humboldt-Lake Centre. In fact, one also goes into McKenzie, and I do not see the Hon. Member for McKenzie (Mr. Korchinski) in this House very often.

An Hon. Member: Never!

Mr. Nystrom: Someone said "Never", but it is not quite never. I saw him here once, I believe, this session. One of our rail lines goes from Preeceville to Kelvington. It goes through a lot of small villages and through some bigger towns. Those people, about four or five years ago, banded together to form a "Save Our Rail Line" committee, Mr. Speaker, and they were successful to a certain extent. They were able to persuade the CTC and the powers that be, through a lot of work and lobbying, that the rail line as far as Preeceville, the largest town, should be preserved. But so far we have not had that kind of luck with the rest of the rail line. It runs on through Lintlaw, into Kelvington, which are in the riding of the Hon. Member for Mackenzie. I remember that about 13 months ago I and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) went to the CTC hearings in Kelvington to present a brief, along with hundreds of other farmers, to save this rail line.

• (1720)

If this rail line is not saved, Mr. Speaker, Motion No. 35 would allow some funds to be used to subsidize the trucking of grain for those farmers who live in the towns and divisional points along that particular rail line. The priority is to save the rail line, rehabilitate it, but if it is not, then this Party would like to see those farmers subsidized in trucking their grain.

Another example, Mr. Speaker, is a line in my riding which also formed a "Save Our Rail Line" committee. A couple of little places, one called Willowbrook, the other called Jedburgh, with a line into the city of Yorkton. We tried to save that line but we lost the fight. What are the people in Jedburgh and Willowbrook going to do?

Mr. Malone: VIA Rail.

Mr. Nystrom: There is no VIA Rail going into Jedburgh. In fact, at one time Jedburgh was a booming little town. It had a few stores, a barbershop, service stations and garages, a good school, grain elevators, but then gradually it went downhill. The final blow was when the railway was pulled out of Jedburgh, because when that happened farmers decided to haul their grain to other places like Theodore or Melville and other communities in the area.

Mr. Friesen: Elbow.

Mr. Nystrom: Once again, I have wealthy Conservatives from Alberta and B.C. making fun of my small towns and

villages, Mr. Speaker. But I am very proud of those people in those towns. They deserve some help and assistance in hauling their grain to market because they help feed some of these wealthy Tories from Alberta and British Columbia.

Mr. Friesen: You are so pious.

Mr. Nystrom: They help build a strong economy. In many cases these people came from eastern and central Europe as pioneers and built a province and country. They settled land which was difficult to clear, some of it submarginal. They worked hard and they must be defended in this House, as should their sons and daughters. So I do not appreciate any smart-aleck remarks by city Tories of British Columbia or Alberta about the poor and ordinary people in some of our villages in Saskatchewan.

Mr. Malone: My city has 160 people.

Mr. Nystrom: Mr. Speaker, whether there are 160 people in a town or 80 or 50, they are important to me.

Mr. Malone: That is right.

Mr. Nystrom: I do not apologize for that. I know all Tories do not feel that way. I know some who respect people, but obviously some of them do not.

Mr. Deputy Speaker: With all due respect to the Hon. Member, I call his attention to the rule that requires strict relevance in debate on amendments at report stage.

Mr. Kristiansen: It is hard to be relevant with all those irrelevant Tories around.

Mr. Nystrom: Mr. Speaker, I have given you a couple of very good examples which I think would persuade a fair person such as yourself from Ottawa that we have a case for making sure people in the small villages, towns and hamlets are not discriminated against. I know the Hon. Member for Assiniboia agrees with me; I can see crocodile tears now rolling from his eyes. I think sometimes he understands that we should not discriminate against people in small communities.

There is another rail line which starts in the town of Foam Lake in my riding and goes into the riding of Humboldt-Lake Centre. It goes through a little village in my riding called West Bend, into a town called Bankend and Wishart, both in Humboldt-Lake Centre. Once again a valiant fight was put up for people in those communities to try to save that rail line. But it was not saved, and Motion No. 35 will say that where there is not a rail line, such as on the line from Wishart to Foam Lake, we should subsidize the trucking of grain and help those farmers haul their grain to market. In this case it will be perhaps the town of Wynyard, Lestock, Foam Lake, Elfros, or any other villages which might be nearby. That is what Motion No. 35 is going to do. That is why we have to make sure it passes. I am thankful that, I think from what I am hearing, Mr. Speaker, the Conservative Party would agree with that. I hope we can persuade Government Members across the way that it is important that the funding be there under the Crow Bill and it not be taken from the rail line rehabilitation program.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted to him has expired.

Mr. Mazankowski: A point of order, Mr. Speaker. I wonder if the Hon. Member would allow me to put a question to him?

Mr. Deputy Speaker: With the unanimous consent of the House, because the Hon. Member's time has expired. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Mazankowski: Flis said no.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am very pleased to have the opportunity to speak on this amendment which would ensure that moving grain by truck would not be allowed from shipping points on rail lines not yet abandoned by order of the Canadian Transport Commission. We are concerned about the continued existence of rail branch lines on much of the Prairies. We really do find it disconcerting and disappointing that our friends to the right of us here—

Mr. Malone: Far right.

Mr. Sargeant: Yes, to the far right, as my friend points out. They really are not sharing our concern for small prairie towns. We have also noticed a lot of inconsistency in much of the debate which has come from my friends to my far right, the extreme right, on the subject of preserving rail lines in western Canada as it relates to the shipping of grain by truck. A couple of days ago we heard the Hon. Member for Assiniboia (Mr. Gustafson) saying there are areas where lines have already been taken out and there are major problems for farmers who find themselves several miles from elevators. It is in the best interests of producers to have something in this Bill to give them an equal opportunity to get their grain to market as persons who happen to have their farm situated along a main line or large elevator. Here he was seemingly supporting the concerns of the producers, yet this afternoon he is criticizing our Motion No. 35. It does not seem to follow, Mr. Speaker.

An interesting comment came from the Hon. Member for Ontario (Mr. Fennell) a few days ago when he said that his Party believes in free enterprise and that the trucker is an entrepreneur. He is the person they are trying to protect. They were also trying to protect the producer so he could get his product to market most efficiently. That is rather amazing, Mr. Speaker, given the fact that the two major trucking companies which have darn near a monopoly on the hauling of grain on the Prairies, are owned by CN and CP. Indeed, I am told that just within the last few months, to protect their already very healthy profits, CP has bought four small truck-

ing companies in Saskatchewan. To me, this indicates that CN and CP, in hauling by truck, will not provide an especially efficient system for the producers. They will probably supply much of the same darned thing that we have right now, with the two rail companies having a monopoly and providing considerably less than satisfactory service to the producers on the Prairies.

• (1730)

In the debate a few days ago on Motion No. 34, we heard the Hon. Member for Lisgar (Mr. Murta) complaining that many farmers had no choice but to ship by truck because there were no branch lines in their areas, much the same as had been said by others. What I found to be contradictory in his comment was that he was supporting a resolution, indeed Clause 17(4), a clause which will lead to more abandonment of rail lines on the Prairies and to more cases such as those he was lamenting in his speech a few days ago.

Protecting the branch lines has really become a matter of life and death for many prairie communities. I do not really exaggerate when I say "life and death", because for many communities the railway is really their raison d'être. Without the rail lines in their area, the elevator goes. Your Honour might have visited smaller prairie towns. Indeed, I could take you into a number of communities in my constituency where the entire focus of the town is the grain elevator. If the rail line goes, the grain elevator goes. If, instead of hauling his grain into Fisher branch, a farmer starts taking it by truck into Ashern or Arborg, more likely Arborg, he will stop there to buy his parts and fertilizer. Indeed, he will do his grocery shopping and make his clothing purchases in a different town. That will affect the businesses already in place in the town to which he previously delivered, perhaps Fisher branch in this scenario. The Government wants to thin down the small businesses in these small towns on the Prairies.

It is equally surprising that my friends to the extreme right who claim to be such good friends of small business show such a lack of concern for small businesses in so many small towns in prairie Canada. It really goes beyond small businesses. Once the businesses die and the people decide to move on to other communities, the services go. Last fall, the Canadian Transport Commission held hearing in Fisher branch, in my constituency, on the subject of abandoning the Inwood subdivision. A number of groups, including students from the high school, made presentations to the CTC, really arguing this same point, that without their rail line their community would go. The high school students made a very good presentation, very well thought out and presented, expressing their fear that abandoning the rail line could eventually lead to the closure of their school. This, I am sure Your Honour will agree, would be a very harmful and sad event to happen in any small community. So when I say that it is a life and death struggle for many of these towns, I really do not think that I am overstating the situation.

When Hon. Members speak of a more efficient system of transporting grain such as hauling grain by truck, they are not really considering the whole scenario or the additional costs to the local areas. For instance, the cost to—

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member, but the time allocated to him has expired. He may continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise to speak on Motion No. 35. I hear my friends—I use that word in the meaning that we give to it in the House—from the NDP speaking of inconsistencies. I just want to draw the attention of the Chair to the inconsistencies that I see. First, there is the view that trucking is hard on the highways, as I have heard from Members of the NDP. I have heard that the big trucks rolling over the highways will destroy the roads. One of the Members of that Party even mentioned that the former Premier of a certain Province had done such a terrible job that there are many gravel roads left. However, we all know, and we now see that the NDP is recognizing this, that if one is hauling grain on a single-axle three-ton truck, one is going down the road with six tires under the truck, or if one is hauling grain on a straight tandem, one has ten tires on the road, or if one is hauling it on a semi, one has eighteen tires on the road. It does not take much sense to figure out, in the same way as does any department of highways in any Province in Canada, that that is why loads of more poundage are allowed on tandems and on semis than on single-axle trucks or, indeed, a three-ton with dual wheels.

Speaking of inconsistencies, it is strange what I heard in this House the other day, that trucks would destroy the roads, trucks would destroy the community and trucks would add an additional burden to the municipalities. It is now apparent that Members of the NDP, with their amendment, have realized that it makes for more efficiency and for more sense to have an organized movement of grain through using larger trucks than most farmers, in my area anyway, have the ability to purchase.

We heard the last Hon. Member speaking of the big companies that would haul the grain. I am not sure, with the amendment put forth by the NDP, who will haul the grain. I am not sure, and I hope someone can tell me, if there is to be an off-line elevator concept with this motion, or are the lines to be completely abandoned and, along with that, the elevators abandoned and, the farmers hauling their own grain through an arrangement with the Administrator, when the NDP said he should not have such authority? Or will there be elevators maintained in an off-line concept? There would be duplication in that case. There would be a handle when the grain came in, a handle when it went out and a handle when it was unloaded at the other end. We do not know the exact meaning of this amendment.

Mr. Nystrom: Are you supporting it?

Mr. McKnight: We do not know whether Members of the NDP will use their influence, and I really hope they do, because in all the areas in my riding where abandonment has taken place, the farmers have gone to the local elevator companies and asked, "Would you leave the elevator here?" The elevator companies all say, "Oh, no, we cannot leave our elevators here because there is not a rail line". The farmers ask, "Will you upgrade your elevator to handle a tandem truck and a semi?" They say, "No, we cannot because there is not a rail line". I hope that the NDP and Members in the western part of Canada will use their influence to persuade those elevator companies to leave their facilities where the lines are abandoned. It makes sense to have off-line elevators where there is not a railroad. We have discussed that in the House on several occasions.

The other day I heard the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), and I believe he was speaking from experience, speak concerning areas in the northern part of his riding that could be served by a trucking amendment. We know that in the Peace River district a trucking amendment could be to the advantage of the people in those ridings. However, as we have often said in the House, what the producers in western Canada want most is to have their rail lines. The Government has made a commitment to upgrade those lines. We were shocked when, after we put forward our amendment, we heard the deputy minister say that his undersdanding was that there would be a trade-off between branch line rehabilitation money, which is not part of this Bill, and some form of trucking assistance. We had not anticipated that occurence at all because the Government had made its commitment for branch line rehabilitation. In my riding where there is the Dodsland sub and the Matador sub, they will no longer be able to haul grain without the continued rehabilitation funds. The commitments made by the federal Government were accepted in good faith by the elevator companies as well as by the producers in those areas.

● (1740)

Therefore, when we consider the off-line elevator concept, I hope the New Democratic Party means that it will use its influence, as we would and the producers will, to maintain an elevator system where a line has been abandoned. If it does not do that, the whole amendment will fall through the slats. There will not be any advantage to the producers of grain in western Canada.

We have heard, and continue to hear, about the large trucking companies. I know of approximately six trucking companies in my area, such as Loppacher Turners, the Leys Brothers, Roberge, Kindersley Freighters and Biggar Transport. All of those firms have four or five trucks. There is also Smith Transport in my area—I do not want the NDP to get upset. It belongs to Hershel Smith in Sanctuary which is a town of 15 people where he has five employees. It is small businesses such as those which we are talking about when we deal with the trucking companies. We are not concerned about companies that have had the ability to generate over $10 million in revenue in the last year, such as those four companies which Canadian Pacific took over in Saskatchewan. While I have not seen them hauling grain, I am not concerned about them because they have their licensing and their authorities. That is why Canadian Pacific purchased them, not to haul grain.

The people who will benefit from a trucking amendment will be primarily the producers and the small independent truckers who own from three to six rigs. Those truckers spend their money in the local community, buy their fuel from the local bulk dealers, buy their tires from the local garage and have their maintenance done locally. In addition, they provide a payroll in those small communities in western Canada which essentially do not have any other industry. When one considers the benefits coming from an employer who employs five people in small communities, and I mean small communities such as mine which has 25 people, one realize that be is probably more beneficial than the railroads are in Melville, Biggar in my constituency, or Wilkie. They spend their total income within those small communities.

I hope the next New Democratic Party speaker will be able to explain whether their amendment will provide for an off-line elevator system or whether the elevators will be removed as they have been in the past, because there is no railroad. That has happened on every line in my part of Canada that has been abandoned. I hope those Members will use their influence, as we have, to maintain the off-line elevator.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, since Hon. Members may have forgotten, Motion No. 35 reads:

> That Bill C-155 be amended in Clause 17 by striking out line 25 at page 8 and substituting the following therefor:
>
> the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

Mr. Beatty: Could we hear that again?

Miss Jewett: Seriously, I believe that Hon. Members have forgotten that the motion simply asks that the agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on the rail lines which have not been abandoned, and I emphasize, on rail lines that have not been abandoned.

Another point I think I should reiterate is that the federal Government, under Transport Canada or the CTC, has not conducted any studies to ascertain the impact on highway and road costs, provincial and municipal budgets or total system costs.

While I do not know if Hon. Members have looked to comparable areas to see how problems have been dealt with there, I have studied the State of Iowa, which is an intensive grain growing area. That State underwent a transfer of grain movement from railway to road into inland terminals similar to the proposal in Bill C-155. It was discovered that the

highways there had been worn out by heavy trucks up to three times faster than the Government of Iowa could afford to repair or replace them. As a result, the State of Iowa developed a program to subsidize existing railroad branch lines by keeping the grain moving by rail. I refer Members particularly to the 1982 Iowa railroad analysis update, which I read some time ago and feel would be useful to introduce in this debate.

I am sorry that the Minister of Transport (Mr. Axworthy) is not here, but I wish to read the following excerpt, for the benefit of Government Members, from the railroad analysis update:

The assault on Iowa's railroad system has resulted in a sense of urgency on the part of the Iowa Department of Transportation and the General Assembly to develop means for preserving those lines necessary to the state's economy.

An article by John Gallagher states:

The first thing the Iowa Department of Transport did was to conduct an economic analysis—

Which is what we are asking for among other things.

—of all the branch lines in the state which provided the basis for the 1978 Iowa Railroad Plan. This plan was updated in 1980 and 1982.

● (1750)

Basically, it compares the benefits which the state will receive from the preservation of service on the various segments of the railroad system with the cost of maintaining such service. The analysis of the state railroad system is computerized and can easily be drawn upon and updated.

When a railroad requests permission to abandon a branchline in Iowa, the benefits and costs derived from the 1978 study are updated and a revised benefit/costs ratio is computed. The state can then intercede in the hearings and protect the interests of shippers and the public.

I am sure Hon. Members have not realized—and I see one sleeping.

An Hon. Member: What is his riding?

Miss Jewett: It is the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) who is sleeping.

Some Hon. Members: Oh, oh!

Mr. Deans: Now he is awake.

Mr. Friesen: Mr. Speaker, is the Hon. Member for New Westminster-Coquitlam (Miss Jewett) referring to Highway 30 which runs from Cedar Rapids to Clinton, Iowa, or is she referring to Highway 64 which goes from Dubuque to Davenport, Iowa, and includes the community of Comanche?

Some Hon. Members: Oh, oh!

Miss Jewett: Mr. Speaker, I am glad the Hon. Member asked that question because what Iowa did was not to pick one or the other. It looked at the whole system.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): I hope all the people in the gallery are enjoying this.

Miss Jewett: Let me continue. We are talking about the cost-benefit question. The article continues:

Benefits are calculated in three parts:

User benefits—the "total annual transportation and handling costs savings" to shippers if a line is upgraded and not abandoned.

Railroad benefits—the "net contribution a rail line makes to a railroad's viability if the line is rehabilitated rather than abandoned." If this is a profit it is added to the benefits; if it is a loss it is subtracted.

Public benefits—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the Chair is having difficulty relating the documents to the amendments specifically before the House.

An Hon. Member: And so is she.

Mr. Anguish: Mr. Speaker, I rise on a point of order. I would like to point out to you, Mr. Speaker, that you are very quick to call our Members to relevancy.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Anguish: It is very hard for a Member in this House to stand up and try to be relevant to the Bill when there is all this chatter over here. If you did your job in the Chair—

Mr. Deputy Speaker: Order, please. With all due respect to the Hon. Member, the Chair has listened very carefully.

Mr. Anguish: Mr. Speaker—

Mr. Deputy Speaker: Would the Hon. Member please sit down? The Chair has been listening very carefully to the Hon. Member for New Westminster-Coquitlam (Miss Jewett) and invites the Hon. Member to continue and relate her remarks to the amendment before the House.

Miss Jewett: Mr. Speaker, I do believe they are quite relevant. I am talking about the cost-benefit analysis that ought to be done.

Mr. Flis: Mr. Speaker, I think it is very clear that the New Democratic Party has run out of speakers who know anything about Bill C-155.

Mr. Deputy Speaker: The Hon. Member is not making a point of order.

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

Mr. Deputy Speaker: The Hon. Member for New Westminster-Coquitlam has the floor, and she has an opportunity to make her point.

Miss Jewett: Mr. Speaker, if I may, I was trying very hard to show why there should not be an abandonment until there is a cost-benefit analysis done. I was referring to the Iowa study because Iowa did abandon railways and then discovered, on the basis of the cost-benefit analysis, that it had made a mistake. I thought that was really quite relevant to the motion. Also, I just wanted to convince my friends that I did know what I was discussing.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss Jewett: I just wanted to make the third and last point which concerns public benefits. It does relate to the cost-benefit analysis that I think we should be undertaking and are not. The article continues:

Public benefits—"the primary public benefit from an upgrading project is highway cost savings resulting from additional trucking avoided if the line is upgraded rather than abandoned." The quantities shipped in the past on the line in question are converted to equivalent truckloads, their destinations determined, and the impact on the highway system computed.

The point I wanted to make is that that kind of analysis has not been done by the CTC and that it should be done before we proceed any further with the Government's Bill. By passing this motion we would facilitate such studies being done.

Some Hon. Members: More.

Some Hon. Members: Continue.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am very pleased to have the opportunity to enter into debate on Motion No. 35. Before I begin my remarks I want to compliment the Hon. Member who preceded me on her excellent speech.

Some Hon. Members: Hear, hear!

Mr. Cooper: I found it extremely informative and it is one that I will be quite happy to circulate in my riding.

This whole business of trucking and the transportation of grain, as I have expressed earlier in speaking to Motion No. 34, is extremely important to the Peace country. As I have said so many times in the House, it is extremely important because we have a really serious problem with a lack of railway facilities. When you lack rail facilities, you do not have any alternative but to use trucks.

Motion No. 34 caused me a great deal of concern. I was surprised the NDP brought in such an amendment because I know its Members have spoken time and time again about representing the producers who are represented by those people in the Peace country. They could not accomplish that with Motion No. 34.

In Motion No. 35 we are into a little different situation. In that motion it is stated grain can be shipped from points which have not been abandoned on existing rail lines. That is why in my riding that does not affect me. I do not have rail lines that have been abandoned. It is difficult to abandon something that has never been put there in the first place. I see some Government Members on the other side. I want to bring that to their attention. I would very much like a rail line in this part of the country. Failing that, we want the opportunity to use trucks. I think it is important at this point in the debate to bring into focus how serious and how important trucking has been to the Canadian people and the various Canadian industries over the last few years.

In the mid-1940s, shortly after the Second World War, things were beginning to happen in the Peace country in the North. In that particular region of the country there was really only one form of transportation. Of course, it was trucking. We in the North have grown up with a real sense of gratitude for truckers and a real sense of their significance and importance. Had it not been for the truckers, the entire North, right up into the Territories, areas like Yellowknife and Hay River, would simply have not been opened up and developed. The same thing applies when we talk about grain in my area, areas that are still new land, land that has to be brought onstream, brought into production, and land that will create employment and employment opportunities for the people in my region. That will filter throughout Canada. You cannot accomplish that with railways when they do not exist. Your only alternative is to look at trucks.

I can see that the time is running out very quickly. I want to say very clearly that any motion that deals with trucking and transportation of grain is an absolute must. We must allow that to happen because it has to be allowed to exist in order to protect regions such as the one I represent in the Peace country.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SHIPPING—MONITORING OF UNCTAD AGREEMENT—EFFECT ON CANADA. (B) REQUEST FOR RELEASE OF STUDIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise to discuss further a concern with respect to the ratification or the putting in place about a week ago of new UNCTAD arrangements respecting liner conferences. I originally expressed my concern, in a question to the Minister of Transport (Mr. Axworthy), about the apparent absence of monitoring or any ongoing analysis which might give direction to the Canadian maritime industry; indeed, not only them but the users of vessels for import and export.

I was concerned because at the time, as reported in *Hansard* for October 3, the Minister indicated:

I recognize his concern and would certainly undertake again to ensure that a proper monitoring and analysis are done. We would try to prepare such an assessment for him.

That was the first time I had heard that any monitoring would in fact take place, but we do not know the form of that monitoring. We are not clear as to what kind of analysis will be prepared. In any event, the Minister should not do it for me, he should do it for the industry that is so vitally and deeply involved. It is of some major consequence because it involves 40 per cent of our exports, 40 per cent of our imports and a massive amount of trading. I think we are up around $5 billion in waterborne transport trade annually. That is an enormous

amount of money for the movement of goods both in and out of the country.

Perhaps I could express my concern a little more directly. Now that the Government has in fact indicated that it is considering certain measures with respect to the new agreement, will the Parliamentary Secretary undertake to make these measures or proposals known to the marine industry or those who use that industry before they are implemented, so that the community of interest can make an input from its point of view? Then the Government, trade people, external people and transport people will understand exactly what they need to learn from the experience under this form of control in the liner conferences. I ask the Parliamentary Secretary whether he will give some undertaking to review what is under consideration before it is in fact put in place. There is an obvious advantage to this both from the point of view of the industry and the point of view of the Government. I am sure it would be facilitated by the extension of such a courtesy.

More generally we are concerned about the absence of a policy. We have known we were approaching 57, 58 or 60 signatories that would represent the required percentage of volume by movement exported and imported. We have known this for some time. We knew that the latest round of UNCTAD talks would likely produce an agreement, but we still had no policy in place. This is what we are concerned about.

This can be demonstrated by the fact that shipping lines—some Canadian-owned offshore registered, some offshore-owned but shipping in and out of Canada on a quasi-regular basis—have already approached Canadian embassies in South America and elsewhere in the developing world seeking that policy and certification which might in fact lend them the opportunity to claim they are in fact designated Canadian carriers. We have a vital concern about that, but the policy should be clearly stated. It should reflect industry's concern and be clearly stated. It should be an understandable policy and one that clearly enables our embassies to give proper direction so that confusion will not flow to carriers who seek to act as designated Canadian carriers.

● (1805)

The Parliamentary Secretary's advice to us on this matter tonight will be appreciated. I know it will be concise and I know it will be informative. He certainly is aware of the difficulties being faced by waterborne carriers now that in fact the new code of ethics is a matter of practice.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as someone who chaired a special parliamentary task force on how Canada can improve its trade with other countries, and as someone who has a Private Member's Bill in the House dealing with a Canadian merchant marine, I would like to compliment the Hon. Member on being such a champion of the marine industry. I know of the interventions he has made with the previous Minister, and now with the new Minister, on the establishment of a Canadian merchant marine, on all related issues and on the issue of UNCTAD that he raises tonight.

At the United Nations Diplomatic Conference on the Code of Conduct for Liner Conferences, Canada abstained in the vote for three reasons which I would like to give to the Hon. Member. First, Canada feared that the implementation of the cargo-sharing provisions, of the code which were 40-40-20, and the rights afforded national lines might lead to higher freight rates. Second, it was felt that some uncertainties existed in the text in regard to the nomination of national lines, their right to membership in conferences and the dispute settlement procedure. Third, it was feared that the implementation of the code might result in a marked change in the competition in international shipping on which Canada has relied and benefited.

Because these concerns remain, it has appeared preferable for Canada not to accede to the code but to keep the question under continuing review in the light of developments in Canadian shipping policy, international shipping policy generally and in the implementation of the code in particular.

In May, 1982, the Government of Canada organized a seminar on the code where various interested parties such as representatives of shippers, ship owners, labour and Government expressed their views on the implications of the code as well as on the options open to Canada. Both Canadian shippers and ship owners firmly opposed Canada's ratification of the code. I know that many of these shippers and ship owners are well known to the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall).

It is believed that the effects of the code on Canadian shipping interests will be limited as the code will apply only between two contracting countries. The majority of the Canadian trade is with other OECD or developed countries and only two of these countries have adopted the convention to date. These countries, Germany and the Netherlands, have entered a reservation stating that the provisions of the code will not be applied to intra-EEC trades and intra-OECD trades on a reciprocal basis. It is understood that some other OECD countries will likely adopt the code and that all EEC countries have agreed to enter the same reservation.

Although our liner trade with developing countries is small, there is concern nonetheless with the practices of some developing countries which have unilaterally applied the cargo-sharing provisions of the code and, in some cases, gone beyond the code. Canada is considering what actions might be taken on a bilateral basis to protect Canadian interests in such situations.

In conclusion, Mr. Speaker, the Government will be pleased to keep the Hon. Member informed of any change in the Government's approach as it continues to monitor this question.

NATIONAL DEFENCE—FATAL ACCIDENT AT LAC LA BICHE—ESTABLISHMENT OF BOARD OF INQUIRY. (B) AGE OF EQUIPMENT

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is with sadness that I rise to speak at this time but I must deal with that tragic accident that occurred at Lac La Biche, Alberta, on September 30, in which three young lives were snuffed out.

● (1810)

I appreciate having received the letters General Thériault sent to members of the families and I should like to put them on record. The first one is to Mr. and Mrs. Ian McKinnon, R.R. 2, Lousana, Alberta. He wrote:

1. Please accept my most sincere condolences, and those of the Canadian Forces, following the death of your son, Richard Hebert Norton, in a vehicle accident at Lac La Biche, Alberta

2. I very much regret that such peacetime military service accidents do occur from time to time. Canada and the Canadian Forces are indebted to your son for his service to his country. Signed G.C.E. Thériault, General

The same letter went out to Mr. and Mrs. Norman Duguay at 203-4811, 67th Street in Red Deer. The third young man was from Airdrie just outside my constituency. His name was McDonald.

One of the concerns I expressed in the question I put to the Minister that day was that no one would be made a scapegoat as a result of the malfunctioning of any equipment that they used. We all know that the trucks that those members of the force used were anywhere from 30 to 40 years old. It is very easy to understand how a vehicle of that vintage could malfunction. I was as concerned with the Minister's answer to my question, reported at p. 27665 of *Hansard*, when he said:

I would indicate to the hon. gentleman that indeed there is going to be a board of inquiry. I will seriously consider, having received the report, what portion of that report can be made public.

We are not at war, Mr. Speaker. Surely the parents of those young men are entitled to know exactly what happened. If the Government failed to provide the proper equipment for members of the force we should know about it. Neither the Minister nor anyone in Cabinet nor Government should hide behind someone in the forces and use them as a scapegoat. If there was a malfunction of equipment, then it is easy to understand how the accident happened. I would hope that members of the force would give a little more credence to the human aspects when something like this happens.

I was contacted by neighbours of the families involved who were very upset and angry at the lack of consideration shown by the Department toward the families. The accident happened at noon on a Friday. There is a very fine gentleman who is padre at the Canadian Forces Base, Penhold. I know that if the Department of National Defence had contacted him he would have driven over to see both families and to notify them of what took place. Instead, a call went through from the Colonel Belcher Hospital in Calgary and a minister in Three Hills, which is quite far from where the family lived, went to see them. He did not know the family or any of the details of the accident. It is too bad that things happened this way. I think that in time of peace greater consideration could be given to people caught up in this sad situation.

The padre from Penhold is a friend of mine and I know he would have gone to see the family and help explain things to them. There were only two boys in the McKinnon family and now the oldest one is gone. The neighbours speak very highly of the family and certainly the family is suffering. More consideration should have been shown. I understand they were told a car would pick them up to take them to the funeral which was supposed to be at two o'clock on a Wednesday. They waited until a quarter after one. There was still no car. The car had broken down, but they had not been notified of this. To me, this is totally unacceptable. As I said earlier, the minister from Three Hills was the one who told them on the Friday night that their boy had been killed and that they should call the funeral home on Saturday morning. They could then find out exactly what the details were. They phoned the funeral home and found it had not been contacted at all. It was not until Sunday night that they actually knew what was going on.

● (1815)

Certainly I feel that the Department was really lacking insofar as its treatment of this family is concerned. I believe we can do better. I know that you and I agree on that, Mr. Speaker. It is the responsibility of all of us because when anyone joins the force, that person becomes a part of us and we are a part of that person. I would hope that the members of the force would take this into consideration and not be so impersonal when it comes to deaths in a family, especially tragic deaths such as these.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Parliamentary Secretary to the Minister of National Defence (Mr. Hudecki) and on behalf of the Minister himself, I am pleased that the Hon. Member for Red Deer (Mr. Towers) has given me an opportunity to discuss matters relating to the tragic accident at Lac La Biche. I would like to join him, the Parliamentary Secretary and the Minister in offering condolences, not only to the families mentioned by the Hon. Member in the House today, but to the extended families and friends of those who died as a result of this tragic accident.

I was in this Chamber when the Hon. Member directed his question and his supplementary on October 3, 1983 to the Minister of National Defence (Mr. Blais). I want to strongly object to the inference made in his supplementary question considering the road worthiness of this type of vehicle. Although the fleet is aging, all the vehicles are maintained to a set standard and in accordance with stringently laid down CF vehicle maintenance policy. If the vehicle cannot meet those standards, it is not used.

It is much too early to make judgments on the cause of this accident. I can only repeat what the Minister stated in the House in response to the Hon. Member's question, that it is a given that the board of inquiry is competent and that an

objective analysis of the facts surrounding the accident will be made.

The inspection policy specifies that the driver will check the following before the vehicle is taken on the road each day: tires for wear, inflation, pressure and security, all lights and turn signals, windshield wipers, horn, handbrake, fluid levels, all engine belts for wear and tightness, and must ensure that the fire extinguisher functions. Any defects noted must be corrected either by the driver or vehicle technicians before the vehicle is taken on the road. Technical inspections are carried out by unit technicians every six months or 10,000 kilometers, whichever comes first. These inspections are detailed checks of the complete vehicle and associated systems. All detected deficiencies are corrected after these inspections and the vehicles are grounded or taken out of service until these deficiencies are corrected.

In effect, semi-annual inspections serve as a preventive maintenance measure because partially worn components which are about to fail are replaced. In addition to the semi-annual inspections, independent teams are formed in brigade groups and bases across Canada and Europe to validate the standard of maintenance in units.

I see you are indicating that my time is up, Mr. Speaker. I would just like to conclude by saying that, knowing the Minister as well as I do, I know he will give credence to the human aspect of such a tragedy. I know that this humanity will be reflected in the Department of National Defence under his leadership.

EMPLOYMENT—REQUEST FOR FORESTRY JOB-CREATION PROGRAM

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on September 28 I asked the Minister of Employment and Immigration (Mr. Roberts) about the need for a job creation program in the forest industry which would begin to meet the needs of some of Canada's young people. I mentioned a continuing rate of 22 per cent among Canada's youth, to which the Minister objected, saying that in fact the unemployment rate for young people was under 20 per cent. In fact, Mr. Speaker, an OECD report released the day before had predicted that the 22 per cent unemployment rate would continue through 1984 and only drop by one percentage point in 1985. But whether the rate is 22 per cent, 20 per cent, 19 per cent or even 18 per cent or down to 10 per cent, the fact is that right now there is a tragic waste of our young people.

● (1820)

This was brought home to me earlier in September when I, along with my colleague in the British Columbia legislature, met with a group of about 60 young workers who were part of an EBAP program working out of Sooke. During the last several months they have been involved in thinning and pruning and soil rehabilitation. They knew the program was coming to an end at the end of the month and they asked us what hope there was of a continuation.

I made some investigations and found that all EBAP applications were finished as of September 30 and there was no specific forestry component in the new Canada Works Program. When I asked the Minister about this he finally admitted that the forestry program was indeed coming to an end. He said the Government was considering ways of supplementing it. He quite frankly pointed to the Government of British Columbia for its failure to support federal initiatives in forestry. Mr. Speaker, I would be the last person to defend the Social Credit Government in British Columbia with its abysmal record in forestry as in every field of human endeavour. Right now it is engaged in a repressive restraint program involving a cut of 25 per cent across the board in all Government staff. This will seriously hurt the forest industry in British Columbia. Of course, the Province has consistently dragged its feet in concluding a federal/provincial forestry agreement that would enable federal funds to flow into a decent forestry program. However, Mr. Speaker, my point is that provincial failure cannot be an excuse for the federal Government's refusal to act. Forestry is just too important, not only to British Columbia but to Canada as a whole. This is an area where the need of our young people for jobs is directly related to the need for a forestry regeneration program and job creation, not only now but ten, twenty, thirty, fourty or even one hundred years down the road. We should be putting some of our young people to work in this area.

I was very impressed with the submission made to the Royal Commission on the Economic Union and Development Prospects for Canada by the Association of British Columbia Professional Foresters. I wish every Member in the House could read that submission. I would like to read just a few of the facts they have in their brief. In Canada more than 800,000 hectares are harvested annually in our country, but less than 25 per cent are planted or seeded. The Canadian Forestry Service estimates that 25 per cent to 50 per cent of the area harvested annually fails to regenerate or reverts to non-commercial weeds. In British Columbia more than one million hectares need reforestation and that Province is adding 20,000 to 50,000 hectares to the situation annually. Recent B.C. budget cuts will increase the problems, as I pointed out.

If we look at the Canadian Forestry Service we see that the number of person years available for research has declined by more than 50 per cent since 1968. This is indicative of the federal Government's neglect of that area. If we were going to properly meet the needs in British Columbia alone there would be a need for another 2,000 provincial foresters, 400 more specialists and 7,000 additional forest technologists.

● (1825)

The Canadian Forest Service is part of Environment Canada. The amount of $69.4 million was allocated to this branch. In the same Environment Ministry, $146 million has been budgeted for the Atmospheric Environment Service and $275 million for Parks Canada. It is a national disgrace that the federal Government spends twice as much money monitoring the weather and climate as it does of our forests.

The federal Government's own Department estimates that the benefits of improved management would create 100,000 new jobs, increase product sales by $22 billion, increase exports by $12 billion, and create additional tax revenues of $3 billion. Therefore, the Commission recommended that federal initiatives in forestry job creation programs be continued and expanded.

While we believe that forest management work, silvaculture and other activities should not be viewed as a source of low income employment, we do support any initiatives that result in improved management. I urge the Government not only to consider the question, but also to act now and bring in a long term program that will meet the needs of our young people and the needs of our forests.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Transport Committee was in the Province of British Columbia in August hearing various witnesses from the Government of British Columbia, the Mayors of British Columbia and representatives of the various industries, such as the forest industry. The one thing all of these witnesses told us was, "Get on with Bill C-155 because it means more jobs for British Columbia". This is why I fail to understand why the Hon. Member will stand up and say what he is saying tonight, yet daily oppose Bill C-155 which will create much needed jobs in the Province of British Columbia.

In putting on my other hat on behalf of the Minister of Employment and Immigration (Mr. Roberts), I would like to provide the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) with a more detailed reply to the Hon. Member's questions raised in the House on September 28. The Hon. Member posed two questions. I will expand on the Minister's response to the question concerning the Government's initiative to help unemployed youth first, and then on the efforts being undertaken by the Canada Employment and Immigration Commission to help the unemployed forestry workers.

In the past few weeks, the Minister has announced several initiatives to help unemployed youth. The consolidated direct job creation program announced on September 12, 1983, has a major thrust directed toward providing opportunities for young people to learn, develop and practice the skills necessary to enter into and remain in the labour market. The Job Corps and Career Access Programs are geared to offer this kind of assistance to young people.

The Canada Works Program, and the Local Employment Assistance and Development Program, known as the LEAD Program, will also provide many young people with employment opportunities to gain valuable work experience. Including the recent Summer Initiatives, CEIC will spend approximately $474.1 million this fiscal year to provide 179,200 youth with work experience.

The Hon. Member also had a question concerning initiatives to help forestry workers, especially in British Columbia. As the Minister stated, the Employment Bridging Assistance Program, which was a joint federal-provincial initiative, was seriously jeopardized by the British Columbia Government's decision to withdraw funding. Although provincial funding ceased on June 30, 1983, the federal Government, through CEIC, made up the provincial shortfall and continued support for the forestry projects for another three months.

The EBAP was designed to provide term employment to unemployed forestry workers to maintain their skills and livelihood during the recession. Funding for the program was providing through provisions of Section 38 of the Unemployment Insurance Act.

I see that Your Honour is giving me the signal to close. I would just like to close on this note, by telling the Hon. Member that if he is really serious about creating jobs in British Columbia then he should get up on his feet and be counted in support of Bill C-155.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 14, 1983.

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

IRAN—PERSECUTION OF BAHA'I COMMUNITY

Mr. Lee Clark (Brandon-Souris): Madam Speaker, the latest reports out of Iran remind us that the systematic genocide of the Baha'i community in Iran continues. Sadly, the reports have an all too familiar ring—imprisonment, torture, beatings, and executions. One estimate puts the death toll at well over 5,000 since February of 1979. These shocking reports ought to jar us all into the realization that the Iranian Government continues to torture, with shocking regularity, innocent people who only desire their religious freedom. The Baha'is' only crime is their refusal to renounce their faith.

Women of the Baha'i faith have, as of late, faced increased danger. Because they are regarded as equals within their faith, the Iranian Government, which does not share that belief, has begun to arrest, torture and execute Baha'i women in much greater numbers than before.

Here in Canada it is perhaps difficult to imagine a land where people pay for their religious beliefs with their lives. But in Iran the persecution against the Baha'i community has neared the point of a holocaust.

I urge Canadians, and indeed the entire international community, not to become complacent. For as long as the persecution continues, we must continue to express publicly our utter abhorrence of these horrible acts of violence.

* * *

CANADIAN HERITAGE

THEFT OF PETROGLYPHS—PROTECTION OF ARTIFACTS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, recently on a remote site along the Pacific coast, north of Vancouver, stones decorated with prehistoric Indian carvings, known as petroglyphs, and weighing several tons, were stolen. These petroglyphs which have been in existence for thousands of years are among Canada's major archeological treasures and their seizure represents a great loss not only to the Canadian archeological community but to Canadians in general.

These petroglyphs provide vital information on man's ancestral beginnings in Canada. According to the director of the National Museum of Man in Ottawa, new archeological techniques make possible more accurate interpretation of information contained on these stones which date back 10,000 years. These records give evidence of cultural cross-ties with the Soviet Far East, suggesting people crossed the Bering Strait from what is Soviet Siberia. It is a shame that, as new skills are being developed to understand our distant past as recorded on petroglyphs, these pages of ancient history are being ripped out and senselessly destroyed even before being read.

It is my concern that this site and similar sites in Canada are vulnerable to treasure hunters and vandals who have little concern about our nation's past. For this reason I urge the federal Government, in co-operation with the Provinces, to co-ordinate activities to ensure as far as possible that artifacts of Canadian historical significance are protected from vandalism.

* * *

TOURISM

IMPACT OF TAX INCREASES

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, taxes, like death, may be inevitable, but Canada's tourism and hospitality industries say they are tired of bearing the burden of too many tax hikes. The latest dose of bad news is the 13.3 per cent hike in the federal excise tax on liquor, with all the concurrent increases in provincial and sales taxes. Not only do consumers feel the pinch of price hikes but the effects ripple across to the airline industry, hotels and restaurants, all of which make up the tourism and hospitality industries.

It has already been said by me that the tourism industry is the largest employer in Canada, providing jobs to 11 per cent of the work-force, and represents 5 per cent of total gross GNP. When everyone speaks of recovery, need I remind everyone that this industry only faces tax increases, decreasing revenues, and less demand, particularly applicable to alcohol and tobacco.

S.O. 21

THE LATE PATRICK MacDONNELL

Mr. Simon de Jong (Regina East): Madam Speaker, on July 14 of this year they found Patrick MacDonnell dead. He had killed himself. He was 35 years old.

On November 5 of last year he was laid off as a result of a government cutback. Pat went on unemployment insurance. It devastated him. He did not want unemployment insurance; he wanted to work. He applied for jobs far beneath what he was capable of accomplishing, but he was told he was overqualified. That did not stop him. He created his own make-work project. Pat used up all his personal life savings creating and developing his idea. He made around $100 and reported this on his unemployment insurance card. On February 6 he was cut off because they deemed him self-employed.

Reading through all the letters and memos of the next four months, a Kafka nightmare emerges. Pat, broke, mortgage in arrears, with an empty fridge and no income, tried to correct this situation. He appealed. He wrote me. He wrote the Minister. He wrote the Prime Minister (Mr. Trudeau). But nothing changed. Pat was defeated. On July 14 he attached a hose to his car's exhaust system and gassed himself.

Patrick was a big, strong, curly-haired, good natured Irishman. He was honest. He was creative. He was intelligent. He had initiative and skills. He had all the qualities a civilized society would hope its members would have. Patrick MacDonnell did not survive in our society.

Something is dreadfully wrong when the Patrick MacDonnells at the age of 35 die by their own hand. Something is terribly amiss with the world created by our corporate boardrooms and government offices. It is killing our best people.

* * *

● (1110)

CANADIAN NATIONAL RAILWAYS

EFFECT OF FREIGHT RATES ON PORT OF HALIFAX

Mr. Howard Crosby (Halifax West): Madam Speaker, the Port of Halifax must compete for international marine cargo with other national ports on the east coast of Canada, particularly the Port of Montreal. The Port of Halifax provides a deep water facility, equipment, and labour force, which together ensure an effective service for ocean vessels of all types, especially container ships. However, the weak link in the chain of service is the rail line between the East Coast and inland destinations.

Canadian National Railway Company is the sole provider of railway service to and from the Port of Halifax. Freight rates are a vital factor in determining the economy of utilizing the Port of Halifax for marine shipments. Now CNR has threatened to add to the cost burden for users of the Port of Halifax by increasing freight rates an additional 5 per cent. This would be a unilateral decision of CN management, not based on any cost analysis or documented expenditures. I ask the Minister of Transport (Mr. Axworthy) to review carefully any action taken by the CNR respecting freight rates so that this delicate competitive balance will not be disturbed.

* * *

POLITICAL PARTIES

NORTHERN ONTARIO LIBERAL PARTY MEMBERS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, open revolt has broken out in the ranks of northern Ontario Liberal Members of Parliament. The Minister of Consumer and Corporate Affairs (Mrs. Erola), the Hon. Member for Nickel Belt, has been doing everything in her power to fight the changes to her riding boundaries proposed as a result of the upcoming federal redistribution. The Hon. Member for Cochrane-Superior (Mr. Penner) went so far as to accuse the embattled Minister of "reprehensible behaviour" for putting her own self-interest ahead of northern Ontario and the interests of her fellow northern Liberals, surely an endangered species in these troubled times.

As well, the Hon. Member for Sault Ste. Marie (Mr. Irwin) has bitterly complained that loyal Liberals in northern Ontario are not getting enough patronage appointments. He went on to say that he was reluctant to criticize his esteemed colleague, the Minister, because "she is my regional Minister and she is a woman". The Hon. Member for Algoma (Mr. Foster) accused the Minister of ignoring the wishes of the vast majority of her northern Liberal colleagues in the redistribution process.

I would like to invite the aggrieved Minister to rise in her place at some point today and defend herself from these scurrilous attacks by her fellow Liberals in northern Ontario on her good name and reputation. I am sure all Members of the House would want to extend our heartfelt sympathy to the embattled Minister in her plight, and remind her colleagues from northern Ontario, specifically Sault Ste. Marie, Algoma—

Madam Speaker: Order, please.

* * *

ENERGY

MANITOBA TELEPHONE SYSTEM—TESTING OF METHANOL FUELED CARS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in Winnipeg a program is currently under way to determine the efficiency of specially manufactured cars running on 90 per cent methanol fuel. The program will examine how well cars start in cold weather, the wear and tear on engines, and fuel consumption. This testing began on July 27 and will ascertain over the next two years the commercial potential of methanol fuel.

This project is being carried out as a Manitoba/Canada conservation and renewable energy demonstration project for alternate fuels. The Manitoba Telephone System has been

actively involved for the past three years in experimenting with propane, gasohol, and now, in this program, methanol fuels. System maintenance and repair, as well as supervisory staff, will be using the methanol test cars. The cars will only be used in Winnipeg where special methanol fuel is available.

The Manitoba Telephone System has shown leadership in this field, and on behalf of my colleagues in the House of Commons I would like to congratulate the Manitoba Telephone System on its fine and outstanding efforts.

* * *

ADMINISTRATION OF JUSTICE

DISAPPEARANCE OF MURDER SUSPECT AFTER RELEASE ON BAIL

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, like many Canadians, not the least of them Ontario's Attorney General Roy McMurtry, I am incensed over the release on bail of a man charged with paralysing an 18 year-old girl for life. Indeed, the suspect, one Clive Brown, age 19 of Mississauga, faces charges of forcible confinement, armed robbery, attempted murder, and using firearms.

An 18-year-old Becker's Milk Store employee, Barbara Turnbull, was shot in the throat during a $200 robbery. The spinal cord damage that Ms. Turnbull suffered will leave her paralysed from the neck down for the rest of her life. So what does Brampton provincial court judge Kenneth Langdon do last week? He releases Clive Brown on $40,000 bail, on condition that he show up at Clarkson Secondary School in Mississauga. He did not show up, and has not been heard from since. He is not at home, not at school, and the judge says, "I don't know where he is".

I say, on behalf of every law-abiding Canadian, Madam Speaker, that I am thoroughly disgusted with a judicial system which lets a known criminally-minded individual out on the loose again after committing such a horrible, senseless crime for 200 bucks. I join the Peel Regional Police Force and the Attorney General of Ontario in opposing this disgusting release of an attempted murderer. Because of that punk, Barbara is ruined for life. Her assailant is free, and the Crown Prosecutor says he does not know where he is. Where, in the name of heaven, is there justice in this country for innocent people like Barbara Turnbull?

● (1115)

ORAL QUESTION PERIOD

[*English*]

FINANCE

TRUST COMPANIES' RESTRICTIONS ON RENEWAL OF MORTGAGES

Mr. Bill Kempling (Burlington): Madam Speaker, my question was to be directed to the Minister of Consumer and Corporate Affairs, but I will ask it of the Minister of Finance. It is with regard to approximately 750,000 Canadians who are locked into high interest rate mortgages. This matter was first raised in the Speech from the Throne in 1980. Since that time six Ministers of the Government have played with the problem, two Ministers of Finance, two Ministers of Consumer and Corporate Affairs, and two Ministers who report for CMHC. All of them have clawed the air and implied through their replies, inside and outside the House, that they would do something about it, but nothing substantive has happened in three and one half years.

Yesterday the Minister of Consumer and Corporate Affairs, after stating that she would seek an amendment to the Interest Act, informed the Hon. Member for Oshawa that—

Madam Speaker: Order, please.

Mr. Kempling: —mortgages—all right.

Madam Speaker: I really must interrupt the Hon. Member. He has not come to a question and he has already taken three minutes of his time.

Mr. Kempling: She informed the Hon. Member that trust companies were under provincial legislation.

Madam Speaker: No, no, I really meant the Hon. Member had to ask his question immediately.

Mr. Kempling: What does the Minister propose to do about some of our trust companies which put clauses in their mortgage agreements that require mortgagors to waive their rights under Section 10 of the Canada Interest Act and other federal-provincial acts dealing with the prepayment of mortgage contracts?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, this is indeed a very long question, and I contest the allegations contained in the preamble. I would start, first of all, by answering the preamble, and then I will address the question.

As far as the preamble is concerned, the Hon. Member is quite wrong. We have taken a number of steps to help Canadians who were caught with high mortgages. One of the steps, for instance, cost the federal Treasury $75 million in help to Canadian consumers. That was the Canada Mortgage Renewal Plan that the Minister of Public Works introduced to help those who were facing difficulties in renewing their mortgages when the interest rates were quite high. The Hon. Member will remember that at that time the federal Government was giving up to $3,000 in subsidies for mortgage renewal. That program has been used by tens of thousands of Canadians and it helped them at a very, very difficult time.

In addition, when it comes to current renewal at lower rates, as the Hon. Member knows I have provided Members of Parliament with a list of senior officials in all the banks and trust companies in Canada to which representations could be made on behalf of constituents. I, myself, have made representations on behalf of constituents and Members of Parliament,

repeatedly. The president of a trust company, for instance, appeared before the parliamentary committee on Finance two weeks ago, saying that in a single day he had received 36 letters from me addressing the issue on behalf of a number of Canadians who were facing difficulties, and steps have been taken following those representations, in a very large number of cases.

Finally, as far as the question raised by the Hon. Member is concerned, I have indicated to him, as the Minister of Consumer and Corporate Affairs indicated to him yesterday, that in a number of instances those trust companies are under provincial authority. As well, Canadian consumers, when they enter into contracts, must look at those contracts carefully and also shop around to find out whether they can get a better deal elsewhere.

An Hon. Member: Statements by Ministers.

Mr. Lalonde: As far as the specific point is concerned, these are the steps that we have already taken.

REQUEST FOR LEGISLATION TO ASSIST HOME OWNERS

Mr. Bill Kempling (Burlington): Surely the Minister knows that, under Section 91(19) of the Constitution Act, interest is the jurisdiction of the federal Government, and it does have jurisdiction.

Some Hon. Members: Hear, hear!

Mr. Kempling: In the United States, under the Federal Housing Act it is illegal to charge a fee or penalty for a prepayment of a mortgage.

In 1976 the Government introduced Bill C-16, the Borrowers and Depositors Protection Act, that included a clause in Section 15 which dealt with this very matter. Is the Government prepared to introduce such legislation again, and will it attempt to deal with the 750,000 Canadians who are trapped in this mess?

• (1120)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member mentions the figure of 750,000 citizens. I would urge him to be careful in terms of the numbers he is using. He may find himself very much off base in that regard.

The Hon. Minister of Consumer and Corporate Affairs and I have indicated that we are examining the situation, reviewing it, and will continue to do so. When we have reached a decision we will make it known promptly.

It is important that we avoid any steps that will mean that Canadian citizens in general will end up paying more than they are presently paying for mortgages as a result of Government intervention, or which may lead to a situation where certain types of mortgages that are available now would disappear from the market. The Hon. Member knows that interest rates fluctuate and that we cannot have a situation where one can benefit from interest rates going down and be fully protected when they go up. No country in the world has been able to arrange that.

Mr. Kempling: The 750,000 figure is established by Canada Mortgage and Housing Corporation which advises that 715,000 people are trapped with mortgages above 17 per cent. I am sure there are another 35,000 people out there somewhere. That is the basis for the figure.

GOVERNMENT POSITION

Mr. Bill Kempling (Burlington): Madam Speaker, the Minister's rationale does not stand up. In the United States where they have lower rates, and interest deductibility, there is no shortage of mortgage money.

In this mortgage monopoly game that is being played, the prize is $3.5 billion to $4 billion. The Minister should realize that, and make some calculations. Does the Government stand with a handful of trust companies or with the 750,000 people who are trapped in this mess?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I believe I have demonstrated to the Hon. Member that the Government stands quite clearly not only with the 750,000 people who have mortgages whom he is talking about but with the 24 million Canadians who will eventually have mortgages in many instances. We want to avoid taking any steps that would not be carefully planned and would cause more trouble and prejudice to those Canadian citizens than they may face at the present time in some instances resulting from their own decisions. This is something that must be looked at very carefully before steps are taken which would hurt Canadian consumers.

AMENDMENT OF INTEREST ACT

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is also directed to the Minister of Finance. The Minister of Consumer and Corporate Affairs is on record as saying that the federal Government is considering changes to the Canada Interest Act in order to allow all home owners who are caught in the trap of mortgage interest as high as 22 per cent, to renegotiate their mortgages. Is the Government in fact considering this legislation and, if so, when does the Minister intend to introduce it in the House?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member mentioned that the Minister of Consumer and Corporate Affairs was considering certain measures in connection with the Canada Interest Act. The Minister did not say what conclusion was reached. We are keeping our options open, while in addition to this approach we are also considering a number of other options. As I said before, as soon as the Government decides whether or not further action is necessary, the House will be informed accordingly. At the present time, we are reviewing the situation very carefully, since we particu-

larly wish to avoid taking measures that in the final analysis would add to the interest rates citizens are carrying on their mortgages or lead to a situation where some kinds of mortgages now available to Canadians would disappear from the market altogether because it would no longer pay the financial institutions to maintain them.

[*English*]

PROTECTION OF HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, Canadians went through this review nonsense for two years while interest rates were as high as 21 per cent. Now we are still going through the review nonsense while the banks and the trust companies are charging these bonuses. The Minister of Consumer and Corporate Affairs says there has to be something more permanent. When will the Government introduce something more permanent which will protect Canadian home owners?

● (1125)

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Progressive Conservative Party is hardly in a position to tell the Government what to do in this respect.

Regarding the measures taken by the Government with respect to housing, we have, over the years, shown an abiding concern for the interests of Canadians in this area. As far as interest rates are concerned the Hon. Member is aware that we spent over $75 million to help Canadians at a time when they were faced with having to renew their mortgages at very high rates. These measures were particularly effective in helping Canadians who were genuinely in need.

As for the matter raised by the Hon. Member, I informed him in my first answer that as soon as the Government has reached a final conclusion on the matter and has something to announce, I should be glad to inform the House accordingly.

* * *

[*English*]

THE ECONOMY

UNEMPLOYMENT TARGET

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is also for the Minister of Finance. This week the Economic Council in its report indicated that the Government should move now to set a target level for unemployment. Other countries, like Japan and Sweden, with very diverse economies have set economic targets for unemployment and they have been able in the main to match the targets they have set. Has Canada set a target level above which it believes unemployment is unacceptable? If so, what is it? When will it be reached? And what are the people who are presently unemployed supposed to do in the meantime?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as long as there will be one person unemployed in this country this Government will not be satisfied.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Our target is to provide employment to all Canadians in so far as we can do it and in so far as the economy can do it. It is as simple as that. Do not ask me when we will be satisfied with the level of unemployment. We will never be satisfied with any unemployment.

Mr. Deans: Madam Speaker, that will be small comfort for those who are unemployed and out of benefits.

PLIGHT OF UNEMPLOYED

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, what are the people of Canada who are currently unemployed, and who are at this point in time unable to receive benefits from unemployment insurance, supposed to do in the meantime while the Government dreams of some day having absolutely no one unemployed in the land?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, instead of dreaming, the Government has taken many measures to help the unemployed in this country. If the Hon. Member would care to compare the measures taken by the Canadian Government with measures taken by almost any other industrialized country, he would realize that Canada's policies in this respect are among the most advanced. In fact, Canada is one of the countries with the best record for protecting its social security measures during the recent recession, while everywhere else in the world, in other industrialized countries, there was a period during the recession when those countries made cuts in their social security measures.

The Standing Orders do not permit a detailed account of the measures we took, but perhaps I may remind the Hon. Member that last year, we spent more than $1.5 billion on manpower training.

Billions of dollars were also spent on direct job creation. In fact, we are now spending more on direct assistance to Canadian citizens than we have ever done before in our history.

Finally, the last budget I brought down in April made it quite clear that we were introducing a series of measures to help the private sector create the jobs this country needs.

[*English*]

Mr. Deans: What the Minister says, Madam Speaker, is a lot of rubbish.

Some Hon. Members: Hear, hear!

Oral Questions

PERSONS BEREFT OF UNEMPLOYMENT INSURANCE BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, there are 1.5 million people in this country presently unemployed. Upwards of 20 per cent of those people are on the verge of or have already run out of unemployment insurance payments. Those people cannot find employment because there is no employment, notwithstanding what the Minister says. What does he suggest that those people should do, given that they cannot find a job, given that they cannot get unemployment insurance, and given that the Government seems incapable of coming forward with any rational policies that will offer them any kind of hope?

• (1130)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, not only is what the Hon. Member says rubbish, it is also damaging. I have to tell him that, if he wants to quote numbers, there are over 30 million unemployed in the industrial countries, in the OECD countries at the present time.

Mr. Deans: Who gives a damn? You operate here.

Mr. Lalonde: I know the Hon. Member does not give a damn. We give a damn about that situation.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Lalonde: We have taken steps consistently over the years. As I indicated, we have allocated more public funds to help Canadian people during this period of recession than at any other time in our history.

Mr. Deans: Answer my question.

Mr. Lalonde: I have to tell the Hon. Member that these measures are producing results. We are creating jobs in the country as fast as any other industrialized country at the present time.

Mr. Deans: Answer the question.

Mr. Lalonde: That is what we are doing. The record is there to show quite clearly that no only have we taken steps to protect the social safety net in the country while other countries have cut it, but we have also announced in the budget a series of measures which are having an effect at the present time and are showing growth in employment in our country as fast if not faster than any other country. This is the record.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF MR. LORNE GREENE, CANADIAN AMBASSADOR TO 1984 OLYMPICS

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Mr. Lorne Greene, Canada's Ambassador to the 1984 Olympics at Los Angeles.

Some Hon. Members: Hear, hear!

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DANGEROUS PRODUCTS

EXPLODING SOFT DRINK BOTTLES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, that is a "Bonanza" of a presence in the gallery.

My question is directed to the Minister of Consumer and Corporate Affairs. Following recent and very serious allegations about the safety of the 750-millilitre-size pop bottles which can explode under certain conditions, has the Minister contacted industry representatives? If so, what has been their reaction? If not, what will be her recommendation when she meets with the industry?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, I thank the Hon. Member for his question. His timing is nothing short of terrific. I am meeting with the industry this afternoon. We have already had a meeting of my Department and the industrial technical committee. This afternoon we will discuss further measures based on those earlier discussions.

The Hon. Member brought out the fact that the 750-millilitre bottle is a very real problem. We are looking at various methods. The first one is a public awareness campaign to make the people of the country aware that indeed this is a problem and that it should be treated with great care.

Mr. Scott (Hamilton-Wentworth): I am sure the industry will be interested to learn and pleased to know about the Minister's acceptance of a public awareness campaign, which I think is needed.

GOVERNMENT POLICY

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I am also interested in the Minister's statement on CBC "Marketplace" last week when she held a 750-millilitre Coke bottle and she said, "I don't understand why they can't do it". Do what? And, whatever it is, is that a reflection of Government policy? Has the Minister made up her mind in terms of protecting the public?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): As I said earlier, Madam Speaker, yes, the first move is a public awareness campaign. Do what? Make people aware that this is and could be a dangerous object. That is the first measure we will take. There are other measures, and those

measures, as I mentioned earlier, will be discussed at a meeting this afternoon.

* * *

CANADA POST CORPORATION

PURPOSE OF PRESIDENT'S TRIP TO EUROPE

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, my question is directed to the Minister responsible for Canada Post. Will the Minister inform the House about the purpose of the current trip to Europe of the President and Chief Executive Officer of Canada Post, Mr. Michael Warren?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, as part of his duties, I believe the President will be meeting with Post Office representatives in Great Britain to discuss a new postal service he would like to introduce in Canada. The President will be visiting another country as well for consultations with local postal authorities, with a view to improving services between that country and Canada.

[*English*]

Mr. Wenman: I would like to thank the Minister for his detailed response.

COST OF TRAVELLING EXPENSES

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, would the minister also tell the House what benefits will accrue to Canada by virtue of the presence on the same trip of an individual named Miss E. Mylrea, as well as Mr. Warren's executive assistant, especially in view of the fact that Mr. Warren and another person are using first-class seats for their trip to London, Zurich, Bern, and Paris, at a cost to the taxpayer of a cool $4,000 per ticket?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I think this is the kind of question that belongs on the Order Paper instead of being dealt with during oral question period. I must say I disapprove entirely of the Hon. Member's attitude and his assuming that some impropriety has taken place. It is typical of the Progressive Conservatives to indulge in mudslinging. I am sure that the President of Canada Post will be able to explain the reasons for his trip very satisfactorily, and quite probably, as soon as he comes back, he will be able to provide a satisfactory answer to the questions put by the Hon. Member, who would rather tarnish someone's reputation instead of asking a straight question.

[*English*]

LABOUR RELATIONS

EASTERN PROVINCIAL AIRWAYS DISPUTE—DISMISSAL OF PILOTS

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is directed to the Minister of Labour. It concerns the management and labour dispute at Eastern Provincial Airways. The dispute with EPA pilots was settled in May, 1983, by a decision of the Canada Labour Relations Board which was recently quashed by the Federal Court, even though Labour Board decisions are final and conclusive.

What action can the Minister take to protect EPA pilots and to ensure a quick resolution of the dispute? Right now EPA is dismissing senior pilots and employing outside pilots in their place, which is contrary to the collective agreement endorsed by the Labour Relations Board. And of course it creates difficulties among pilots in the operation of aircraft.

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I believe the Airline Pilots Association has now asked the Canada Labour Relations Board to be heard again on a series of complaints formulated by the Association. I have been informed that a hearing will be held as soon as possible, and meanwhile, it is up to the Board to rule on the new complaints submitted by the Pilots Association.

[*English*]

Mr. Crosby: I merely want to point out to the Minister of Labour through you, Madam Speaker, that the whole purpose of labour laws in Canada is to ensure fair play and stability in labour relations, It is difficult to believe the Minister would be powerless in this situation when there is such provocation from management with respect to its employees.

REQUEST FOR LEGISLATIVE ACTION

Mr. Howard Crosby (Halifax West): Madam Speaker, is the Minister considering any new laws or any changes in the laws which will preclude an organization like the Federal Court of Canada from stepping into a labour dispute which has been settled and completely destroying the work done by the Canada Labour Relations Board? Is he considering any action or provision that might be placed on the statute books to stop such action in the future?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, the Hon. Member is asking me to deny one of the parties the right to appeal a decision. I realize that he may be anxious to see this matter settled, and I share his feeling, but I think he should consider the wisdom of waiting until the Board reaches a decision and acknowledge the right of both parties to appeal the decision.

[*English*]

CARRIER'S COMMITMENTS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of Labour. Given that EPA services have been disrupted because of the current labour-management dispute, has the Minister consulted his colleague, the Minister of Transport, to ensure that EPA is not using this labour dispute as an excuse to circumvent its firm commitments to the Atlantic Provinces as the regional carrier under federal charter?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Indeed, Madam Speaker, I have had discussions with my colleague the Minister of Transport about the EPA dispute, and I am satisfied that justice is being served in the current proceedings.

● (1140)

[*English*]

PROVISION OF SERVICE TO ATLANTIC REGION

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Acting Prime Minister. Is it the position of the Government that it will not intervene in the EPA dispute, even if that dispute leads to permanent reductions in service throughout the Atlantic region, in contravention of the federal charter?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I think that the Hon. Member is jumping to a false conclusion. Through the Department of Labour, the Government did what it had to do in this case and, along with its mediation or conciliation services, it made available all facilities at its disposal with a view to reaching a settlement. When both sides claim that they have been wronged under the Canada Labour Code, they may appeal to the Canada Labour Relations Board, and that is exactly what they did. I would urge the Hon. Member to give free rein to the Canada Labour Relations Board which was established pursuant to an Act of Parliament adopted by all Hon. Members of the House.

* * *

[*English*]

FISHERIES

EFFECT OF NORTHERN COASTAL DEVELOPMENT PROJECTS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. I am sure he is aware that the Berger inquiry in 1978 evaluated years of biological and physical information, and concluded that there should be no industrial development on the North Slope of the Yukon. That was supported at that time by the Cabinet and the National Energy Board, including an Order in Council for the withdrawal of certain lands in the northern Yukon.

The Minister's Department is on record as vehemently opposing developments at King and Stokes Points because of seal-pupping grounds, and of both fresh and salt water spawning grounds for fish. First, does the Minister support his Department in opposing development of those two sites? Second, will he inform the Members of this House, and Canadians generally, whether he and his Cabinet colleagues believe that the recommendations of Mr. Justice Thomas Berger were false or wrong when they were made in 1978?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, on the question of fish habitat generally on the Pacific Coast, I have now benefited from the most recent study of Dr. Pearse. On the question of fish habitat and how to offset the conservation of the renewable resource compared to other economic development on the Pacific Coast, I am happy to report to the Hon. Member that the Department in the very near future will be publishing a comprehensive policy concerning fish habitat which I hope will have the support of the Hon. Member.

DEPARTMENTAL CONCERN

Mr. Jim Fulton (Skeena): Madam Speaker, obviously this is why the country is in trouble. I am talking about the Beaufort Sea. The Yukon borders on the Beaufort, not on the Pacific. My question is with regard to the opposition of his departmental officials to the development by Gulf of Stokes Point and by Kiewit and Sons of King Point, supported by Dome, Esso and others. On Monday of next week a project review group is going to make a decision on need regarding one of those two sites. Will the Minister make a commitment that he will raise this matter with his Cabinet colleagues, educate them on the fact that his Department at least is opposed to these two sites, and assure all Canadians that, if one of those sites is to be developed, there will be an Order in Council and we will not see the kind of frivolous land use permit that is being proposed by his colleague, the Minister of Indian Affairs and Northern Development.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, the Hon. Member should recognize that the report to which I have alluded concerns specifically the Yukon, Northwest Territories, and the Pacific Coast. When dealing with fish habitat it is the duty of the Department to come up with a comprehensive policy so that all developers in Canada know what are the rules of the game. It is my policy that, every time we have a major economic development, one of the prerequisites is that public hearings be held so that all sides have the chance to express their views.

* * *

IMMIGRATION

ILLEGAL IMMIGRANTS—ROLE OF MEMBERS OF PARLIAMENT

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I have a question for the Minister of Employment and Immigra-

tion. Given the appropriate decision of his predecessor not to grant a general amnesty to illegal immigrants, and given the former and present Minister's intention to deal with these people on a case-by-case basis, however, they are going to do it anonymously—I can see that with a lawyer, given his solicitor-client privilege—is the Minister not concerned that where a Member of Parliament acts as a third party in an application and the application fails, the Member of Parliament is in the invidious position that he knows the individual, knows the law has been broken, and knows the person is here as an illegal immigrant and cannot report that fact?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, the Hon. Member raises an important and rather difficult question. The procedure which we established is the one which was recommended by the Robinson Report in dealing with the problem of illegal migrants in Canada.

As the Hon. Member correctly said, the proposal put forward by some Members of the public for general amnesty was rejected. It was believed that special arrangements should be put in place to review on a case-by-case basis those which are brought to our attention. It seems reasonable to have a process by which people can bring forward their cases without putting themselves in jeopardy of automatically being subjected to the processes of the law in case the humanitarian review of their case is not successful. If there were not such provision, very few people would be likely to come forward.

My inclination would be to accept the responsibility of the Member of Parliament in this area. It would be similar to that of the lawyer-client relationship, in other words, acting as an agent for those who want to take advantage of this procedure. I should point out to the Hon. Member clearly that no one is given final entry anonymously. A recommendation is made on a set of facts alleged, and an indication is given by the committee that the individual meeting those facts would likely be accepted, subject to the ordinary reviews done on the basis of security and health.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN CALGARY—ALLOCATION OF JOB-CREATION FUNDS

Mr. Jim Hawkes (Calgary West): Madam Speaker, I would like to ask the Minister of Employment and Immigration a question on behalf of the unemployed in the City of Calgary. It is Liberal Government policies which have destroyed about 20 per cent of the jobs that existed two or three years ago. The people of Calgary would like to know why the allocation of employment-creation funds is based on a four-year average. How does the unemployment rate in Calgary, four, three or two years ago, have anything to do with the need for jobs today?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I believe that the Hon. Member is referring to the constituency allocations under the Canada Works Program. There is a common allocation base for every constituency across the country, a minimum level. The application of Canada Works funds above and beyond that is on the basis of a figure related to the labour surplus, not over four years, but over the past year. The four-year figure refers to the LEAD funds which would be allocated in that way from April on. In so far as the Canada Works allocations are concerned, which are those which would be applied in the Alberta area, it is not a four-year average which is relevant.

Mr. Hawkes: It is an allocation formula based on information that is four years out of date. I think the current situation should be the only criterion used.

CALCULATIONS BASED ON RATE OF UNEMPLOYMENT

Mr. Jim Hawkes (Calgary West): Madam Speaker, my supplementary question is directed to the Minister of Finance. The Minister of Employment and Immigration uses an 8 per cent rate of unemployment and characterizes it as normal. Labour surplus for Employment and Immigration is calculated as that rate which is above 8 per cent. Does the Minister of Finance agree with the Minister of Employment and Immigration that 8 per cent unemployment is normal and we just have to be concerned about that unemployment rate which is in excess of 8 per cent?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Minister of Employment and Immigration never made any such statement. I already answered this question on this very subject in response to the Hon. Member from Hamilton.

• (1150)

DISPARITY BETWEEN MALE AND FEMALE INCOMES

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of Labour. It deals with the report of the Economic Council of Canada, and particularly the Council's description of the disparity between the incomes of males and females in the work place, which it describes as follows:

—the size and persistence of the gap is striking, even within distinct occupational groups, whether measured in relative or absolute terms.

Does the Minister agree with that assessment of the Economic Council and, if he does, what policies or measures does he intend to put in place to reduce the gap?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Obviously, Madam Speaker, this is a question which must be dealt with not only by my Department, but by several Government Departments. In light of the report of the Economic Council of Canada, I intend to raise the issue with the President of the Treasury Board and a number of other Cabinet colleagues to hammer out the Government position in that respect.

[*English*]

EFFECT OF HIGH TECHNOLOGY ON FEMALE WORKERS

Hon. Bill Jarvis (Perth): Madam Speaker, that leads me directly to my supplementary question. I am trying to find out about ministerial responsibility with respect to high technology. The Economic Council has said:

The introduction of new technology, if it were accompanied by appropriate adjustments of skills, could be a vehicle for further improvements; or it could erect barriers in the form of dead-end or part-time work—

That was referring to female workers. Are the challenges and threats posed to female workers by high technology regarded as a direct responsibility of the Minister of Labour? If that is the case, then what policies and mechanisms does the Minister intend to put in place to meet the challenge and to deal with the threat to female workers in the work place?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, I think that by asking the question, the Hon. Member realizes that several Ministers share responsibilities in that field. In the case of Government female workers, the President of the Treasury Board is reponsible as Minister who looks after public servants as a whole. In the case of female workers in the private sector, depending on prevailing conditions in that sector, and if they are covered by the Canada Labour Code, they may come under the responsibility of the Minister of Labour.

As you know, the Government has launched a dynamic technological program under the direction of the Minister of State for Economic Development. That is why I said in the first part of my answer to the Hon. Member that several Ministers share responsibilities in that field and that the report of the Economic Council of Canada will be examined by a Cabinet committee.

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PENITENTIARIES

LAVAL PENAL INSTITUTE—DECISION TO END LAVAL UNIVERSITY EDUCATIONAL PROGRAM

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is directed to the Solicitor General.

The Minister knows full well that his decision to end the excellent education program offered by Laval University at the Laval Institution has been condemned by all Canadian and Quebec associations concerned with criminal justice. How can the Minister justify that ill-advised decision which program Director Mario Ferland has described as being unwitting, irresponsible and disastrous for the development of education in prisons?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have stated in this House that I strongly support postsecondary training in our institutions. The problem is that Director Ferland's program—BAGIL—which was set up at Laval and offered to the 3,500 federal inmates in the Province of Quebec has not been very successful during those three years. Indeed, of late there were 12 students out of 3,500 inmates in the Province. I would prefer a program such as the one we now have in British Columbia where hundreds of students are registered. I think that we can have a program which would gain wider support among the inmates and which would cost a lot less, considering that we are now paying over $8,000 a year for each student in the program which I have just refused to extend.

* * *

[*English*]

STATISTICS

PROPOSAL TO SURVEY CITIZENS' ACTIVITIES MINUTE BY MINUTE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister of Communications. He will know that in June of this year his Department sent a letter to a number of Canadian industries which began as follows:

In 1984, the Department of Communications in conjunction with Statistics Canada is planning to conduct a survey on how individuals spend their time, minute-by-minute, over a 24 hour period.

The letter goes on to say that it is proposed to survey 11,000 people in 1984 at a cost of $465,000.

Will the Minister tell the House today that such an outrageous expenditure should be abandoned, and will he say that the letter that he sent to me earlier this week saying that the proposal is still under consideration, should be abandoned as well?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the hon. gentleman refers to a time-use survey that was planned by a number of federal agencies, including Stats Canada. I have now had an opportunity of reviewing that proposal to do a time-use survey and decided that it would be inappropriate at the moment.

* * *

PUBLIC WORKS

CUSTOMS FACILITY PROJECT IN SURREY, B.C.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Minister of Public Works. When the special recovery program was announced, Pacific Highway customs facilities in Surrey were part of that list of special targeted programs for fast tracking. The consultant had been hired and had almost finished his report when the program was withdrawn. I believe that was because of the Minister's directive. Another consultant was hired to do the work all over again. I should like to ask the Minister why that happened? Is it his version of fast tracking? If the funds have

been withdrawn, to what other part of Canada have they been assigned?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, one of the things I have learned in my years in the House is to check that sort of allegation to make sure it is factual. I will obviously try to do that within the next couple of days.

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HUMAN RIGHTS

TREATMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, in the absence of the Minister of State for Multiculturalism and of his Parliamentary Secretary, I should like to direct my question to the Minister of Justice.

In view of the fact that we will be celebrating the thirty-fifth anniversary of the Universal Declaration of Human Rights soon, and considering that the treatment of Japanese Canadians in World War II is a black mark on our history, will the Minister of Justice indicate that progress has been made toward making moral and material restitution to Japanese Canadians? Will he consider, as part of that restitution, the establishment of a Chair of Human Rights or, perhaps in conjunction with the ethnic chairs, a Chair of Japanese Canadian Studies in Canada?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I think there is a general disposition in Canadian society and Parliament to recognize there were serious excesses in the way that Japanese Canadians were treated during the Second World War. As the Hon. Member knows, as a result of the Bird Commission after the war, that was recognized in part by compensation paid to some 1,300 claimants in 1950 for property claims. Of course that does not exhaust the range of possibilities. Once one gets beyond property claims, however, one gets into undefined areas where there can be a considerable amount of disagreement.

As Japanese Canadian spokesmen have said themselves, it is not just or even primarily, a question of compensation. It is something that has to be worked out by our society with the assistance of the Japanese Canadian communities. There is a considerable disagreement still, as I understand it, among members of that community about how we can best make up for the excesses of the past. I think some further maturing time is required for a consensus to develop on the best way to proceed.

Personally, I have no problems with the suggestions made by the Hon. Member, but I do not think at this point we could adopt one suggestion or another.

Report of Special Committee

IMMIGRATION

ILLEGAL IMMIGRANTS—RESPONSIBILITY OF MEMBERS OF PARLIAMENT

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I want to follow up on the questions put by the Hon. Member for Sarnia-Lambton regarding the position of a Member of Parliament who applies anonymously on behalf of an illegal immigrant. If the illegal immigrant is turned down, what is the position of the Member of Parliament regarding his oath to uphold the laws of Canada? Must he report that person, then, to the Immigration Department as an illegal? Has the Minister had a report from the Department of Justice on the position of a Member of Parliament in that particular case?

• (1200)

May I finally ask him why he appointed his Parliamentary Secretary to be the chairman of the committee which decides which illegal immigrants are allowed landed immigrant status and which are not? Why was it not left with the bureaucracy? Why does he bring politics into it now?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I believe the answer to the first question is that I am not in a position, nor is it customary, to give legal opinions to Hon. Members. The answer to his second question would be that I do not think it appropriate for me to determine or dictate to Hon. Members of Parliament how they perform their duties. It seems to me the procedure for review is there and it is quite proper for a Member of Parliament to bring cases to it. I would leave it entirely up to an Hon. Member's discretion and conscience as to whether he or she think they are acting wisely in taking advantage of that procedure.

To answer the third question, Madam Speaker, the reason why I appointed my Parliamentary Secretary to chair that committee was that I thought it was very useful to add to the bureaucratic assessment the views of the kind of person who is in regular contact with constituents. It seems to me there is in this process not simply a question of bureaucratic determination, but also the application of compassion and political—I do not mean partisan—judgment in the best sense.

Mr. McDermid: Not at all.

ROUTINE PROCEEDINGS

[*English*]

STANDING ORDERS AND PROCEDURE

CONCURRENCE IN FIFTH REPORT OF SPECIAL COMMITTEE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, there are seven motions standing in my name, which are

reports from the Special Committee on Standing Orders and Procedure. The first one would be the fourth report, the second would be the fifth report. I would be grateful if the Chair would call the motion with respect to the fifth report.

I move:

That the Special Committee on Standing Orders and Procedure presented to the House on Thursday, March 3, 1983, be concurred in.

This is the first opportunity, Madam Speaker, that any member of that committee has had to address the House with respect to concurrence in the reports, beyond the third report, setting forth the temporary rules we are living under at the moment. Therefore, in my preliminary remarks, Mr. Speaker, I would like to pay tribute to certain people who have laboured long and hard on the work of the Special Committee on Standing Orders and Procedure, the committee, generally, of parliamentary reform.

The first group I would like to mention is the very distinguished staff of the committee. We had two co-ordinators on the committee, Mr. Alistair Fraser, who was a Clerk of the House, and Mr. John Holtby, who is a distinguished student of Parliament and who learned his craft over many years in the Ontario Legislature. I am so pleased he was able to help our committee in such a competent way. The Clerk's department was represented by Mr. Marcel Pelletier, Mr. Robert Marleau, Mr. Philip Laundy, Mr. David Gussow, Mrs. Susan Baldwin, Lucie Gratton, Hugh Stewart, Nino Travella, Rita Blais-Beaudoin and Marjolaine Morrisette.

The Library of Parliament was represented by Mr. Gerald Schmitz, Mr. Gary Levy, Mr. Bruce Carson, Mr. Louis Massicotte and Mr. Brooke Jeffery. As well—

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, may I refer you to page 27998 of yesterday's *Hansard*? The Chairman of the Special Committee on Parliamentary Reform (Mr. Lefebvre) said the following—this is very short—and I quote:

Madam Speaker, because my position as Chairman of the Committee was brought into question by the words that were spoken, I want to say that there definitely was an understanding by the members of that Committee that these reports—

—and one of these reports is the one the Hon. Member is debating—

—would be arrived at by consensus, that there would be unanimous decisions on the understanding there would be no move to concur in the House.

The Member for Nepean-Carleton (Mr. Baker) is betraying his colleagues, the members of the Committee, and he is breaking his word, and in the circumstances I submit, with respect, that he is acting contrary to an understanding among Committee Members and that he should not be heard in the House today, because—

An Hon. Member: Order.

Mr. Pinard: Mr. Speaker, I quoted the Chairman of the Special Committee on Parliamentary Procedure who said on the floor of the House yesterday that there was an understanding among Committee Members that there would be no move to concur in the House, including the report the Member for Nepean-Carleton wishes to debate. I can only say that he is betraying his fellow Committee members, that he is out of order and that he does not have the right to move his motion today. I am simply making a point of order, and I ask the Chair to interrupt the debate in order to respect the undertaking that was given and observe, purely and simply—

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. I thought the President of the Privy Council was proceeding to a motion of one sort or another. For that reason, I have allowed him to go on. There is nothing coming out of the point being made by the President of the Privy Council. If there is indeed a point of order which he wants to make, I will obviously hear it. However, so far I have not heard a point of order.

[*Translation*]

Mr. Pinard: Mr. Speaker, on a point of order. I am asking the Chair to declare this debate out of order, considering the fact that, as the Chairman of the Committee said yesterday in the House, there was an understanding among members of the Committee according to which—

[*English*]

Mr. Nielsen: That is an abuse of the rules.

The Acting Speaker (Mr. Blaker): Order, please. That is a dispute between, in this case, the President of the Privy Council and the Hon. Member for Nepean-Carleton. I need to have a motion of some kind before me relating to unparliamentary statements made on either side of the House, or something of that order, before I could deal with a point of order. I do not yet see a reason for interrupting the debate or for calling the debate out of order.

[*Translation*]

Mr. Pinard: Mr. Speaker, a dispute between the President of the Privy Council and the Member who was speaking? I quoted the member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) Chairman of the Special Committee on Parliamentary Reform. The dispute is not between me and the member for Nepean-Carleton (Mr. Baker) but between the Chairman of the Committee and the Member for Nepean-Carleton.

[*English*]

Mr. Nielsen: That is not a point of order.

Mr. McGrath: Why do you not quote what I said?

The Acting Speaker (Mr. Blaker): The President of the Privy Council does not, in my view, advance an argument which causes the Chair to become responsible for interrupting the debate. The essence of the remarks made by the President

of the Privy Council are to the effect that there is a dispute between two Members.

Mr. Nielsen: More than two.

The Acting Speaker (Mr. Blaker): I know of nothing in our Standing Orders, nor in Beauchesne and other authorities, which would cause that to constitute a responsibility of the Chair to interrupt the debate or to call the debate out of order. However, I will recognize the President of the Privy Council again.

[*Translation*]

Mr. Pinard: Mr. Speaker, I am not abusing the Standing Orders and I am not questioning your ruling. I think you are probably correct in saying that if we adhere strictly to the Standing Orders, you do not have much choice in the matter. What we have here is mainly a matter of honour among Members, and if the Member for Nepean-Carleton (Mr. Baker) wishes to go on breaching the understanding that was reached among Committee Members, let him!

[*English*]

Mr. McGrath: I rise on a question of privilege.

The Acting Speaker (Mr. Blaker): I will recognize the Hon. Member for St. John's East on a question of privilege. However, I was about to say that that is precisely the route which would appear to me to be available. I believe the President of the Privy Council was referring to the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), who is the Chairman of the particular committee. There might be an argument of privilege; that was certainly the argument I understood the President of the Privy Council (Mr. Pinard) was making. But again, even if there is a case of privilege, I would not know how to go from there to saying that this debate is out of order.

• (1210)

Mr. McGrath: Mr. Speaker, I for one did not breach an agreement. I will not pursue that now as a question of privilege. I will wait until my colleague has concluded his remarks.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I worry very much about the process of parliamentary reform when the Government House Leader stands up and, in defence of his apparent inability to accept the unanimous work of the committee, begins accusing Members of Parliament of acting in bad faith.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I think it is very important to realize, if one reads yesterday's *Hansard*, that I made a statement which reflected my understanding of the understanding that was reached, as refined by the Hon. Member for St. John's East (Mr. McGrath).

Mr. Evans: Revised.

Mr. Baker (Nepean-Carleton): I understand he spoke to the Hon. Member for Gatineau-Pontiac-Labelle (Mr. Lefebvre) and informed him—

Mr. McGrath: I raised it in committee as well.

Mr. Baker (Nepean-Carleton): He raised it in committee as well, that at a meeting when the Hon. Member for Pontiac-Gatineau-Labelle was not there, nor was I there, it was made clear that there would be no concurrences while the committee work was being done. But that arrangement, which no one disputes, would be off when the committee's work was completed.

Mr. McGrath: Precisely.

Mr. Baker (Nepean-Carleton): That is the position. I frankly tell the President of the Privy Council (Mr. Pinard) that I resent—

Mr. Pinard: You don't tell me anything, you just—

Mr. Baker (Nepean-Carleton): —the way he has decided to do this. I am not going to waste the time of the House—

Mr. Pinard: That is what you are doing now.

Mr. Baker (Nepean-Carleton): —by getting into petty questions of privilege because I see on the face of the Government a complete abandonment of what it said it would do regarding parliamentary reform. That is what I see.

Some Hon. Members: Hear, hear!

Mr. Pinard: He should be ashamed, Mr. Speaker.

Mr. Cullen: When you have a weak case, about and pound the table, Walter. That is what you are doing.

Mr. Pinard: You should be ashamed.

Mr. Cullen: You blew it all, Walter.

Mr. Baker (Nepean-Carleton): Oh, yes, you blew it all.

The Acting Speaker (Mr. Blaker): Order, please. I have allowed the Hon. Member for Nepean-Carleton (Mr. Baker) to make his point because earlier the President of the Privy Council wanted to make a point. I had to find that the point made by the President of the Privy Council was not in order, and I now have to ask the Hon. Member for Nepean-Carleton, with courtesy, to address himself to the motion now before the House.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I thought I was doing that. Nonetheless, I am going to deal with the report because it is very important and very simple. I have chosen it very carefully because I think it is something the Government should not turn down. It rounds out the work of the third report.

You will recall, Mr. Speaker, that during the proceedings on the third report of that committee, which was adopted unani-

mously in the House on, I think, one day's debate, a provision was established for independent references by committees. In other words, committees could begin to act independently and take up references from matters arising out of the Estimates as they saw fit. They were not hampered in their investigations because the time for Estimates came to an end. But one of the things pointed out to us in that debate by Her Majesty's Loyal Opposition House Leader, the Hon. Member for Yukon (Mr. Nielsen), was that there was no provision in that report for the calling of committees. That was recognized by the committee as something we overlooked in the third report. So one of the first things we undertook to do as a committee was to bring forward a proposal, contained in the fifth report, which would remedy that situation.

We considered a number of the matters which took place in the debate on November 29—Mr. Speaker, I am having very great difficulty. The Hon. Member for Ottawa Centre (Mr. Evans) is talking from his seat as usual and I am having very great difficulty—

Mr. Evans: Quit playing politics.

Mr. Dick: Shut up, Evans.

Mr. Baker (Nepean-Carleton): —with that buzz of heckling from the other side of the House. I ask the hon. gentleman to show me the courtesy I try to show him when he is addressing the House.

Mr. Evans: Get it on the record.

Mr. Baker (Nepean-Carleton): In order that there could be some assurance to minorities on the committee, not the Government majority but minorities, there was a proposal that Standing Order 69 be amended by adding a new subsection, which would read:

> Within ten sitting days following the adoption by the House of a report of the Striking Committee the Clerk of the House shall convene a meeting of each Standing Committee reported on for the purpose of electing a Chairman and Vice-Chairman.

In other words, there could be no delay in convening committees; it would have to be done within ten days by the chief administrative officer of the House. The second subsection goes on to read:

> Upon the written request signed by any four Members of a Standing Committee the Chairman of the Committee shall convene a meeting of the Committee within ten sitting days following the receipt of such request by the Clerk of the Committee. The reasons for convening such a meeting shall be stated in the request.

Now, the committees have not used it very much yet, but they have the power to carry out an investigation. The purpose of that report was to ensure that the question as to whether or not a committee should be struck would be set aside and handled through the machinery of the House. More important, those who were interested in a particular issue would know that that issue could not lie buried. It could be brought forward publicly before that organized committee. The decision taken as to whether that issue would be investigated would be taken publicly, openly, notoriously and in the light of day so that judgments could be made as to the effective operation of the system. It is a very simple but very important right because, as it stands now, if this is not adopted—and I hope it will be today—then Members of Parliament will have no complete right to exercise the new powers given to them in the third report under which we are operating at this time.

I do not intend to speak very long on this matter because it is very simple and straightforward. But I do want to say to the House that there was a first-class feeling in that committee. I think it is important that the House knows that in the course of those proceedings we had 73 meetings from June, 1982, to September, 1983. We heard valuable testimony from a host of individuals who are interested in and worried about the operation of the House of Commons. Many Members of Parliament came forward. The wishes of some Members do not appear in those committee reports, but many do. We are grateful as a committee that all of them came forward. We addressed a number of issues, and in all those hearings that committee, made up of people from all Parties, was able to conduct its business without a vote or division on any occasion. We operated by consensus, and I honestly and earnestly hope that the Government House Leader and Members of the Government will, if there are personal differences, set them aside for purposes of improving upon the temporary Standing Orders. There may well be differences. My friend makes statements from time to time which, when the history of this time is written, he will regret, because he will be proven to have been wrong. I now forgive him for that because it is absolutely essential that the work of the committee not slide by the board.

• (1220)

I also want to express my thanks to the Members of my own caucus. We have argued long and hard over these issues. Members of my caucus should agree unanimously, as they did through the mouth of our House Leader yesterday, to the acceptance of these reports, hopefully without debate. I think that it is a tribute to the reform work that has been advocated in this Party by the Hon. Robert L. Stanfield when he was Leader, by the Right Hon. Member for Yellowhead (Mr. Clark) when he was Leader, and now under the Hon. Member for Central Nova (Mr. Mulroney), that this tradition of reform is being carried on.

I also want to express thanks to my friends in the New Democratic Party. I gather one of them will be speaking today with respect to the importance of these reports, this one and others, in the work of the committee. I want to thank them for unanimously agreeing yesterday to going forward without debate, so as not to cut into the Government's time, in order to have all seven of these remaining reports approved.

I think the House Leaders of both Parties have done a great service in terms of the process of reform. If there was ever an indication that there must be changes in this institution, it was evident in a poll that was brought forward some time ago. No matter what we may think of one another in the House, the process of reform is much too important to allow it to stumble over the feet of discord. I think that we now, at the end of this

session, have an opportunity to bring into place the work of the committee members who worked unanimously, by consensus, without a vote, every one of whom had the idea that this place is worth preserving, enhancing and enriching and that all of those things were badly needed.

It is in that spirit, ignoring whatever will be said personally, that I ask the House to concur today in the fifth report of the Special Committee on Standing Orders and Procedures, which is a simple, straightforward matter, to augment and round out what we did in the third report, under which the House is now operating.

Some Hon. Members: Question.

[*Translation*]

Mr. Pinard: Mr. Speaker, in the first place, even if I indicated earlier, when I rose on a point of order, that I thought it was most unfortunate to have a situation where we are forced to debate the matter at this time, I am prepared to set aside those grievances for the time being and to address the substance of the question and at the same time take advantage of this opportunity to try and be as objective and fair as possible, and—without further reference to the attitude of the Hon. Member who just spoke—draw the attention of the House in all sincerity to the extraordinary work that has been accomplished by all members of the Special Committee on Parliamentary Reform during the last 18 months. I wish to stress the impartiality and good judgment of and the excellent work done by, the Chairman, the Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) who managed to make the members of his Committee work on a sustained and regular basis, while at the same time being flexible enough to set aside differences of opinion in order to reach a consensus on matters that were often delicate and always very important. I think he has shown extraordinary ability and that his work is fully deserving of praise at this time.

I also want to congratulate in general the Members on both sides of the House who gave the Committee the benefit of their experience and expertise and who via common effort attempted to find the necessary means by which Parliament could be more progressive, could improve itself and reform its procedure.

Having said this, I would like to understand why, under the leadership of the Hon. Member for Yukon (Mr. Nielsen), certain Members of the Committee believe that now is the appropriate time for the immediate concurrence of the seven reports of the Committee although they have not yet been considered by the House of Commons. I am honestly trying to understand what rationale or explanation would justify—

An Hon. Member: Because Parliament is going to be proroged!

Mr. Pinard: I do not believe that shouting or interrupting me can add anything significant to the debate. I am simply asking a question. Following your comments, Mr. Speaker, I did not interrupt the previous speaker and I would like the opportunitty to express my views because I am very much in favour of parliamentary reform and I would not want what happened yesterday and today to jeopardize in any way sooner or later the improvement of the Standing Orders of the House of Commons and the rules of the Canadian Parliament. On the contrary I believe that, these last few years, Members on this side, as well as across the way admittedly, have showed their willingness to bring about certain changes. We have made some in the past. We are now making some more and we shall continue to do so.

Where some might disagree is as to the way to proceed, and this is important. The third report deals with the changes we are now putting to the test. This report suggests a whole series of important changes to our rules. If it was felt necessary to have an experiment of at least one year before considering a permanent implementation of these changes, why should seven other reports be suddenly implemented at once as was suggested yesterday and earlier today? Should they be implemented without any preliminary experience, without waiting for the results of the experiment now being made even though many of the changes proposed in these seven reports are even more complex and would have more serious consequences than those we are now trying? I ask the question sincerely and honestly. If an experience of at least twelve months was required for a single important report, which was also the result of a consensus and which had received the unanimous agreement of the Committee, why, suddenly at this time, near the end of the debate on the Crow rate, are some members attempting to have us implement at once seven reports, without the benefit of experience?

I believe that this question should be answered. I should like to know the reasons for such a rush. I respectfully point out that these reports do not necessarily result from our present experience. One of them, the fourth, deals with the appointment of the Speaker of the House. The fifth would force the Government to establish the committees without delay. As for me, I have nothing against it but it must be considered in the larger context. In the other reports provision is made for the appointment of special legislative committees made up of 20 members in addition to the 20 or so existing committees, to deal specifically with bills following the second reading stage. Another report proposes the establishment of four additional committees to examine the fiscal framework, the spending habits of the Government and the use of Crown corporations. Another report provides for a change in the accountability of those in charge of administering public funds. We know that this is the Government's responsibility. It is proposed that Members of the Opposition attend the meetings of the Commissioners of Internal Economy and share in the administration of over $100 million a year of taxpayers' money and that,

in case of a disagreement, the Chairman would have the deciding vote and thus lose his objectivity.

These are matters which can be considered and should be examined. They are matters on which about 20 Members of Parliament have agreed, but they must be analyzed in the larger context. First of all our experience is not yet completed. Should we agree permanently upon the principle of 25 committees, each made up of 10 members? Would it not be desirable, in view of the number of additional committees proposed by the Committee on Parliamentary Reform, to consider reducing the number of committees?

• (1230)

[*English*]

Mr. McGrath: Ten-Member committees were not on.

[*Translation*]

Mr. Pinard: I am sorry, Mr. Speaker. If the Hon. Member for St. John's East (Mr. McGrath) wants to ask a question, I am willing to give an answer. However, I am asking him an important question. I know he has studied seriously this matter, because together we attended a seminar on parliamentary procedure in Great Britain seven years ago, in 1976. I know his question is by no means futile, but I would like to direct a question to him, and after my comments he will have ten minutes for questions. Could he tell me whether the various committees recommended in the seven reports, in which concurrence is now requested, will be added to the twenty standing committees of the House and five joint committees of the House and Senate? We know that at present there are some 80 out of 284 members who make the committee system work. This is not new. It has been like that since I have been sitting here. No more than 80 members take part, in committee proceedings. There are 25 committees and we are asked to add ten or twelve depending on the number of bills passed on second reading. Is it realistic to think that 80 members who can hardly keep 25 committees going will be able to sit on 35 or 40 committees? Those are serious questions and if we want Parliament to operate effectively they deserve in-depth consideration.

Mr. Speaker, the point I want to make is that the Special Committee on Parliamentary Reform has considered the changes to be made in specific areas, but it is essential now to consider those reports and recommendations in the whole context of the parliamentary system and the reform process. As far as the reform process is concerned, several changes have been made since 1968. We have now made an experience which should normally end on December 21. A Senate committee is now working on Senate reform but major changes in the way of dealing with the estimates cannot be strictly considered for the House of Commons, if it is not known what will happen to Senate reform, because all those changes must be looked at as a whole and seriously considered so that once they are enforced they will become part of permanent reform. But to rush through, under these circumstances would seem to me to be both ill-advised and ill-timed, to say the least. Members of the opposition may be trying to make political gains, while delaying the debate on a controversial bill, perhaps in the hope of embarrassing the government. There could not be any other motivation behind the position which some members of the Progressive Conservative Party have adopted. The fact that on the basis of only one report, they insist on our accepting the seven subsequent reports without debate, while the current experience has not yet been completed, seems to support sy argument.

As I was saying, Mr. Speaker—and we have had the opportunity to deal with this previously—there has been a constant and very real progress since 1968, although I wish it had been more rapid. Hon. members will remember that in 1968 the budget for each and everyone of our caucus research bureau was some $30,000 or $35,000. Now, it has increased considerably, so that we can carry out better our duties as Parliamentarians, which include preparing our bills better for introduction, discussion and debate in the House and, generally, assuming our responsibilities. I first quoted these figures in a speech which I delivered in the House on or about March 18, 1982.

On or about March 18, 1982—what am I saying?—on November 29, 1982, I indicated that the funds provided for each caucus research bureau had been increased from the $35,000 level of the fiscal year 1969-70. For the fiscal year 1982-83, the funds provided to the caucus research bureaus are $601,000 in the case of the government party, $541,000 in the case of the official opposition party, and $285,000 for the NDP. Mr. Speaker, the funds provided to the caucus research bureaus have been increased, from $35,000 in the fiscal year 1969-70, to over half a million in the case of the two main political parties and to some $300,000 in the case of the NDP. Over and above that, the Leader of the Official Opposition was entitled to $87,500 in 1969-70 for the operation of his office. At this time, he is entitled in this regard to over one million dollars. The Hon. Member for Central Nova (Mr. Mulroney), the Leader of the Progressive Conservative Party, is entitled today to over a million dollars per year to hire the personnel required to prepare the questions he directs to us on the few occasions he chooses to come to the House. This involves more than $1 million a year, whereas in 1968-69, that same office occupied by another Leader of the Opposition, nonetheless the same Official Opposition Leader's office was getting only $87,000.

Those are figures that relate to a significant area of our parliamentary system. There has been very significant trend, an openmindedness. The Liberal Government has provided Members of this House with more tools, and all this has happened since 1968-69. So much for the funds provided for Hon. Members to better perform their duties in this Parliament, and for the Leader of the Opposition.

In 1969, Mr. Speaker, by unanimous consent, and I repeat by unanimous consent of this House, a new procedure was adopted for dealing with the business of supply, the one we are now following. It will be remembered that at that time, the House of Commons was overloaded. It was then decided to refer to the Committees the estimates on an area basis, thus giving the House a chance to better deal with its own business, with other pieces of legislation. This is another major reform concerning the business of supply, and it was accepted in 1969 with the unanimous consent of the House.

Since then, we have introduced the television of the proceedings of the House, an other major reform. Since then we have held, in 1975-76 quite a number of meetings of the Committee for Procedure and Organization, which have led to numerous reports that have proved to be most useful to the Committee on Parliamentary Reform in the course of its meetings these last 18 months, and have inspired its members in making recommendations mainly in the third report, which have been put to the test here on the floor of the House for some months now. There are other reforms that have been brought about in the last 10, 12, 15 years, Mr. Speaker.

And, just recently, the Committee on Parliamentary Reform produced this third report which is now undergoing a running test and which hopefully will allow changes to become permanent practice and allow this institution to modernize and hopefully become more efficient.

Those seven additional reports will be useful, whatever the prorogation date may be. The Hon. Member for Yukon (Mr. Nielsen) is indulging in chicanery. If he had been actively practicing law these last few years, he would easily understand that such chicanery, or procedural bickering will not alter the facts. If the Committee on Parliamentary Reform could refer to a report that had not even been tabled in the House, namely the report of the Committee on Procedural organization in 1975-76, in order that we could proceed with the current experiment, there can be no doubt that the House could next month or the month after, next year or the year after, make use of the reports submitted by that Committee. It will still be able to refer to any or a number of those seven reports to allow for the continuation of the parliamentary reform process. It is misleading and entirely unrealistic to claim that if we prorogue within a month or two, or three, these reports are going to die. That is just not true. The reports continue to exist, they are printed in the *Votes and Proceedings,* they have been tabled in the House and will always continue to exist. When are we going to apply them? Before or after proroguing Parliament? That has nothing to do with parliamentary procedure. The reports have been prepared, and they will still be there. Some aspects of the reports will, I hope, be implemented very shortly, while others will be implemented later on, and others even later or perhaps never, but proroguing will not make any difference. Even if we were to prorogue this afternoon, there would be nothing to prevent Hon. Members who are in good faith from continuing negotiations to try and improve Parliament and taking these reports as the basis for such negotiations. That is the situation.

I would say that trying to push through seven reports, without a trial period, before the end of the trial period based on Report No. 3, is more likely to be damaging for negotiations and for parliamentary reform in the short term, and I deplore it. But in spite of all that, the position of the Hon. Member for Nepean-Carleton (Mr. Baker) is in open contradiction with that of the committee chairman whose remarks of yesterday I quoted on the floor of the House, or again with the views of other Members who intend to speak later today and who will refer to the gentleman's agreement in committee. I exclude the Hon. Member for St. John's East (Mr. McGrath) because he gives a subjective interpretation of that agreement. I do not question his good faith. But the interpretation given by the Hon. Member for Nepean-Carleton is different and altogether inconsistent with that given by the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and the other committee members who have spoken so far and who might take the floor later on.

Mr. Speaker, I see that my time has run out. I am prepared to answer questions, because I did ask a few in the course of my remarks. We want a thorough parliamentary reform, but why? How can we explain such a major reform as the one advocated in seven reports, a drastic and even more complex reform which is certainly more than an aftermath of the third report, why would anyone insist at this time, during the debate on the Crow rate, that they be implemented as a whole, without any experiment and even before the end of the first experiment on the third report, without considering the Senate reform and without allowing the Parliamentary Leaders, or at least those who act in good faith, to negotiate the implementation first, to complete the experiment we are now making, and to negotiate as well the consideration of those seven reports in the overall context of parliamentary reform?

We are in favour of parliamentary reform, Mr. Speaker, and we have proved that in the past. We will continue to work constructively in spite of this setback, in spite of this unfortunate incident. It will not prevent us from negotiating and trying to improve conditions in Parliament. We are doing that at all levels, whether it has to do with the Standing Orders, Members' allowances or Members' pension which are the object of a Bill I have prepared and introduced in the House. We are trying to improve the overall situation for Members of Parliament and for the Canadian public. I would not want this unfortunate incident to mark the end of our efforts. We will continue even if the seven reports are not implemented before the end of this session. They are under serious consideration by the Government and we will make sure that changes are made on a regular, reasonable and logical basis, so that once they have been implemented they will be permanent and lasting, enabling us indeed to update and humanize this institution and make it more efficient.

• (1240)

[*English*]

The Acting Speaker (Mr. Blaker): Are there any questions, comments or answers?

Report of Special Committee

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I welcome the opportunity to rise today and speak in support of this motion moved by the Hon. Member for Nepean-Carleton (Mr. Baker). Given that it is the wish of the Members on this side of the House to pursue this report, and indeed all seven reports, as expeditiously as possible with little or no debate, I will make my comments very brief.

First, I would like to second the comments made by the Hon. Member for Nepean-Carleton in his expression of thanks to the staff members who worked very, very hard and did a very good job in the year and a half life of the special committee. I must say I joined this committee rather late in its life. I became part of it in the winter, in February of this year. In some ways it was like arriving at a party late in the evening to find that everyone else was well into enjoying the evening's events and it was rather impossible to catch up. However, it was quite an experience for me. I was quickly impressed by the special dynamics of this committee in that Members of all three parties in the House worked together and worked together very well. It was said this afternoon and also in debate on the third report some months ago, that we set aside partisan differences for the common goal, the common goal being to make this House work better, indeed, to make the House more relevant to the Canadian public. We cannot easily ignore the recent Gallup poll which indicated that almost two-thirds of Canadians are not too sure of the relevance of this House of Commons.

There was no doubt the committee worked long and hard. I think the results are excellent. The results have been accepted and were well received by the public, at least the public that is aware of what we are doing, and it has been well received by Members of the House on all sides. Notably, I think the results have been well received by observers of the House of Commons, the professional media who work here, academics, business groups and indeed any number of groups who are concerend with how the House of Commons works.

I think it was a remarkable day last fall when the House of Commons accepted the third report through which it was accepted that the House try out the recommendations in that report for a one-year period. From my observation, this trial period has been well received and received positively by the Members of the House. I admit there is some room for some fine tuning of the changes under which we have been operating during the last year, but I doubt very much whether we would find very much call in this House to return to the rules that were in effect before the beginning of this year.

Having said that, and recognizing that the Special Committee on Standing Orders and Procedures has tabled seven more reports, all of which, as has been pointed out by my friend, the Hon. Member for Nepean-Carleton, were adopted unanimously without there ever having been a vote in committee and all of which were designed to improve the operations of this House, I must say I am somewhat disappointed that the House has yet to adopt these reports. I am disappointed and somewhat surprised at the reaction of the President of the Privy Council (Mr. Pinard) today. He has said he is indeed committed to reform of the House of Commons, and yet he asked why we want to bring in our recommendations so quickly. I think a number of us on the committee have some very particular fears that all of the work we did over the last year and a half, which included dozens and dozens of meetings and dozens and dozens of testimonials and presentations by witnesses, a lot of work by Members of the House, a lot of work by staff people, might all go for nought. How will the public view us, Mr. Speaker, if all of this work and all of the attendant costs for this work, were thrown into the dustbin? I think we might find that more than 64 per cent will view us as being irrelevant.

● (1250)

The President of the Privy Council (Mr. Pinard) asked why the Opposition was concerned with getting agreement on the remaining seven reports so quickly. If he believes that we need parliamentary reform, and given that the reports have been tabled, does it not make sense to bring them in as soon as possible? Does it not make sense to reform this institution as soon as we can and carry on from there? The sooner we have a better House of Commons in which to operate, the better it is for this place and for the people of Canada.

He also said that the Government wanted to look at all these reports in the general context of the operations of the House of Commons. Does he not think that the committee did that? Does he not think that the committee looked at these changes in the over-all context of the operations of Parliament? I remind him that the majority of members on that committee were Members of the Government Party. They agreed with Members of the Opposition Parties that these changes were for the good of Parliament. They viewed them in the general context of the operations of the House of Commons.

Speaking specifically to the fifth report, I do not think there is much call for debate. The Hon. Member for Nepean-Carleton in introducing it pointed out that it stemmed from some of the specific recommendations of the third report. In particular, it allows for independent references to committee by four members of the committee. I cannot see that there would be any argument in the House of Commons. Just to repeat myself, it was agreed to by all members of the committee. It is a simple, straightforward proposition. I cannot see any opposition to its approval today.

I really do not have much more to say. I think the reports should be accepted as soon as possible. For my part and on behalf of my Party, we would be more than willing to adopt the remaining seven reports very quickly with little or even no debate. We believe that this place needs to be reformed. We believe in the reports tabled by the Special Committee on Standing Orders and Procedure. Having said that, I urge the House to adopt the fifth report today. Also I urge it to adopt very soon the remaining reports which have yet to be looked at.

The Acting Speaker (Mr. Blaker): Questions, comments? Debate.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the issue before us today

goes much deeper than just the reports. The issue raised by the Hon. Member for Sarnia-Lambton (Mr. Cullen), to which the Hon. Member for Nepean-Carleton (Mr. Baker) and the Hon. Member for St. John's East (Mr. McGrath) referred, is fundamental. At the time the committee was meeting, there was an agreement that no motion for concurrence would be put.

Mr. Nielsen: Mr. Speaker, you have already ruled that out of order once.

Mr. Evans: With regard to the fifth report, the fact of the matter is that the notices are there. Motions can be put, and certainly they have been put. The question is: What was the agreement? Whether or not it was proper, in my mind—

The Acting Speaker (Mr. Blaker): Order, please. I knew at the beginning that Hon. Members wanted to ventilate the subject to some degree as to what agreement had been made between various members of the committee. I then asked Hon. Members if they could resist that temptation and address themselves to the motion, and I have to do the same with the Parliamentary Secretary to the President of the Privy Council (Mr. Evans).

Mr. Evans: Mr. Speaker, I address myself to the fifth report. The fifth report of the committee deals with the matter. While the committee was in process, there was some disagreement. With regard to every report brought down by the committee and tabled in the House, there were members of the committee who had disagreements.

Mr. Nielsen: You were not even there.

Mr. Evans: They would say that they did not necessarily agree but that, if it was the consensus of the committee and since no concurrence would be moved, they would let it go ahead.

One interesting report is the one dealing with the new committees for financial accountability. That is in the report. The proposition put before us at one point earlier with regard to all the motions was that all reports would be adopted without debate. However, there are serious reservations in the minds of people who understand the concept of financial accountability and responsibility in Government with regard to the implementation and the actual operations of these additional committees which will be set up by the reports.

Effectively, if we vote concurrence now, we are saying that Hon. Members of the House should adopt these reports as House orders to change dramatically and immediately the rules of the House. I say without equivocation that 95 per cent of Members of the House have not fully digested or do not fully understand at this time the contents of the reports.

Mr. Nielsen: Why not?

Mr. Evans: That is the reason—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I think the Parliamentary Secretary owes the House the favour of being relevant to the issue, to the motion. The motion is with respect to the fifth report only. It has nothing to do with the sixth, seventh, eighth, ninth or tenth reports. Because of the exalted position he holds in the House, being Parliamentary Secretary to the President of the Privy Council, I would ask him to direct his attention to, and give the Government's position with respect to, that single report.

The Acting Speaker (Mr. Blaker): Order, please. On the matter that this is a point of order, I have to reply that it is not a point of order. On the matter that relevance be required, I do not think Hon. Members would necessarily have to restrict themselves only to the single motion now before the House without being able to refer to other motions which may be connected. I do not think it is irrelevant for Hon. Members to include considerations concerning the other motions.

Mr. Nielsen: The rule of relevancy is gone.

The Acting Speaker (Mr. Blaker): Unfortunately the Hon. Member for Yukon (Mr. Nielsen) mentions that we no longer have the relevancy rule. He well knows that it is a particularly difficult one to apply. I am doing the best I can.

Mr. Evans: Mr. Speaker, I thank you for your ruling and I completely concur with it. We are talking about parliamentary reform. I ask Hon. Members opposite if they can show me one report, including the fifth, which does not have ramifications running through the whole question of the operations of Parliament. The final report of the committee changes the operations of the third report which are now in implementation in the House until December 21.

A question arose in committee as to whether or not it should try to refine the third report, whether or not it should try to correct the anomalies everyone in the House recognizes exist in the third report and the temporary rules under which we are now operating. Of course it was said that we would not re-evaluate our work, that it would be negotiated among House Leaders. That negotiation was supposed to take place among House Leaders to refine the rules and to find ways of implementing each successive report and the new changes to come forward. That was supposed to be done over a period of time. It was not supposed to be done by coming in and saying that, by unanimous consent, there would be no debate and suddenly implementing the entire series of reports in the House of Commons before 95 per cent of our colleagues have even read them. That is unacceptable. If we are to have parliamentary reform, it has to be done in a reasoned, rational and phased evolutionary way, not in a revolutionary way by snapping the fingers and adopting seven or eight reports of a committee which just reported within the last month.

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

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

At 1 p.m. the House took recess.

Report of Special Committee

AFTER RECESS

The House resumed at 2 p.m.

Mr. Evans: Mr. Speaker, when the House rose for lunch I was speaking about the nature of parliamentary reform in our system and the situation in which the House finds itself regarding some of the suggestions put forward about how we should proceed with the outstanding reports tabled by the special committee, and the suggestion that we not debate these items but, by unanimous consent, adopt all the reports.

We are dealing with one report today. I am concerned that Members of the House have not given full attention to the matters that have been brought before it in those reports. It is quite clear that there have been preliminary discussions in each caucus with regard to parliamentary reform and what we should do when the current temporary rules expire on December 21. That has been the basic context of the discussion. In addition, there has been preliminary discussion on the proposals brought forward in the outstanding reports.

After talking to Members on both sides of the House, Mr. Speaker, I can assure you that there has not been thorough discussion on the contents of each report and the implications of each of them. The fifth report that we are debating today is probably the most innocuous. It deals with issues that all of us could probably agree with most readily.

There are other reports outstanding. I will not get into the argument about whether concurrence was agreed to have been moved or not moved. Certainly Members on this side of the House who were involved in the committee were under the distinct impression that a consensual report would be tabled in the House, that a notice of motion would not be put, and that concurrence in those reports would not be asked for. As a result, they went along with some recommendations in the reports that, had they been voted in the committee or had there been a decision that concurrence would be moved once the report had been tabled, they would not have agreed to.

Of all the reports, the most contentious would be the so-called Huntington-Lachance report. It was an excellent report which dealt with a fundamental change in the nature of the way Parliament does business. It might not be an improvement but the recommedations went to the very heart of the way Parliament operates. I would defy any Member of the House to say that the full ramifications of those proposals are understood by Members of the House. They are not. The whole question of financial accountability in Parliament is well understood by a few Members. The Hon. Member for Capilano (Mr. Huntington) has that understanding and has spoken eloquently in the House in the past about fiscal responsibility, financial management, and the accountability of Government and the bureacracy to Parliament. I suggest that the recommendations that were largely a part of the Huntington-Lachance report—where they understand the nature of those recommendations and where they understand clearly what it is they are trying to achieve—are not understood by the vast majority of Members. That is not to say that Members of Parliament are not interested; it is simply to say that this is a very complex area.

Mr. Malone: Shame!

Mr. Evans: I suggest that regardless of whether it is five, six or seven Members of the House who clearly have a grasp of the question of fiscal responsibility and accountability and say that this is what the House should do, it is so fundamental that it is something that all Members of the House should clearly understand en masse. It is not something that should be adopted holus-bolus by unanimous consent at the drop of a hat. It is too important. If we are to make such a change, we would be in a difficult position to make further changes in that area. For a long time we would be saddled with something that not many Members understand fully.

Parliament, by its very nature, is an evolutionary institution. That is why we go through three readings of Bills and report stage, why we send them to the Senate for three readings, why we have public hearings—we want to make sure that we get it right.

The kind of procedure we are engaged in today and would be engaged in under some of the proposals for adopting these reports holus-bolus, is not an evolutionary procedure, it is a revolutionary procedure. Some may say that Parliament may be revolutionized. I would not agree. I think my colleagues would agree that I have been very supportive of the notion of reform, the need for change, the need to make us more accountable, to make us seem more relevant to our constituents and the country. This cannot be overlooked, but it cannot be satisfied by a revolutionary change that institutes new policies and procedures in the House of Commons that are not fully understood by Members who will have to live under them. That is why I say, Mr. Speaker, that we should be taking the parliamentary reform process in a regular step by step way.

● (1420)

The Hon. Member for Edmonton West (Mr. Lambert) asked me about the third report. Yes, Mr. Speaker, the third report is in place. We have had experience with that for 12 months. But there are parts of the third report, parts of the procedures and rules under which we are now living, that Hon. Members in the House today, if they had an opportunity, would say need to be changed. For example, Mr. Speaker, we have the whole day on Wednesday devoted to Private Members' Business. As a result, it breaks the week. Hon. Members have said this. Those Private Members' days, being the sole business of Wednesday, break up the week, but it has led, quite frankly, Mr. Speaker—and you know it as well as I do—to the problem of attendance in the House at times, and that should be changed. Recommendations have been put forward from many circles as to how we should change it. Perhaps we should have Private Members' Business on Monday, or perhaps on Monday evening. Perhaps we should do it in some other way. Certainly there are issues with which we are now

living under the new revised procedures which need to be dealt with. It seems to me only logical that we would refine and perfect that under which we are now operating before we add additional major changes to the system which would not only compound the newness and uncertainty under which Hon. Members in the House are operating, but would also compound the problem of the existing rules. Some of the parts of the final report, for example, modify procedures with which we are now living. There are at least two recommendations in the final report of the committee which would change the provisional rules under which we are now living and under which we are supposed to be living until December 21.

I believe we must consider what has to happen if a House order were passed today with regard to the fifth report. Presumably tomorrow we would be operating under different rules. That would mean that the Standing Orders of the House would have to be changed, because Hon. Members would not know what rules they were operating under, and they certainly would not understand the changes to the rules themselves. There is a logical time for us to make these changes, Mr. Speaker, and that is when we go into a recess, for example, the Christmas recess, as we did last year. On December 22 we passed the House order which said that when we come back on January 17, the new rules will take effect. It is not appropriate, to my mind, to change the rules overnight in the middle of a session. Hon. Members would come back on Monday morning and be told, "Well, the rules are changed now. The rules are not the same as they used to be." I believe there has to be an orderly process to parliamentary reform. In addition, it has to be an evolutionary process, not a revolutionary process.

I believe the time is inappropriate and, quite frankly, I feel it is unfortunate that the Hon. Member for Nepean-Carleton moved concurrence in this report today, not only for the reasons which will be raised very clearly by my colleague, the Hon. Member for Sarnia-Lambton (Mr. Cullen) later, but also because I feel that if we are going to implement parliamentary reform, it must be done in a way which continues the consensual process under which the special committee operated. That consensual process would have to involve negotiation among the House leaders, discussion with the caucuses to ensure the Members were in agreement and understood, and agreement that the process could carry on in an evolutionary fashion, not the kind of revolutionary fashion which would be the case if we were to concur in this report today.

The process which has been started by the Hon. Member for Nepean-Carleton, I feel, is regrettable. We were making progress. There was a feeling that we could negotiate some kind of changes with regard to the reports. However, that attitude and that good will has been largely damaged by the action which has been taken in this House today by the Hon. Member for Nepean-Carleton.

Mr. Deputy Speaker: Are there Hon. Members rising to make comments or ask questions? The rules at this point provide for a ten minute period of questions and answers. If there are no Hon. Members seeking to be recognized, the Chair will recognize the Hon. Member for Burin-St. George's (Mr. Simmons).

Hon. Roger Simmons (Burin-St. George's): The subject of this particular motion is the report of the special committee which grew out of a recognized need for some change. The House determined 16 months ago that 20 or so Members of this Chamber ought to devote their time to the question of what is wrong with the rules of the House and how they could be changed to better facilitate the purpose for which we have been sent here by the people of Canada. For 16 months those Hon. Members, representing all three Parties, of whom I was pleased to be one, worked long and hard, week in, week out, month in, month out. We asked ourselves the question, what changes are required to better facilitate the work of the House of Commons? I can tell you that there were many disagreements. Many proposals came across the table about which at first hearing I could not get very excited as a member of that committee. However, hearing the rationale of the proposer of a particular change, be it an Hon. Member from the New Democratic Party, the Conservative Party or my own Party, I found myself, along with 18 or 19 other people, seeing the wisdom of some fairly far-reaching proposals for change. As I said, I was pretty dubious about these changes when I first heard them. If one becomes accustomed to a status quo, a set of rules which has served us reasonably well over the years—with some glaring exceptions—one wants to hear a very good reason why they ought to be changed. At the beginning, there was no very clear consensus among the Members on the committee as to what rules needed to be changed, although there was consensus on the length of speeches. That has already been addressed in the third report, under which rules we are operating in this Chamber today. Aside from two or three very obvious areas, such as the length of speeches and the old Standing Order 43 procedure immediately preceding Question Period, and apart from the two or three areas which were very glaring in terms of their need for change, there were Members on the committee, I can say without misrepresenting anyone on that committee, who wanted particular changes to which I was opposed. I wanted changes to which other Members were opposed. That is the nature of the exercise. That is the reason why we needed a committee in the first place.

Those Hon. Members from all parties who spearheaded the effort to strike a committee long before the committee was ever established, recognized that you cannot ask a committee of 282 Members to focus on this issue. They recognized, in their wisdom, the need to delegate this matter to a smaller group of people with a particular interest in the issue who could focus on it day in and day out. This they did. The result is the fifth report which is before us, and several other reports which await the decision of the House.

● (1430)

Why, Mr. Speaker, have these reports not been concurred is in weeks, in some cases in months, after they came to the floor of this House? That is the easy question. Of course, the easy answer, the flippant, partisan answer, the answer that would

destroy the very noble initiative taken by the House in establishing the committee in the first place, the destructive answer to that question, is that somebody is sitting on the reports. Somebody does not want something in those reports to go forward. I have news for you, Mr. Speaker, and for everyone in this Chamber, especially for my colleagues on that committee. I am one of the people who would be just as happy if certain things in those reports never saw the light of day. Why do I say that? Do I betray everything I stood for as a Member of that committee? No, I articulate what must be common knowledge and common sense for every person in this Chamber.

As a member of that committee I can say that there were items I disagreed with but to which I gave my support. I swallowed my disagreement in the interests of getting a compromise around that particular table. I did nothing any more laudable than anyone else around that table. We all did that kind of swallowing to achieve through compromise a set of initiatives to be agreed upon and then to be brought before the larger committee, the committee of 282, the entire membership of this House.

Now, Mr. Speaker, if as a member of that committee, focusing on a fairly continuing basis on the ramifications of the proposed changes, I can stand in my place today and say that I have some reservations, the operative question is, then, how many more reservations and how much deeper are they in this Chamber of men and women who, on the one hand, will have to be governed by whatever new rules we introduce and agree to here, and, on the other hand, have only had a passing glance at the substance of those other reports which have yet to be concurred in? What I have just said is not a brief for non-concurrence, Mr. Speaker. It is not an argument to undo the work of that all-Party committee. It is not a cloaked suggestion that we ought to go back to square one. But is a plea that we recall why this exercise was started in the first place. That was in part because the rules, or some of them, were not serving us in the best possible way. Also, because partisanship in this House was getting the upper hand. I think you know my views on partisanship, Mr. Speaker. It is a very healthy phenomenon, and the day some Member tells you he is not partisan, he is lying to you. But when partisanship becomes the objective, when it becomes the end in itself, it is time to rein in the rules to see if we cannot have the rules dictate rather than partisanship. That is what brought the House to a determination that it was time to rewrite some of the rules.

That was a fairly hefty exercise. It has taken a committee of 20 people some 16 months to lay the groundwork. What are we doing today? I hope I am wrong in what I am going to say next—

Mr. Taylor: Probably you are.

Mr. Heap: Usually you are.

Mr. Simmons: I believe what we are doing today is running the risk of undoing the very excellent groundwork laid by that committee. You see, Mr. Speaker, I find a certain contradiction in some of the things being said today.

Mr. McLean: So do I as I listen.

Mr. Simmons: I hear the gentleman, my good friend, the Hon. Member for Nepean-Carleton (Mr. Baker), Vice-Chairman of the committee, a man who has made a marvellous contribution to this House and a remarkable contribution to the committee's work.

Mr. McLean: There is more to say.

Mr. Simmons: I hear him say in effect, these are not his words but in essence he said that we ought not to allow this effort to founder on the rocks of partisanship. I heard him say that.

Mr. Baker (Nepean-Carleton): I said, "Stumble over the feet of discord".

Mr. Simmons: I agree he said it more eloquently, as he always does, but I think that was the substance of what he said. We ought not to allow this effort to founder on the rocks of partisanship. I agree with him. I believe that he believes that with all that is in him. He has put a lot of work into this, as have we all. It ought not now to come apart at the seams because of undue haste. That is where I hear the contradiction. I say to my good friend from Nepean-Carleton that if this was worth waiting 16 months for, the wait from now will not be long. We are not talking about another 16 months.

Mr. Heap: Two years.

Mr. Simmons: He knows, as I know and as the Hon. Member for Spadina (Mr. Heap) knows, that an earlier House order dictates, *de facto*, that we have to address this problem before December 21.

What are we fighting over today, Mr. Speaker? After all the good will, the good intentions, after all the hours or work which have gone into this for 16 months, what are we bickering over today? We are bickering over whether we should rush headlong into adopting the fifth report, and maybe tomorrow or on Monday there will be a similar motion, because there are several on the Order Paper. We are bickering about whether we should rush headlong into it today and in the process invite, rightly so, the disapproval of the various private Members in this House who do not yet, I say with respect, understand the full implications of these reports.

Let me tell you by way of example one of the things I object to in the committee's findings and recommendations. It might be my good friend, the gentleman who sits in this Chamber as an independent Member from Edmonton. It might be a Member in the Official Opposition, in the NDP or in this Party. It might be any other Member who in the future might choose to sit as an independent or be elected to this House outside the umbrella of a particular Party. But I object to such a Member not having the opportunity to respond under the ministerial statement procedure. If one would check the report,

one would find no provision for that. It is not an earthshaking situation, but it does have ramifications for the first-class versus the second-class status of private Members in this particular Chamber. I say it ought to be addressed. I made an effort and was given full opportunity to address it in committee. I lost my point in committee. If it is only I who feel very strongly on that issue—

• (1440)

Mr. Baker (Nepean-Carleton): You argued it eloquently.

Mr. Simmons: —that is fair ball. However, there may be other Hon. Members in the House who, in their respective caucuses, might want to latch on to that particular issue. I say that I, as a private Member, want to have the same opportunity to respond to ministerial statements as I were the official spokesman for my Party on the subject under discussion in that particular statement on that given day. I do not introduce that as a matter of substance now but as a matter of example only to show that if individual Members of the House were to scrutinize those reports, they would find a number of items about which they would understandably have some reservations.

What is the solution? Is the solution to wait until I can have my way on every point? Is the solution to wait until every Hon. Member in this Chamber can have his or her way on every point? We know the answer to that. The answer is no. However, the answer, equally, must be that we must wait a reasonable amount of time until either every Member of the House or a healthy majority of the House comes to the realization that the proposed set of rule changes, though not perfection of themselves, are an improvement on the previous set of rules. I yielded on my objections, as cited in the example a moment ago, not because I am happy about what the committee is doing on that particular point, but because I recognize that, in the over-all, the committee was proposing to the House a package of rule changes which would create a situation eminently better than what is now or what was before we adopted the third report some months ago. That is the point.

Why the headlong rush? What is it we are bickering about? We are bickering today. Those of us who say in one mouthful, "Let us not allow it to founder on partisanship", are saying in the next mouthful that there are people in this Chamber who are procrastinating and filibustering. Those people who make that charge know full well that that is not the issue. The issue is not even whether we had an agreement in committee or what kind of an agreement it was. I can tell Hon. Members what agreement we had, and my good friend, the Hon. Member for Ottawa Centre (Mr. Evans), reflected very accurately what the agreement was. However, that is besides the point. Suppose he is dead wrong. Suppose I am dead wrong on that issue. That is the mechanic. That is a bit of semantics.

The real issue is whether we want this experiment to work and whether we are prepared to put our money where our mouth is, whether we are prepared to take what action is necessary to have these reports or the substance of these reports, adopted by this Chamber.

As one member of the committee, I am prepared to go that route. If it takes being the brunt of some name-calling, if it takes a little healthy partisanship in this House, that is fair ball. We are not babes in the wood. We have had that before. However, let us not lose sight of the objective. Let us keep our eye on the ball. Surely the ball, the objective, is to get as much of the substance of those reports embodied in a set of future rules of this House as possible.

Now, how to do that? Let me set up two possibilities. One can use the old railroad approach. One can say to 282 Members of the House, "You can have this now whether your like it or lump it. We will ram it down your throats". So, Hon. Members have not read the report. We happened to get a few reports in the House. I must admit that I have not yet read all the reports that have been tabled. I would say that there are Hon. Members in the Chamber who have not yet memorized the several reports from this committee. I would venture to say that. Therefore, we have two choices. Shall we use the old railroad approach and ram it down their throats, let them like it or lump it, or shall we say, "Let us take what reasonable steps are necessary to have these reports become the consensus of the three caucuses represented in this Chamber"? I advocate the latter.

Mr. Deputy Speaker: I hesitate to interrupt the Hon. Member, but the time allotted to him has expired. He may continue with unanimous consent of the House.

Some Hon. Members: Continue.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Baker (Nepean-Carleton): There is.

Mr. Deputy Speaker: There is unanimous consent? There is unanimous consent for the Hon. Member to continue.

Mr. Baker (Nepean-Carleton): Certainly.

Mr. Simmons: Mr. Speaker, I shall finish in a moment or so. I thank the House.

Mr. Benjamin: Don't do that. Take as long as you want.

Mr. Simmons: I become suspicious when I get support from such quarters. However, I am grateful.

Mr. Benjamin: It might never happen again.

Mr. Simmons: I am grateful for it, anyway, it being such a unique occasion.

Mr. Speaker, I advocate the latter course. I believe we ought to take some time, not a lot of time. I believe the earlier House

order to which I referred has, in effect, boxed us into a time frame, in any event. I am not advocating that we ought to wait until the midnight hour, until December 21. However, we are bickering over whether we will do it on October 14 or some time subsequent, but before December 21. That is what we are arguing over.

After putting 16 months into this exercise, we are now here for a full day bickering about whether we should do it today, next week, or maybe the week after, or sometime, hopefully, very soon. We must do it, in conscience. If we believe what we instructed the committee to do in the first place 16 months ago, in conscience we must have something to supplant, to take over, when the interim arrangement runs out on December 21. That is common sense. It would be a betrayal of the House if we did not do something, put in place an adequate replacement for the interim rules that are now operative in this Chamber.

Therefore, I make a plea to those who support the motion, because I can support the spirit of the motion. I can support it in the sense that we would like to have the concurrence of this House in this report. I would seek the indulgence of those who say it must be done today. I would ask them to stand back a moment and think about what damage they may be doing to the over-all process, because surely the over-all process, the over-all objective, is to get as much as possible of the package which the committee has produced over 16 months embodied in the new rules of the House.

I say to Your Honour that the most hopeful way, the best way of doing that, is to allow Members of the House an opportunity to deliberate on the implication, not an unduly long opportunity. However, when I hear Hon. Members of the House who are not members of the committee standing in their place and pleading with the House, in effect, "Give us a little time so we know what it is we are getting ourselves into", I think that is a fair request and one which ought to be heard.

Mr. Deputy Speaker: Are Hon. Members rising to ask questions of the Hon. Member who has just spoken?

Mr. Pinard: Mr. Speaker, I ask the unanimous consent of this House so that the debate on this motion be merely adjourned—

Some Hon. Members: No.

Mr. Pinard: —and that we proceed to the Orders of the Day so that we can resume debate forthwith on Bill C-155. I can assure Your Honour that you will receive this consent from the Government side of the House.

Mr. Baker (Nepean-Carleton): Mr. Speaker, when this business began today, I was quite frankly hoping that the Government would have reflected on its rejection last night, yesterday, of the reports. Now we are dealing with this particular report, it would reflect upon the rejection of this simple report. We are not prepared to consent to a process that would eliminate the possibility of agreement today with respect to this very small but very important adjunct to the third report of the committee. That is why it is there. Therefore, the simple answer to my friend's request is no, there is no unanimous consent.

• (1450)

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, normally I would say that I am pleased to participate in a debate, but I would be less than honest if I made that particular statement today because I frankly feel that this debate is inappropriate at this particular time, given the approximately 16 months of splendid work done by the special committee which was established by this House in order to find ways in which we can make Parliament more relevant and the work of the individual Member of Parliament more relevant.

I wish to join with the Hon. Member for Nepean-Carleton (Mr. Baker) in paying tribute to the Chairman of that committee, the Hon. Member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). I am sure all Hon. Members agree that he handled his assignments in an able, direct and non-partisan fashion. We also saw fit to name two vice-chairmen, one of whom is the Hon. Member for Nepean-Carleton. When he was called upon to fulfil that particular responsibility, he worked admirably and in a way as commendable as that of the Hon. Member for Pontiac-Gatineau-Labelle.

The Hon. Member for Hamilton Mountain (Mr. Deans), who is the House Leader for the New Democratic Party, was also named as a vice-chairman. Due to the fact that there are few of them and the other responsibilities given to that Member, I understand that that task was subsequently taken over from time to time by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and the Hon. Member for Selkirk-Interlake (Mr. Sargeant), particularly during the latter portion of the committee hearings when they saw fit to attend each and every meeting. This shows that there was a positive response not only from every Member on the committee but every Party in the House on a strictly non-partisan basis.

This was an enjoyable committee because our work was worth-while. Our hearings were conducted in a wonderful atmosphere. Let me give an example of the importance we gave to the committee and the sense of humour which made it enjoyable. We had a rather long debate about whether we should go to Mont Ste.-Marie for a day or two to work full-time on a particular report, to Montebello or to remain here in Ottawa. The feeling was that Mont Ste.-Marie would be the choice. Unfortunately, one of the members of the committee left the meeting before we finally made our decision, although he was the one who emphasized that if we were going to Mont Ste.-Marie we should be there to begin work at 9:30. When it came to 9:30, this particular Member did not show up. As a matter of fact he did not show up until approximately one o'clock in the afternoon. We had determined that instead of leaving for Mont Ste.-Marie he had gone to Montebello and therefore had to find his way to Mont Ste.-Marie from there. We will not mention his name because it is with a sense of humour that we are not letting that individual forget that he went to the wrong place. We certainly

chided him for missing four valuable hours of debate in the committee.

I am one who has spent almost 15 years in this place but it did not take me long to learn from the Member for Winnipeg-North Centre (Mr. Knowles) or a former Member, Max Saltzman, that rule changes can only properly be made if they are made with the consent of Members of Parliament from both sides of the House. Mr. Saltzman said that one can make all the rules in the world, but if an individual or a Party feels it is being shortchanged, all those rules will not make Parliament more productive or relevant and certainly not make the individual Member of Parliament feel more important in his particular role. There must be consensus and agreement from all sides.

I stated that I am disappointed in this particular debate because our previous experience with the third report shows that we can agree. Our third report was adopted unanimously after each committee member from each Party took this report to his respective caucus saying that it had to go through as a complete package or not at all. We were able to convince our individual caucuses that we could make this work by experimenting on a temporary basis to see how it worked. I believe that precedent showed that this procedure works and can be completed in a very short period of time.

It was my hope that the reports subsequent to the third report could be dealt with in exactly the same way and, according to my understanding of the mechanics, that is precisely what we were supposed to do. It was on that basis that our chairman, who happens to be a Member of our Party, in co-operation with those of us on the Liberal side, demanded and received a full caucus hearing at which we would discuss solely the rule changes contained in the reports of that particular committee. I hope that I am not betraying the confidence of the caucus, but that meeting was to take place next Wednesday when we would go over each report to try to point out the strengths and weaknesses and arrive at a consensus. We would then put our submission to the House Leader who could meet with the House Leaders of the other Parties.

It has worked before. We presently have temporary rules in place which, I submit, are working very well. We did that on the basis of consensus. Unfortunately, I think the Hon. Member for Nepean-Carleton has moved out of the consensus arena and into the political arena. Frankly, I feel that I am not talking to Members of Parliament but to the public, because we now seem to be trying to make a political point. The Opposition Party says that it is prepared to adopt all of these reports without any debate. However, there are some flaws in some of these reports. For instance, the Huntington-Lachance report was made by a Member of the Conservative Party and a Member of the Liberal Party. That report which dealt with accountability was debated during several long committee hearings. We felt that the accountability concept was good but the procedure for setting up all of the committees would, in effect, work to the detriment of accountability because we would not be able to get people who were prepared to serve on committees such as the Public Accounts Committee on a full-time basis. We felt that that system was too cumbersome and needed improvement. However, we put that in the report because it highlighted one of the concerns of all Members of Parliament, which is accountability.

One of our reports deals with the Commission of internal economy and we discussed how that might better be handled other than by a Privy Councillor or former Privy Councillors as was suggested. There is enough of them around now on both sides of the House.

In any event, we felt that the backbenchers should have some opportunity to have a final say on such things as whether we should have committee rooms, particularly for those important committees meeting on a constant basis.

I hear some people saying "filibuster". I worked 16 months on this particular committee and I feel very strongly about this issue. I was angry today and lost my temper when criticizing the Hon. Member for Nepean-Carleton, but those who know me realize that that is not my usual demeanor. However, I felt let down today and yesterday as a result of these particular motions. I am afraid it will do irreparable damage to the splendid work that we did over that 16 months.

The Hon. Member for St. John's East (Mr. McGrath) was making the point that it was agreed that we could move, after we finished our final report, in any direction we wished. It would be acceptable to move concurrence, and this was discussed at the last meeting. The last meeting was specifically set up to give final approval to the report. I know that because I was unable to attend the last meeting and I asked for a copy of the report a day in advance. I sent it back to one of the staff on the committee indicating that I thought it was a splendid report and a great summary. That was the sole reason for that particular meeting.

Let me substantiate my position. If we had not agreed on a consensus and not moved concurrence, the Government, with its majority on the committee, would then have been in a position to prevent the proposal of several suggestions because we would vote against it with the knowledge that there might be several Members who felt very strongly that it should not take place. Therefore, the consensus was there, and no vote was required. We were essentially trying to raise issues that were of concern to backbenchers. We were not necessarily agreeing with how it was dealt with. The response to the Lachance-Huntington report is an example. I personally feel it is too cumbersome. I think something like that can be done.

• (1500)

The Hon. Member for Edmonton West (Mr. Lambert) was here earlier. He said "Yes, hammer it through like 1969." I agree with him. I think 1969 was a mistake. As it turned out we had 112 new Members when I came here in 1968. We had come from the business community, from farms and from various sectors of the community and we were anxious to get on with the business. We were fed up with the slow pace of things taking place. I remember the first speech I ever made in the House of Commons. I said "Let's get out from behind our newspapers. Let's get down to work and let's make this

chamber more relevant to the people out there." That was the sum and substance of what I was endeavouring to get across, as was everyone else back in 1968.

We moved too quickly. What happened? I have forgotten the numbers, but I think the rule was No. 17A, B and C, or something like that. There were flaws in it because we moved too quickly. Subsequently we had to move an amendment and we ended up with what is today Standing Order 75A, B, and C. I think it is a better rule, but if we had spent a bit more time we could have done an even better job.

There are areas in these reports, this one included, although it is a fairly minor one, that are favourable, or something the Opposition would like. Some of these rules we rather like, and there are some that every Member in the House feels are necessary. The Commissioners of Economy is, I think, a case in point. We have rules in place on a temporary basis now. I think most of us agree that replacing Standing Order 43 with Standing Order 21 was a good idea. I think the semester system is a good idea, as well as the 20 minute speeches with a ten-minute response. At least when a Member is making a speech he knows he may be asked questions. I think he will be a little bit more careful about what he has to say.

There are some who feel, and I happen to be one, that dealing with Private Members' Business on one day does split up the week. Maybe some changes could be made, but they will be made only with co-operation. Not all of these rules will be adopted by either side. In fact, I am fairly well satisfied that the Opposition had tongue in cheek, knowing that no government could automatically say yes, we are going to accept all of these without looking to the ramifications.

In the interests of getting back some degree of co-operation and negotiation, I move:

That the House do now proceed to the Orders of the Day.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

[*And the division bells having stopped at 4.59 p.m.*]

The Acting Speaker (Mr. Blaker): Order, please. On the word of the Hon. Member for St. John's East (Mr. McGrath), it is now five o'clock. That being the case, the motion now before the House has lapsed. Under the provisions of Standing Order 8(1), therefore, the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 2(1).

I am told that I am in the habit of wishing Hon. Members a good weekend. I would not want to break my own habit, so I wish Hon. Members a good weekend.

At 5.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 17, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, October 13, 1983 consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 35 (Mr. Benjamin).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am very pleased to rise today to speak on this important amendment introduced by my colleague, the Hon. Member for Regina West (Mr. Benjamin) to Clause 17 of Bill C-155. Since I am the first speaker this morning, perhaps I could clarify the purpose of this amendment.

Clause 17 sets out the duties and functions of the Administrator under the Act. He has a number of duties set out in Clause 1 through Clause 4 and Members of the House will recall that an amendment was introduced at committee stage introducing Subclause (4). Motion No. 35 would change Subclause (4). As it now stands, Subclause (4) gives the Administrator certain powers which we in this Party believe to be detrimental to the long-term interests of the farming community in Canada. It reads as follows:

> The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

The purpose of our amendment is to ensure that where such agreements are entered into, they are not done so in a way which could lead to the abandonment of rail lines, particularly in rural parts of Canada such as the proposed abandonment of the E & N Railway on Vancouver Island. The amendment would permit this substitution to take place only in certain circumstances. My colleague's amendment would strike out line 25 at page 8 and substitute the following:

• (1110)

> —the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

This amendment is of absolutely fundamental importance, Mr. Speaker. Were it not to be included in the provisions of the legislation, what would happen very quickly is that the rail shippers would argue that the shipment of grain by rail on certain branch lines had become unprofitable because their volumes had gone down. That would have happened because they would have substituted transportation by truck.

Among other things, we are concerned that the trucking companies in question are none other than those owned by the railway companies, whether it be CPR or CNR. They will use the device of transfer to trucking as a means of accelerating the abandonment of these branch lines which are so vital in so many rural communities.

Questions have been raised by some Members of the Official Opposition about the possibility that this could cause hardship in the event a branch line became unserviceable for a period of time through, for example, a bridge washout or if the line was soft and the producer would not have an opportunity to transport grain by rail. The Official Opposition has claimed that this amendment would somehow preclude the producer from shipping in the most efficient manner.

I believe my distinguished colleague, the Hon. Member for Regina West, answered that objection admirably in committee, but since the objection has been raised in the House, I think it is important to deal with it. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) said if there was a washout on the Medicine Hat line, for example, that under the circumstances of the amendment that is before the House it would block the Administrator from paying for that grain to go from the Cardston primary elevator. The Hon. Member for Regina West pointed out that in those circumstances the Canadian Wheat Board will make alternate arrangements and these arrangements will often be for trucking. It has done that on a number of occasions in the past, and certainly if this amendment were to be implemented—as I know the House will see fit to do—there would be no problem whatsoever with the Wheat Board picking up the slack in the event of a bridge washout on one of these lines. What we are attempting to do is to ensure that the branch lines are not abandoned by a mechanism which would accelerate its profit to go to CP.

Some people would ask in whose interest this is, and I will come to that in a moment in terms of the contributions made by CP and CN to the Government and the Official Opposition. I think it is relevant and important that, in examining the purpose of the amendment, we know precisely in whose interests we are dealing.

I should like to turn to another area now and examine the experience of the State of Iowa which I believe is most relevant. As Hon. Members will know, Iowa is an intensive

grain growing area and there has been a transfer from grain movement by rail to road to inland terminals similar to what would be implied by the provisions of Bill C-155 if our amendment were not adopted. The State of Iowa found that its highway system was being worn out by heavy trucks two or three times as fast as the government of Iowa could afford to repair or replace it. As a result, it went back to the old system of subsidizing existing railroad branch lines to keep the grain moving by rail. It found this to be much cheaper than looking after the additional costs of highway maintenance and upgrading.

The only interest which would be served by allowing Subclause (4) of Clause 17 to go through in its present form would be the interests of the Canadian Pacific Railway Company. As is documented in the official records of political contributions in Canada, in 1982 the Liberal Party of Canada received some $50,000 from Canadian Pacific and the Conservative Party of Canada received $50,000 from Canadian Pacific. In the three previous years, 1981, 1980 and 1979, $128,000 was given to the Liberals by CP and its 12 affiliates and $134,000 was given to the Conservative Party by CP and its 12 affiliates. So we see in whose interests the proposed Subclause (4) of Clause 17 was written, and it is for that reason that we believe it has to be qualified in the manner suggested here.

● (1115)

I would also like to note that in a submission before the Transport Committee in Regina on August 8, 1983, a Mr. Charles Phelps, president of the Saskatchewan Association of Rural Municipalities, made this statement with respect to the amendment which is now before the House:

> If the Crow rate is abolished the railways will have the flexibility to charge different rates on different lines by charing higher rates on lines that are less profitable, lower rates on lines that are profitable. The railways will have an economic level to persuade farmers to truck their grain to certain points and abandon others. This tactic, coupled with the presence of large inland terminals, will force the farmers to haul to inland terminals or pay higher freight rates to keep their local elevators open. If they are forced by this economic pressure to haul to inland terminals, the local elevator will close and, as recent studies have shown, the local community will decline very quickly after the local elevator has been shut down.

We know the vital importance of keeping the local elevators open in rural Saskatchewan communities.

> This will have a serious negative impact on the nature and viability of rural life in small towns.

In terms of the substance of the amendment itself, it is very important to note that this amendment would insist that there be no alternate shipping of grain by truck unless the Canadian Transport Commission ordered the abandonment of the alternate rail line. The reason this provision is so important is to allow people in these rural communities the opportunity to make submissions to the CTC with respect to the importance of a particular rail line.

We are all aware of this Liberal Government's policy on rail line abandonment, including the Esquimalt and Northern rail line on Vancouver Island. The intent of this amendment is to ensure that those people in rural communities who are vitally affected by the abandonment of a rail line would have an opportunity for input into that decision.

Were this amendment not to be accepted, there is a real possibility that CP Rail could proceed to enter into cozy little arrangements with the Administrator within the provisions of Clause 17(4) so it can move grain by trucks which are owned by a CP subsidiary. Following that, CP would then argue that the traffic on the rail line itself has declined in importance and ultimately suggest that that particular rail line has outlived its usefulness even though it may be the lifeblood of a particular community and the elevator in question may be vitally important to that community. CP would then appear before the CTC to make its appeal, as it has in the past. We know this Government's record and I do not think we can suggest that any other government headed by the Official Opposition would treat the matter any differently. Thus we would see an essential branch line abandoned without any input whatsoever from the citizens in that particular community.

Therefore I believe it is essential that this motion be adopted. I have mentioned the example of the State of Iowa and, in the context of other Provinces and States, the Iowa state transportation agency has given us a clear warning that we should not permit the mistake that was made in Iowa to be repeated in other grain growing jurisdictions.

This motion would prohibit the use of subsidized trucking to compete for traffic with existing branch lines. Certainly where a branch line has been formally abandoned by order of the CTC, we would want to ensure that the grain in question would be effectively and efficiently carried to the nearest rail line. However, when a branch line is still an essential element of a particular community, we certainly would not want to see a callous abandonment of that line as is possible under Clause 17(4) in its existing form. We would also note that Clause 17(4) as it exists could be used to facilitate other undesirable steps, such as making the abandonment of elevators and branch lines more palatable or the establishment of a system of inland terminals as a result of permitting the growth of trucking to them.

I will not go on at great length because I believe I have stated the essential points I wanted to make. I see you are rising, Mr. Speaker. Are you indicating that my time is up?

● (1120)

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

Some Hon. Members: Question.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to enter into this debate which, as most Members of this House know, has a great bearing on my constituency because of the construction of the world-class grain elevator system in the Port of Prince Rupert.

Before us now is Motion No. 35, to amend Clause 17(4) which reads as follows:

The Administrator, on behalf of the Minister, may enter into agreements to provide for the movement of grain by motor vehicle transport where, in his opinion, such agreements would be in the best interests of the grain producers.

Our amendment adds the following words:

—the grain producers, but such agreements shall not provide for the movement of grain by motor vehicle transport from shipping points on rail lines which have not been abandoned by order of the Canadian Transport Commission.

My colleague, the Hon. Member for Burnaby (Mr. Robinson), made it quite clear that simply in terms of process this is a very important route to take to ensure that those residents of small rural communities have an opportunity to appear before the CTC to make their views known in terms of what the impact on their community would be if grain that was traditionally and historically moving from a country elevator on a branch line was to be moved by a different mode of transport, primarily that of rubber.

A point made in committee, one which has been made by my colleagues in the House, that is the money to pay for the rubber hauling of grain as opposed to its movement by rail would not come from the Crow Bill as is proposed before this House. There is a bit of mythology being circulated in this country that the money that would subsidize the movement of grain by rubber would somehow come from the Crow Bill itself. That simply is not true, as is pointed out by Government officials who appeared before the Transport Committee. They pointed out the money would come from the branch line rehabilitation fund which we know is already short about $600 million. We have seen, certainly since the 1977 hearings held by Mr. Justice Emmett Hall, that an awful lot of branch line funds that were supposedly going to be used by CN and CP to bring their branch lines into a reasonable state of quality simply were not used by the rail lines, and now Parliament has already had to introduce special funds in terms of another rehabilitation fund to ensure that those lines are picked up.

What we would see by leaving Clause 17(4) as it now stands is a self-fulfilling prophecy in many ways; for instance, the competition that would be coming from the rubber haul, I know Members of the Official Opposition have been saying, and certainly the Hon. Member for Peace River (Mr. Cooper) was saying on Thursday, that what the NDP is trying to do is to stop any kind of subsidy payments going to those commercial haulers and producers who are hauling grain in areas where there are no branch lines. Far be it the position of this Party to say that where there are no branch lines there should not be some kind of compensatory payments to those individuals, farmers and producers who have to haul simply to get to the branch lines.

What we are saying in terms of this amendment specifically is that there should not be abuse of the branch line rehabilitation fund in areas where there is an existing branch line and country elevator to bring rubber hauling into a more competitive position.

My colleague from Burnaby made a very important point that I plead with Government Members to listen and pay some attention to. I refer to the information given to the Transport Committee regarding the difficulties which the State of Iowa encountered when it made a very unfortunate move and allowed legislation very similar to the existing Clause 17(4) to come into existence, which was to make rubber movement of grain competitive to rail. The State of Iowa discovered that its highway system was being worn out by heavy commercial trucks hauling grain two to three times as fast as the government of Iowa could afford to repair and replace it with its existing system of financing roads. The State of Iowa moved to introduce a system of law similar, if not identical, to what is being proposed by the NDP and should be supported simply for economic and fiscal reasons, above and beyond some other points which I will be raising in a few minutes. What the State of Iowa found after bringing in legislation, similar to Motion No. 35 that we are proposing, was that it was cheaper by an enormous amount to move grain once again by rail. They had gone to rail, then they went to rubber, and now they are back to rail. The Iowa state transportation agency has warned other jurisdictions, in particular Canada, not to permit the mistake of transferring such movement from rail to road.

• (1125)

There has been an enormous abandonment of branch lines in Canada already, simply as a result of the legislation passed through the House. The Crow Bill would dramatically exacerbate the abandonment of rail lines because of the self-fulfilling design of Clause 17(4) which indicates that the Administrator, on behalf of the Minister, may enter into agreements that are deemed to be in the best interests of grain producers. We are talking about a Bill which is making use of hundreds of millions of taxpayers' dollars. We know already from evidence given by farmers that they are worried about losing 30,000 or 40,000 farms because of the impact of Crow changes above and beyond those we are talking about in Clause 17(4). We are talking about losing 30,000 or 40,000 farms in the Peace area and in northern Saskatchewan and Manitoba. The impact of losing that number of farms will be felt by schools, those who pay municipal taxes and small enterprises, whether it be farm implement suppliers, fertilizer suppliers, local butcher stores or hardware stores. We are talking about a very dramatic shift in population on the Prairies as a result of the Crow Bill as a whole.

We are pleading for common sense in terms of economics and that we follow the warning signal of the State of Iowa and not allow a massive shifting over from rail to road. As I said in previous speeches, it might look good for a little while. CP and CN—CN has one of the largest trucking firms in Canada—say that we should look at all the jobs being created for truckers and commercial haulers, that we should look at the tires being sold, the new repair shops coming on line, and so on. It is a myth that those are real jobs. We can only talk about that kind of job creation out of one side of our mouths, because we know at the other end or in other areas of the system that we are losing farms and tens of thousands of jobs as a result of poorly thought out legislation.

As my colleagues and I have said before, the Government of Canada stands indicted for not having brought before the House the proper economic information on the number of

farms which will be lost as a result of the Crow Bill as it now stands in comparison with the number of farms that will be lost as a result of the amendments of the New Democratic Party. We should know what will be the impact of going ahead with Clause 17(4) without the kind of process about which we are talking. It would mean a branch line must be abandoned by the Canadian Transport Commission. The butcher, the hardware store owner, the school teacher or persons living in rural Saskatchewan or the Peace area of British Columbia for their whole lives or three or four generations should have the opportunity of not only sending postcards to their Members of Parliament but of appearing before the CTC to indicate what they think the costs will be to their municipalities for moving grain by road and to say: "Sure, we are getting the subsidy from the branch line rehabilitation fund, but by not having money in that fund, it is a self-fulfilling prophecy". As we lose the branch lines by using the money to rubber haul, we lose communities and farmers, and the grain trade in Canada becomes less competitive and less in the interests of Canadians.

Mr. Deputy Speaker: The Hon. Member for Regina West (Mr. Benjamin) introduced this motion. He is presumed to have spoken when he introduced it. Is he seeking to be recognized to speak?

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I appreciate the rules. The motion is in my name but the lead-off speaker was my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo). I have not made my ten-minute speech yet. However, if the Chair is to enforce the rule, I would be grateful if it would enforce it with the next series of motions. On Motions Nos. 31 and 32 this occurred. It occurred dozens of times in the committee. I am sure the Chair will appreciate that when you have to file motions in advance with the Chairman and the clerk of the committee, you do not know who will be available to speak one day, two days, or a week later. Similarly at report stage, when motions have to be filed within a certain deadline, you have no way of knowing what Members will be in the House days later. Therefore, you have no choice but to put motions in under one or two names.

● (1130)

I am not quarrelling with the rule. I am just asking if the Chair would be good enough to start applying the rule, if it chooses to do so, with the next series of motions. With the short notice on this one, I would be grateful for the indulgence of the Chair and the House to make my ten-minute speech.

Mr. Deputy Speaker: The rule and procedure of the House is clear. When a motion is introduced in a Member's name, he is presumed to have spoken. The Hon. Member would need the unanimous consent of the House to be recognized at this stage. Is there unanimous consent for the Hon. Member for Regina West to be recognized?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent. Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, the recorded division on the proposed motion stands deferred.

According to the interpretation given by the Chair previously, Motions Nos. 36, 37 and 38 will be grouped for debate at this point.

Mr. Les Benjamin (Regina West) moved:

Motion No. 36

That Bill C-155 be amended in Clause 18 by striking out lines 44 to 47 at page 8 and lines 1 to 41 at page 9 and substituting the following therefor:

"should be met by any railway company

(*d*) monitor the performance of the railway companies to ascertain whether or not they are meeting the performance objectives referred to in paragraph (*c*); and

(*e*) develop, for possible implementation under section 21, a scheme of sanctions applicable to railway companies and make recommendations to the Minister on the advisability of implementing that scheme."

Motion No. 37

That Bill C-155 be amended in Clause 18 by striking out line 18 at page 9 and substituting the following therefor:

"mented under section 21, but awards and sanctions for system participants other than the railway companies shall be non-pecuniary in nature;"

Motion No. 38

That Bill C-155 be amended in Clause 18 by striking out line 18 at page 9 and substituting the following therefor:

"mented under section 21, but such awards and sanctions shall not involve the allocation of railway cars nor affect the quota system of the Canadian Wheat Board.

He said: Mr. Speaker, these three motions have to do with the part of the system having to do with awards and sanctions that can be applied by the Senior Grain Transportation Administrator. It is a one-man position, but the legislation calls for him to be an agency of the Crown. I do not know of any other one-man agency anywhere in government. There may be, I do not know, but I have never heard of it.

We have a ridiculous situation within the legislation as it now reads. One Crown agency can place sanctions on or make

awards to another Crown agency. If the Grain Transportation Administrator was mad at the Canadian Wheat Board, he could impose sanctions, monetary or otherwise, on the Canadian Wheat Board. The Canadian Wheat Board is under the jurisdiction of the Minister in the other place and the Grain Transportation Administrator will be under the jurisdiction of the Minister of Transport (Mr. Axworthy).

I have never heard of one Cabinet Minister relishing another Cabinet Minister's interfering with something that comes under his responsibility. The Administrator could issue sanctions against the Canadian Grain Commission. The Canadian Grain Commission is under the jurisdiction of the Minister of Agriculture (Mr. Whelan). The Administrator is under the jurisdiction of the Minister of Transport. I can see the Minister of Transport and the Minister of Agriculture in a boxing match out behind the Centre Block if that were to happen! It is ridiculous.

Second, if a sanction is awarded against the Canadian Wheat Board, it involves the grain producers' money. If the Chief Commissioner, any other Commissioner or the administration of the Canadian Wheat Board fouled up and made some good goofs, it is up to the Minister in charge of the Canadian Wheat Board to fire him or do something about it. There should be no possibility of one Crown agency imposing sanctions on or making awards to another Crown agency, particularly when they come under different Departments.

Third, it allows the Administrator to make sanctions against and awards for elevator companies. The Canadian Wheat Board already has a system for sanctions against grain companies. If they ship the wrong grade, quality or kind of grain, there are sanctions provided and implemented by the Canadian Wheat Board against that grain company. It may lose a certain number of car allocations or there may be some other kind of penalty. Similarly, the Canadian Grain Commission has a method for penalties. If a grain company grades a grain wrongly, abuses a grain producer by way of the dockage that is permitted or the handling or elevation charges, the Canadian Grain Commission has the authority over that company.

We submit that the only place the Administrator should have the power to make sanctions is with regard to the railroads. This is a transportation Bill. It is not a farm Bill but an anti-farm Bill. If there are to be sanctions and awards made by anybody on the system participants, as they are called, it should be on the railroads or on some ports or the St. Lawrence Seaway Authority, because they are part of the transportation system for grain as well as other commodities.

Motions Nos. 37 and 38 are designed to remove any possibility of weakening or removing the authority and scope of the operations of the Canadian Wheat Board. Those authorities should remain with the Canadian Wheat Board. It should have the authority to ensure that there is an adequate supply of railway cars to move board grain which constitutes the overwhelming majority of grain shipments. It should have the authority to ensure that no grain company is treated unfairly in the allocation of railway cars. I am particularly concerned, as are all of us from the west, with the possibility of a lessening of the share of grain movement placed upon the three Wheat Pools and the United Grain Growers.

● (1140)

These motions are designed to prevent the private grain trade and particularly foreign-owned grain companies from moving in on a market to which they are not entitled. They are designed to ensure that the Canadian Wheat Board quota system is not distorted through sanctions imposed which could cause car shortages, and to ensure that the block system, which is functioning extremely well under the aegis of the Canadian Wheat Board, is not disrupted. They are also designed to ensure that sanctions in themselves are not disruptive to the system as a whole.

I simply do not understand why we would need the capacity in the legislation to allow a one-man agency to have the authority to impose sanctions and awards on an organization such as the Canadian Wheat Board, which is recognized as the most efficient and competent grain marketing agency in the world. It does a better job than any other agency in any other exporting nation. It is recognized by its customers as being dependable and honest in its dealings with its customers. It is held in the highest regard by all people in western Canada and by all people who support the principle of the orderly marketing of grain.

Our Motion No. 37 would limit the capacity of the Senior Grain Transportation Administrator, an agency of the Crown, to applying sanctions and awards only to the railroads. The legislation now provides for him to apply sanctions and awards to all system participants. That could include the Canadian Transport Commission, the Railway Committee of the Canadian Transport Commission, the Canadian Grain Commission and the Canadian Wheat Board. It could provide for sanctions and awards to be applied to any grain company and, I suspect, even to producers.

It is inconceivable to me, Mr. Speaker, as it was to many of us on the committee, that we could see this spectable of several Crown agencies fighting and squabbling over the whole matter of an award or sanction, whether it was monetary or not. What could the Grain Transportation Administrator do by way of a sanction on the Canadian Grain Commission, for example? Can he fire any of its employees who may have made serious errors and caused harm to the movement, handling and transportation of grain? Can he levy fines? Can he fire members of the Canadian Grain Commission? What can he do, Mr. Speaker?

When we in committee asked these questions of the Deputy Minister, he said: "Everbody agrees that the Canadian Wheat Board is doing a good job and that the Canadian Grain Commission is doing a good job, but we thought it would be a good idea to have this in the legislation to see whether or not it would work or how it would work". If the bureaucrats want to experiment, Mr. Speaker, they can darn well experiment with something other than the Canadian Wheat Board or the Canadian Grain Commission.

I hope, Sir, that we have the support of Hon. Members on all sides of the House. I think the Government itself must be questioning this nonsense of one Crown agency being able to levy a sanction or award on another. It simply is not practical, it will not work and can do nothing but cause more harm to the system of the handling, storage and transportation of grain.

I hope that these amendments will be supported, Mr. Speaker. I am asking for their support because of what occurred in the Transport Committee. I am confident that the amendments make sense, are practical and retain the powers and authorities of the Canadian Wheat Board, the mandate of which is to operate on behalf of the grain producers and no one else.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, the intent of Motions Nos. 36, 37 and 38 is to limit the authority of the Grain Transportation Administrator over the Canadian Wheat Board and the Canadian Grain Commission. I really do not see how Members of the House could have any problem with that.

We all know, and it has been documented time and time again, that the problem with our grain delivery system when it does break down is not with the Wheat Board or the Grain Commission. The problem is with the railway companies. It is the railway companies that leave grain cars sitting for as long as 90 days at country elevators when the grain in those cars is needed for export sales. It is the representatives of the railway companies who tell the agent of a country elevator that they will pick up a car on Monday, making it necessary for the agent to work through the weekend filling that car, when in the end the car is left sitting for another two or three days.

The problem with our grain delivery system, Mr. Speaker, is not that producers cannot get the grain to the elevator in time to be marshalled for export. It is not that when the grain gets to the terminals in Prince Rupert, Thunder Bay, Vancouver or Churchill that it is needlessly held up. The problem is and has been for some time now that the railways cannot seem to meet their obligations to move grain from the elevators to port quickly and efficiently. The railways have been responsible for leaving millions of dollars worth of grain sitting in rail cars on sidings by country elevators when it should be at the terminals being loaded on to ships for export.

The first of this group of amendments, Mr. Speaker, is Motion No. 36. What does it do? This motion restricts the authority of the Grain Transportation Administrator to apply sanctions for failing to meet performance objectives only to the railways. It also removes the authority of the Administrator to grant awards to the railways for meeting their performance objectives. Motion No. 36 is the broadest of the three in this group and it is the one that I think the House should accept, Mr. Speaker. Since Motions Nos. 37 and 38 are consequential to Motion No. 36, I will focus my attention on Motion No. 36.

First, why do we want to restrict the authority of the Administrator to apply sanctions only to the railway companies? Would it not be valuable to have those sanctions applied to the Wheat Board and to the Grain Commission as well? I think it is pretty evident that those sanctions should not apply to the Wheat Board and to the Grain Commission. I have already mentioned the documented fact that it is the railways that have been, and continue to be, the problem in the grain delivery system. It is the railways that leave grain cars sitting on the sidings by country elevators when those cars, as I have said, are needed in Thunder Bay, Churchill or one of the other terminals.

That is not the only reason for applying sanctions only to the railways. As my diligent colleague, the Hon. Member for Regina West (Mr. Benjamin), tried to explain time and again in committee, the Canadian Grain Commission is itself responsible for regulating the quality of grain and the allocation of grain cars. It is already responsible to the Minister of Agriculture (Mr. Whelan). The Canadian Wheat Board is responsible for marshalling grain and selling it for export and is already responsible to the Wheat Board Minister. It seems to me that either of these agencies ball up the delivery of grain to port. Their respective Ministers already have the authority to do what has to be done to straighten the problem out. What is the need of another regulatory agency overseeing these regulatory agencies?

• (1150)

Without this amendment, Mr. Speaker, we will find ourselves in the ludicrous situation of having a system of awards and sanctions established by one regulatory agency, the Grain Transportation Administrator, to regulate another regulatory agency, the Canadian Wheat Board, itself responsible for regulating other system participants such as the elevator companies and the terminal elevators. We will have a situation where one regulatory agent, the Grain Transportation Administrator, is regulating another regulatory agency, the Canadian Grain Commission, itself responsible for regulating producer cars, grades and type and quality of grains. Therefore, Mr. Speaker, we would have regulatory agencies or top of regulatory agencies.

The Liberals and the Tories, who have accepted this scheme in committee, have already given new meaning to bureaucratic overkill, and that is not all. There is a very real danger that in accepting this Tory and Liberal scheme of regulatory agencies regulating regulatory agencies, we could be doing a great deal of harm to farmers. If the Administrator of the Grain Transportation Committee is left with the ability to tamper with the allocation of rail cars or interfere with the quota system as part of the system of notional sanctions, it will be the farmers who will pay. If the Grain Commission is prevented by the Administrator from allocating producer cars, it will be grain producers who are left holding the bag. If the quota system is tampered with, it will not be the Wheat Board which suffers, it will not be the elevator companies which suffer, it will be the farmers who suffer.

When the Transport Committee was dealing with this Bill, the Deputy Minister of Transport tried to explain why he wanted the Administrator to have the power to impose sanc-

tions on the Wheat Board and the Grain Commission. I have read that exchange very carefully and this is how he summed it up, and I quote:

If you granted immunity to some of them from even the notional system of awards and sanctions, would that somehow weaken the idea that they are just as accountable as everybody else?

For the Deputy Minister, the answer is obviously yes. But I must disagree with him. The Wheat Board and the Grain Commission are already held responsible for meeting their performance objectives. They do not need the Senior Grain Transportation Committee to make sure they live up to their responsibilities. Railways, on the other hand, have shown time and again that they need this kind of regulation to ensure they live up to their responsibilities.

I would also like to deal with the proposal to grant the railways awards for meeting their performance objectives. I can hardly believe that the Government and the Tories would even consider that kind of scheme. We are already expected to hand over to the railway companies some $650 million annually in the form of a Crow subsidy. The Government is making much of its intention to invest billions of dollars in upgrading our grain delivery system. Added to that are the billions of dollars over the years in subsidies, the provision of hopper cars and deferred income tax. It seems to me, Mr. Speaker, that the railways have already been rewarded handsomely for what could at best be described as a pretty spotty record in meeting their performance objectives. In fact, it seems to me the whole idea of scrapping the Crow rate is only another reward to the railways; only this time it is coming directly out of the farmers' pockets. We do not even have to consider giving awards to the railways for meeting their performance objectives; we have given them enough already. I believe the railways should be required to meet their performance objectives, pure and simple. If they fail to do that, the Administrator of the Senior Grain Transportation Committee should level sanctions against them.

In closing, I must comment again, as I did at the beginning, that I cannot see how the House cannot accept these three amendments. I urge all Hon. Members of this House to do so in order to take one more step in the efficiency of our grain handling system on the Prairies.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise in support of our amendments to Bill C-155 as proposed in Motions Nos. 36, 37 and 38. These motions have the effect of amending some of the powers which have been given to the Administrator in Clause 18 of Bill C-155. This clause spells out in great detail the powers of the Administrator. It spells out when his report should be filed. There must be tonnage forecasts for the movement of grain in the next crop year filed on or before February 28 of each year. He must file a report forecasting the movement of grain in the current crop year and he must consult with the various participants in the system which have been alluded to in previous amendments as the Bill has progressed through the House. The Administrator must also monitor the performance of the railway companies and other system participants.

As well, the clause describes a requirement that the Administrator develop a notional scheme of sanctions applicable to the railway companies, and then goes on to work out a system of awards and sanctions applicable to such system participants, other than the railway companies, as the Administrator may consider appropriate. I believe it is at this point that these amendments come into play, because what we are proposing by our motions is to make the pecuniary penalties applicable only to the rail side.

Any time one is making a law, a good place to start is to review what now exists and what now works, and if we are going to improve the system, we should be focusing on the part of the system which is not now working. When you go through the various participants in the system, it is pretty clear that the part which is not now always working is in fact the railway part. A number of agencies are accountable and responsible for the movement of grain, as some of my colleagues have reported to the House. The Canadian Wheat Board markets the grain and sets out the process by which it will be forwarded by the farmers to the final buyer; and the Canadian Grain Commission monitors the system of grading the grain and sees that the proper grade and types of grain are matched up with the documentation. As well, the Canadian Grain Commission is responsible for issuing producer cards to those who wish to ship their grain directly to terminal elevators and avoid the country elevator. Then we have the Canadian Transport Commission which, through the branch line rehabilitation program, is responsible for keeping up some designated branch lines.

• (1200)

If this Bill passes the way it was introduced, we will have the Department of Transport involved in the operations of the Administrator who would be overseeing all of the other agencies which have been in place for many years. So ultimately, instead of the grain handling and marketing system being a joint effort between the Minister of Agriculture (Mr. Whelan) and the Minister in charge of the Wheat Board, we would leave all of the power of arbitration to the Minister of Transport (Mr. Axworthy) who directs the Administrator. This was essentially why we proposed to put the Administrator under the Canadian Wheat Board where he traditionally carried on for many years.

The Wheat Board and the Grain Commission can impose sanctions in order to achieve compliance with their shipping orders. If the wrong grade of grain is loaded at the country elevator—wheat graded three is loaded to fill an order for number one grade—the railway company will lose the privilege of shipping two carloads of grain. That action affects the volume of business of that particular company and they would then instruct their agents to make certain they ship exactly the kind of grain they were supposed to ship. Similarly, the Canadian Grain Commission monitors the shipment of cars in the same way.

The office of Administrator, Mr. Speaker, has been filled for the last three or four years on a sort of voluntary or co-operative basis. The appointee took personnel and expertise

from various existing agencies in an attempt to find a more fair way of allocating boxcars to system participants. Ultimately, after three years of experience, they reverted to the kind of system the Wheat Board had been using when it had the administrative functions. I am a little concerned, as are members of my caucus, with the proposed growth in administration and administrators which would come about because this office is being written into law.

We have been told that the Administrator currently uses something like 17 to 19 members of his staff, but once this change is made that will double. Because this worries a lot of people, we think it would be much better if we put some restrictions and qualifications on the role the Administrator plays. Clearly the railways are not now responsible to the grain industry and we think this is a needed improvement which could be and should be applied. Therefore, we have proposed these amendments to bring that about.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I want to rise and speak to Motions Nos. 36, 37 and 38. It might be appropriate to review Clause 18, which Motion No. 36 addresses. Clause 18, Subclause (1)(c), provides that the Administrator shall:

—from time to time, in consultation with such system participants as the Administrator deems appropriate, establish, on the basis of tonnage and on any other basis found to be reasonable—

I might add, Mr. Speaker, it was our Party which incorporated the words "and on any other basis found to be reasonable", because we felt that to measure performance simply on the basis of tonnage, while it is a very valid benchmark, may not be far enough encompassing to take in all elements. The clause continues:

—the grain transportation, shipping and handling performance objectives that, in any period, can and should be met by any system participants that the Administrator considers appropriate;

The NDP amendment sets out to remove that phrase having to do with the performance objectives which should be met by system participants. The NDP are simply trying to make the point that it is only the railroads that should be monitored because they feel only they have the power to inhibit or accelerate the movement of grain.

We, Mr. Speaker, certainly do not agree with the thrust of Motion No. 36. We all recognize that the railways have a lot to do with the movement of grain, but they certainly do not have a monopoly on whether it will move or not. We know through the course of this debate and many others which have taken place in this Chamber and in committee with respect to grain handling and transportation that we have a very complex and interdependent system. It is big business, there are many players involved, and the railways certainly share a very major responsibility for the proper movement of grain on time. But I have to remind you, Mr. Speaker, and other Members of this House that there are many other components to this system. The country elevator system consists of some 3,000 elevators and 1,200 to 1,500 delivery points. That in itself is a huge network. We have the Canadian Wheat Board, the Canadian Grain Commission, we have government involvement. We have terminals, we have the Great Lakes shipping system. There are something like 25 to 30 unions involved who can tie up the movement of grain. We have the railroad unions, the people who grade and weigh the grain, the people who load the ships, the grain handlers and longshoremen, as well as the men who man the ships. They all play a very significant role. To suggest, as the NDP does in this motion, that only the railways' performance should be monitored and only they should have objectives set I say is simply ludicrous. It is not in accordance with the way things are.

There are other conditions which affect the movement of grain, such as weather, acts of God, a whole variety of things which all have a bearing. If we are to look at the whole operation, perhaps the House should be reminded that railways work seven days a week and the country elevator system works five days a week. Sometimes that is extended during a busy season or harvest season or when a quota is open. Terminals operate, basically, five days per week. I talked about the complexity of the system. Grain is weighed six different times and graded three times before it is loaded on the boat for final disposition. Any number of things can cause a breakdown or bottleneck, and to single out the railways as the only culprit that can allow grain to move or prevent it is irresponsible.

● (1210)

Canada has an outstanding record in terms of providing top quality grain and for guaranteeing the grade, but there are six different grades of wheat alone. When you take into consideration the possibility of those six grades being tough, or damp, then there are 18 potential grades. There are five grades of durum and with the potential all those five grades for being tough or damp, you have the potential of 15 grades. With oats you could have 18 grades; barley, 21 different grades; rye, 12 different grades; flaxseed, nine different grades and rapeseed, nine different grades. We could end up handling well in excess of 100 different grades of grain.

There is also the possibility that grain is rejected because it is too dirty or does not meet standards. All this illustrates that we have a very complex system and the chance of breakdown is very real. The chance for a mixup is also very real. It is quite possible to have the wrong grain, the wrong grade, in the wrong place at the wrong time. To suggest that the railways have a total monopoly on the situation is irresponsible and ludicrous.

We agree with the thrust of Motion No. 37 where it says:

—awards and sanctions for system participants other than the railway companies shall be non-pecuniary in nature;

There is no reason one agency of Government should assess a fine in the form of sanction against another agency, particularly when that agency represents the producers. In that case, the burden would fall back on the producer. We agree with that because we have a similar amendment in Motion No. 44 which was moved in committee by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) and was debated there. It reads as follows:

(ii) sanctions to be applied to system participants or any classes thereof, other than the railways, that do not meet the performance objectives referred to in paragraph (a), shall be non-pecuniary.

I think that is fairly clear. There should not be a system of sanctions levied against the producers or a government agency which acts on behalf of producers.

It is rather interesting to see what happened in committee. The NDP took quite a different approach when the Hon. Member for Regina West (Mr. Benjamin) moved a subamendment to the motion I just read to strike out the words "be non-pecuniary" and substitute the following:

—be limited to an assessment against storage, elevation and handling charges.

He was going to allow sanctions to be applied against elevator companies in the form of additional storage, elevation and handling charges. This would have the effect of increasing the burden on producers. But now another Hon. Member says how important it is to relieve producers from any form of sanctions. In this we see the hypocrisy of the NDP. They are not really supporting the producers. They did not want the railway companies on the Senior Grain Transportation Committee and they did not want farmers on it either. They said that the Chairman of the advisory committee of the Canadian Wheat Board could represent the farmers' interests, but we said that we wanted at least five farmers on the Senior Grain Transportation Committee. And we want the railways there as well so that the farmers can deal directly with the railroads. That is democracy and that is performance, Mr. Speaker.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on these three amendments to Clause 18 of the Bill. Regarding the comments of the Hon. Member for Vegreville (Mr. Mazankowski), I can only say that if sanctions are put on such areas as handling charges and storage for elevator companies, it would reduce the amount that producers would have to pay. The sanction would be on the elevator company and it would release the total effect of—

Mr. Mazankowski: Sanctions.

Mr. Hovdebo: Those kinds of sanctions are not against the producer but are against the elevator company.

Mr. Mazankowski: I would say that would be an award.

Mr. Hovdebo: An award to the producer, yes, but sanctions against the elevators.

Mr. Mazankowski: Nonsense. You are as bad as the Hon. Member for Regina West.

Mr. Hovdebo: As far as participants are concerned, I think it is necessary to go back and see what the clause said. On page 2 beginning at lines 47, Clause 2 reads as follows:

"system participant" means any corporation, partnership or organization engaged in the transportation of grain by rail or the shipping or handling of grain for transportation by rail, as designated by the Governor in Council, individually or by class.

The point we have been trying to make here and which the Hon. Member for Vegreville has been trying to deny is that in the whole structure of the movement of grain, the agencies responsible for regulation of it are already regulated and there are sanctions which can be imposed upon them. This also applies to the railways. The Railway Act gives the Government authority to apply sanctions against the railways. It has neglected to do so, however, and that particular group of participants, the railways, has not fulfilled its duty. The sanctions on the other groups have worked and consequently we do not feel that it is necessary to increase the bureaucracy that the Bill would put in place which would only make it more difficult to ship the grain.

It is interesting also that the Party which says we should not regulate everything in this particular case wants to regulate everybody. Let us consider who are the participants in the movement of grain. That Party would put the producer under the single-man agency because the producer is responsible for the movement of grain to the elevator by rail. The way the clause stands now, the producer could be sanctioned in some peculiar way by the Administrator, the one-man agency. The trucker, whether he be a farmer moving his grain to the elevator or a commercial trucker, comes under the Administrator. The Hon. Member for Vegreville says that all of these people should be regulated by this one-man agency.

Mr. Mazankowski: I did not say that at all.

Mr. Hovdebo: The elevator is already a part of this. He is suggesting that the elevator companies, which are already well regulated through their relationship with the Wheat Board and the Grain Commission, should also come under this one-man agency, the Grain Administrator. As well, the Hon. Member for Vegreville is suggesting that the rail companies and the terminals should come under the regulation of this one-man agency. It is his Party which prides itself on stating deregulation as a basic Government policy.

● (1220)

Let me talk about another type of regulation. We believe that the Government has established a great number of awards to the railways for the movement of grain over the years as a result of its close relationship with them. This includes Canadian National which almost operates as a private enterprise corporation apart from the Government. These awards include the provision of railway cars at no cost which the railway companies are paid to use. These companies have been given a great deal of money over the years for the rehabilitation of branch lines even though the railways own that property which was awarded to them. They have been awarded huge amounts of money to rehabilitate those branch lines despite the fact they may not have fulfilled their contracts.

The only reason for the introduction of this Bill is to award the railways a guaranteed income at 20 per cent above their investment in the movement of grain. Therefore I believe it is logical to establish sanctions to control that guaranteed income so that it can be removed if the railways do not perform their

duty. We know that over the years the provisions under the Railway Act to regulate and put sanctions on the railways have not been used. Since this has not been done and the Government is either incapable or unwilling to attack its friends financially since it may need the money, we believe that if these sanctions are to be provided under this legislation they should apply only to the railways.

Motions Nos. 37 and 38, in anticipation of the defeat of Motion No. 36, make two conditions. If Clause 18(1)(c) through 18(1)(g) remain as is, Motion No. 37 and Motion No. 38 put conditions on these sanctions. First, they require that if participants other than the railways are affected, sanctions should apply in such a way as not to hurt the other participants financially. Motion No. 38 states that if the sanctions are established—

—such awards and sanctions shall not involve the allocation of railway cars nor affect the quota system of the Canadian Wheat Board.

Even the quota system of the Canadian Wheat Board is largely dependent on its authority to assign cars.

It is interesting to note that during the committee hearings the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) strongly supported the idea of Motion No. 37 and Motion No. 38, which I hope the Conservatives will continue to support if they decide not to support Motion No. 36, saying that there is a real danger in this clause of the Administrator being able to change the allocation of cars and the quota system in a way which could partially destroy the grain transportation system.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I wish to make a few comments on these amendments. First I wish to point out that at least Motion No. 37 is a belated attempt on the part of the NDP to cover up a faux pas which it had perpetuated in the committee stage. At that time the NDP had a completely different position in terms of the kinds of sanctions that were going to be imposed on producer-owned grain companies and pools in particular. They indicated that any sanctions that were to be imposed with respect to unsatisfactory performance would be pecuniary.

We now see the NDP attempting to cover their tracks in the House as a result of the very negative feedback it received from western producers when it brought in this amendment at committee stage. It is nice to see the NDP following the leadership displayed by my colleagues in our Party at the committee stage in order to have a proper perspective since it was the Conservatives who moved at committee stage that sanctions not be pecuniary as far as the pools and producer-owned grain companies were concerned.

That was a very important consideration because Members will understand that when we are dealing with sanctions against producer-owned companies, we are really penalizing the producers.

I wanted to deal with the general thrust of some of these amendments since this is our first opportunity to look at some of the provisions of Clause 18 which deal with the concept of sanctions against the railways, for failure, among other things, to perform to the expectations placed upon them under legislation and by the Government of the day. This particular part of the legislation has been subject to very serious attack by almost everyone who is knowledgeable in this particular area. I suggest it is one of the greatest flaws in this legislation. Legislatively speaking, it is one of the most cockamamie set of provisions I have seem in attempting to bring some accountability in the future to any group. In terms of its legislative wording, it is almost unenforceable.

I want to bring to the attention of the House some of the evidence which we received in the course of the committee hearings. First, let me point out that Clause 18(1)(e) provides:

● (1230)

(e) develop a notional scheme of—

I underline the word notional.

(i) sanctions applicable to the railway companies, and

(ii) awards and sanctions applicable to such system participants, other than the railway companies, as the Administrator considers appropriate.

You may ask yourself, Mr. Speaker, as a student of legislation, what does this concept "notional" mean after all? I know that if you were thinking of this word, it means very little at law indeed. It is the most arbitrary term one can think of. The Deputy Minister on behalf of the Department of Transport was questioned with respect to the meaning of this particular subclause. At page 133 of the committee hearings held on September 8, 1983 Mr. Kroeger, in responding to questions put by my colleague, the Hon. Member for Portage-Marquette (Mr. Mayer), stated:

That is the analogy that underlies the concept of a system of awards and sanctions. First of all, you design a hypothetical or notional set of awards and sanctions and then you match those against the performance of system participants in ensuing weeks and months. Then at the end of six months you conclude that this would have involved withholding X millions from CN, or that it might have involved some type of penalty vis-a-vis Manitoba pool elevators. You look at those results and say, well, that really does not make any sense in relation to what actually happened and why, so we had better change our system of awards and sanctions in the following ways and let us see how that works against grain movements in the ensuing six months, and you would go on correcting the elements of your awards and sanction system until, if all went well, you would arrive at something that really did seem to make sense. But if all went badly, at the end of the three years you would probably report to the minister that this was unworkable.

I want you to ask the question rhetorically, Mr. Speaker. If this is the Government's view of the operation of that particular sub-provision of this Bill, God help the western producer with respect to his ability to expect any sort of accountability on the part of the railways for their operation.

This is the objection brought forward time after time after time. People in western Canada, the grain producers, are being asked to buy a pig in a poke. They are being asked to embrace enthusiastically some crazy concept of accountability to which the Deputy Minister gives what I would term an equivocal answer. He has not the foggiest idea of what these concepts and sanctions are going to be. The Deputy Minister is an intelligent man. He is a person who has spent his life in the Public Service and who has been thinking seriously about this matter night and day over the course of months and I would

venture to say years. He gives an answer with respect to what the sanctions are going to be with respect to the railways. If I may be permitted to paraphrase, he said it is "a hit and miss system".

Eventually we hope that, after the benefit of some years of experience, maybe we will come to some conclusions as to what we should do to hold the railways accountable. But Mr. Kroeger's last sentence was quite revealing. He said that maybe we will find that the whole thing is unworkable. That gives precious little hope to the people of western Canada who have been sold a bill of goods, if we pass this legislation, that we will have an improved railway system to deliver the goods, that we will have a system efficient in the highest degree, and second to none in the world in terms of the transportation of grain. Yet when we look at the actual reality, what is contained in the legislation, no one can make any sense out of it. Even the Deputy Minister is not sure how it is going to work and refers to the concept of "notional" as being a hit and miss proposition. I simply say that is not satisfactory.

This is one of the reasons those of us who are privileged to come from western Canada and represent agricultural areas cannot in conscience support this legislation. We can make attempts, as the NDP for whatever reason are making attempts, to amend this legislation to bring some reality to it, and I give the NDP credit for that attempt. But this is badly thought out in terms of having the railways and other components of the grain delivery area made accountable to the Administrator with respect to failing to live up to reasonable expectations.

I say to you, Mr. Speaker, that this is one of the fundamental reasons, if I may be permitted to say so, that it is impossible for us to support this legislation. In this case the NDP is attempting to limit accountability for all intents and purposes to the railways. My colleague, the Hon. Member for Vegreville (Mr. Mazankowski), has pointed out very well recently that we cannot limit this accountability to the railways because there are so many components in terms of delivery and the efficient delivery of grain in western Canada. All of these components must be accountable and all of these different areas must have accountability to the western producer and the people of Canada.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, in dealing with the grouping of motions relating to the work of the Administrator with regard to sanctions, there are two things that I would like to point out. First is the importance of the work of the Administrator as it refers to the actual movement of grain in the bottlenecks that may occur on the Prairies. It is interesting to note that the NDP have tried to be on both sides of this issue at the same time.

An Hon. Member: No.

Mr. Gustafson: I hear someone say no. But if you go back and identify exactly who the Grain Administrator is, Mr. Speaker, you will see that the Conservatives under our administration introduced a grains co-ordinator, Mr. Hugh Horner. He identified many of the problems and many of the bottlenecks that were in the system. Actually we have a grains administrator in place. At that time Members will remember the hue and cry from the NDP. The NDP did not want a grains co-ordinator at all. If Members of the NDP would go back over their records and statements in this House, they will find their statements were diametrically opposed to what is happening here.

I think we have a situation where we must take the best of both worlds and try to amend these areas so that things will work in the best interests of the producer. The Hon. Member for Vegreville pointed out that there is more to the movement of grain than just the component of the railroads. It is most important the railroads move grain efficiently and effectively. It is most important that a grain collecting system—the grain elevators on the Prairies—is able to co-ordinate with the railroads.

By way of example, I had a phone call this morning from Boyle, Alberta, where one of the grain elevators in Boyle is absolutely congested. As you know, the Minister responsible for the Canadian Wheat Board has increased the initial price for barley. He has done that in order to get some barley into the system. He told me that there were many carloads of barley in that little town in northern Alberta which were not being shipped into the system and had not arrived at Thunder Bay. At the same time the Canadian Wheat Board tells us that there have been major problems in meeting its barley obligations. This is what I would call a bit of a bottleneck. Hopefully that situation will be straightened out in a telephone call today.

● (1240)

An administrator could identify these bottlenecks and attempt to straighten them out. On one hand, the New Democratic Party is giving the Administrator some power to deal directly with the railroads but not with the terminals, grain elevators or areas which are faced with strikes that can be very detrimental to the whole business of grain transportation. When prairie farmers hear of strikes, they are very, very concerned. If there has been one area of bottleneck in the whole system, it has been the area of strikes. Practically without exception every fall at the ports in Vancouver and Thunder Bay, just before freeze-up, there are strike scares. There have been hold-ups in the movement of grain because of strikes which have cost farmers millions and millions of dollars. A grain Administrator, working in the capacity which was set by the example of Dr. Hugh Horner, could be of great benefit by bringing to the attention of the Government, producers and all those people involved in grain handling the situation that exists. It would work in the best interests of producers and the larger system.

We have some problems with the approach of the NDP. As pointed out by the Hon. Member for Vegreville, we are in agreement with Motion No. 37 which, of course, would not penalize primary producers in a financial manner by penalizing grain elevators on the local scene. That is important.

However, let us not find ourselves throwing out the baby with the bath water. We should come up with a system that works in the best interests of farmers and of the grain handling system, which could well turn out to be one of the best in the world. The Government has specifically keyed in on the expectations of the railways and their best interests. There has been an unfair balance in looking at the problems of primary producers in terms of sanctions and better grain movement.

That is about all I have to say on the motions before the House. However, I suggest it is most important to look at a balance so that grain elevators, terminals, ports, railways and producers can work together in the best interests of a better grain movement system.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to enter into the debate on the three motions before the House. I was glad the Chair ruled that Motion No. 36 was in order. I think it is important for a number of reasons. Particularly, it amends Clause 18 by striking out lines 44 to 47.

Clause 18 was described by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) as being the most cockamamie set of regulations he has ever seen. That does not seem to be born out by the voting record of the Tories in committee. On the Crow Bill they just happened to vote with the Liberals all the way through. Most grain producers in western Canada recognize that there is an alliance behind the scenes in committee and in private meetings between the Minister of Transport (Mr. Axworthy) and the Tory Party. However, when they are out on the Prairies or giving speeches in the House of Commons, they certainly attempt to show a different side than they demonstrate in their voting record.

Motion No. 36 reads:

> That Bill C-155 be amended in Clause 18 by striking out lines 44 to 47 at page 8 and lines 1 to 41 at page 9 and substituting the following therefor:
>
> "should be met by any railway company
>
> (*d*) monitor the performance of the railway companies to ascertain whether or not they are meeting the performance objectives referred to in paragraph (*c*); and
>
> (*e*) develop, for possible implementation under section 21, a scheme of sanctions applicable to railway companies and make recommendations to the Minister on the advisability of implementing that scheme."

The reference to railway companies, of course, includes CN, CP or whoever happens to be moving grain. I concur with one of the comments made by the Hon. Member for Saskatoon West, that western Canadians are really being asked to buy a pig in a poke. It is clear that the Government and its "experts" in the field have no idea what will be the real medium or long-term impact of the Crow Bill. Prairie farmers recognize that 30,000 or 40,000 farms will disappear, will simply go up in mortgage smoke as a result of the Crow Bill. At the same time there are certain real estate interests readying themselves to buy up all these farms because the information available from the Global 2000 Report and other reports is that one of the most valuable long-term assets in the world is Canadian farms and farm lands.

The last speaker proposed that we have two agencies to do one job. We recognize—certainly I do in Prince Rupert—that something had to be done a long time ago. When the Tories were in office they brought someone in to say that there were bottlenecks. Every one on the Prairies knew where the bottlenecks were. They did not go away by having a grain Administrator observe them.

The powers being proposed by the Liberals through Clause 18 and other clauses in the Bill are ludicrous. The proposals would take sanctions against those one would think the Government of Canada would not take sanctions against. I will finish my remarks on Motion No. 36, then deal with Motions Nos. 37 and 38 and point out the serious problems with the Liberals and the Tories being together on Clause 18.

The intent of Motion No. 36 is to ensure that sanctions for failing to meet performance objectives apply only to the railroads. Other speakers from my Party have made it clear that there is not a great deal of sense in financial penalties against the Canadian Wheat Board, individual elevators or individual producers, whether they be a direct financial attack or holding back on the available number of boxcars. It is clear that the holding back of the available number of boxcars will penalize producers once again, either directly through pool funds or by simply backlogging elevators so that they cannot make deliveries. What happens is that the person holding the grain is supposed to be penalized by not getting the boxcars, but in fact he is obtaining funds for "storing" the grain in the interim period.

The powers which are proposed to be handed over are ludicrous. I wonder whether many of the powers are really required. The system under the Canadian Wheat Board seems to be working reasonably well. There is no doubt that there are bottlenecks, but to propose the powers in the legislation will not streamline the system; they will simply create more bottlenecks and more difficulties for Canadian farmers.

There are four key points in Motion No. 36. The first is that the legislation would give the Administrator the power to impose sanctions on the Canadian Wheat Board and the pools, if he so chose, and the ability of the Administrator to do so is removed by the amendment. In our view and in the view of most Canadian farmers, it is clear that to give the Administrator those powers over the Canadian Wheat Board and the Wheat Pools is unacceptable.

• (1250)

Second, there is no need to have a provision for imposing sanctions on anyone but the railroads. We recognize that the problems we have had, whether getting grain to Prince Rupert, Vancouver, the Lakehead or Churchill, have in almost every situation resulted from the railroads. If we go back a few years to 1977 and those years when Parliament was turning over huge barrels of money to the railroads to upgrade certain branch lines, we see that the money never made it to the branch lines. There was no new grade, no new ties, no new rails and no new crossings. CN and CP have demonstrated a near total disregard for the desire of Parliament. We say that if Clause 18 passes as it stands, there will be chaos in the system. Certain changes have to be obtained.

The Hon. Member for Saskatoon West and other Tory speakers have said that Motion No. 37 is an attempt to rectify a faux pas from the committee stage. We know what the Government and the Tories accepted and rejected while they were working out certain deals together behind the scene. We see what is now being brought before Parliament. We recognize in Motions Nos. 36, 37 and 38 that there are steps that we have to take to protect the farmers and the interests of the Canadian economy, which benefits from about $6 billion a year from the grain trade.

The third point on Motion No. 36 is that under Bill C-155 the railways will already be overpaid enormous sums for moving the grain. In our view and the view of most farmers, there is no justification to pay them even more for meeting performance objectives which are simply the bottom line. They are the minimum that the railways should be meeting.

The fourth point with regard to Motion No. 36 is that the Bill would place the Canadian Wheat Board in a position subordinate to the Minister. We do not believe that is appropriate. We have scrutinized, as I am sure most producers have, the ability to place the Administrator over and beyond the authority of the Canadian Wheat Board. That does not strike us as sensible. Whether the Tories think it is a notional or national idea, there is no logic to it. We believe the track record of the Wheat Board is quite good. The bottlenecks have primarily been created by the railroads.

Motion No. 37 adds to Clause 18(e) on awards and sanctions to the rail system the words "but awards and sanctions for system participants other than the railway companies shall be non-pecuniary in nature".

A Tory Member said that strikes are the real problem. He did not go so far as to say that perhaps there should be an anti-strike clause written in, but that seemed to be the theme of his speech. We say it does not make a great deal of sense to take financial sanctions against the Wheat Board, the pools or the farmers in almost every situation imaginable for occurrences that are beyond their control. Once a boxcar is at the elevator and the grain is loaded, it is out of their hands. Their responsibility is to till the land under all weather conditions, such as drought. There may be a lack of money to buy fertilizer or pay road hauling costs outside the branch line system. The farmer has to meet those responsibilities first. To propose in legislation that someone other than the railroad be taken to task is completely illogical.

Motion No. 38 would add to Clause 18(e) which was described by the Hon. Member for Saskatoon West as the most cockamamie set of regulations he has ever seen. We in this Party will be interested to see if the Tories vote as they did in committee, voting with the Liberals for this set of regulations, or voting with us to change the regulations in order to meet the interests of the farmers and the Canadian economy instead of the railroads.

I see you are rising to indicate my time is up, Mr. Speaker. Motion No. 38 adds the words "but such awards and sanctions shall not involve the allocation of railway cars nor affect the quota system of the Canadian Wheat Board." That motion speaks for itself.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to re-emphasize some of what my colleagues have said about the importance of these amendments, particularly as they pertain to requiring performance from the railways and providing for sanctions in the event that the railways do not live up to performance expectations as far as grain hauling is concerned or, for that matter, anything else.

It is a historical fact in this country that the railways have not lived up to the expectations which they have often created as a way of getting from the Canadian people and the Government various subsidies and other moneys, whether in the form of money for branch line rehabilitation, hopper cars built by governments because the railways would not keep up their rolling stock fleet, or for passenger rail services, calculated by the railways in such a way as to get as much subsidy as possible from Government invested in trying to improve passenger service in this country. The list goes on and on of ways in which the railways of this country have milked the Government and thereby the Canadian people. It is abominable that Governments have lacked the courage to make the railways perform according to the expectations they have created in order to get these subsidies.

These amendments propose finally getting tough with the railways, putting a structure in the Bill which would make that possible. We do not have confidence in the existing rules and regulations pertaining to performance by the railways. We do not have confidence in the existing agencies. We note with regularity the way in which the railways escape harsh treatment while other Canadians and institutions have to meet difficult requirements. That is one reason we have introduced this amendment, finally to correct what we perceive to be a consistent and undesirable part of the relationship between the railways and the Government. They have received a variety of subsidies over the years but have not been required to perform up to the expectations created at the time the subsidies were made. In the past they have failed to meet performance objectives on a consistent and recurring basis. This is why we believe a penalty clause is needed for the railways. I just came into the Chamber, but I understand the Tories are supporting us on this amendment.

[*Translation*]

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

SPEEDY PASSAGE URGED BY PRESIDENT OF CANADIAN LABOUR CONGRESS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, *The Toronto Star* reports that the President of the Canadian Labour Congress has now added his voice to those of the growing number of people who are asking for speedy passage of Bill C-155, the Western Grain Transportation Act. Mr. McDermott is reported as having asked his allies in the NDP to end their attempts to delay the legislation, and as urging all Parties to get on with the job of enabling improvements to the Canadian rail system in a way that protects the interests of producers. This is exactly what Bill C-155 seeks to accomplish.

The Bill has now received extensive debate. At second reading, 97 speakers participated in the debate. The Standing Committee on Transport sat for 31 days, travelled across the country, heard 240 witnesses, and made 89 amendments which improved the Bill considerably.

Nine days have now been spent on the Bill at report stage during which time further amendments have been accepted, including a proposal by members of the NDP to add a representative of labour to the Senior Grain Transportation Committee.

The task of improving Canada's railway system must proceed. More important, Madam Speaker, this legislation will create thousands of badly needed jobs across the country. I therefore join Mr. McDermott and the Canadian Labour Congress in urging the Opposition to allow this Bill to proceed quickly so that many unemployed people can be put back to work.

* * *

ABORTION

ANNOUNCED REOPENING OF TORONTO CLINIC

Mr. Gordon Taylor (Bow River): Madam Speaker, a Toronto newspaper story reads in part: "Dr. Henry Morgentaler will defy the law and reopen his Toronto abortion clinic—". I can see nothing noble about this man breaking and defying the laws of Canada. Abortions to protect the life of the mother are legal today, but Dr. Morgentaler wants abortion on demand. He wants abortion to be a birth control measure, and he thinks freedom of choice should be extended to allow for the murder of another human being—yes, even an unborn child.

World famous scientists like Professor A. W. Liley of Auckland, New Zealand, confirm that what is in the womb is "a person, a full human being that can cry, hiccup, dream, kick, suck a thumb, take 'food', regulate fluid volume, have heart beats and fingerprints—a totally separate individual who stops his mother's periods and who decides when labour should begin".

Murder is murder, whether it occurs before birth or after birth. If we permit unborn and so-called unwanted babies to be killed, the next step may be to permit the killing of the crippled, the abnormal, and the aged. Freedom of choice was never meant to include the freedom to murder. Dr. Morgentaler has a responsibility to obey the laws of Canada just the same as do the rest of us.

* * *

VETERANS AFFAIRS

REFUSAL OF OLD AGE PENSION ON BASIS OF RESIDENCY REQUIREMENT

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I would like to call to the attention of the House the plight of Mr. Doug Wright, a Canadian born war veteran who cannot draw old age pension because he is 55 days short of the 20 years of required residency in Canada after age 18. At age 27 Mr. Wright joined the Royal Canadian Air Force and was posted overseas with the 401 Squadron. He was given a Spitfire, and for two years he saw active service.

Mr. Wright was shot down off the English coast in 1943. His right leg was crushed and he spent a year in British hospitals undergoing bone transplants to save the leg. His kneecap was removed. He then returned to his job in Canada. However, his leg could not function in the cold. He tried to start a new business, and his wife worked to supplement their income.

Finally, a Department of Veterans Affairs doctor told Mr. Wright that he could expect constant pain unless he moved to a warmer climate. He and his wife moved to California, and they returned to Canada annually from 1952 until 1979 to visit Mr. Wright's mother. Canada was their home. It was because of the war wounds Mr. Wright received fighting for Canada that they had to move. It was a painful experience for the Wrights to move away from family, jobs, and friends.

Can we not find 55 days for Mr. Wright? He should at least expect and receive an ex gratia payment to cover this amount from the Department of Veterans Affairs.

* * *

HUMAN RIGHTS

NICARAGUA—ATTACKS ON JEWISH POPULATION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, this year is the thirty-fifth year since the Universal Declaration of Human Rights, and I think it bears stressing that a Mulroney Government would make human rights an important part of its foreign policy. I believe that most Canadians reject the view that rights in some parts of the world are more important than those in others. I say to the Prime Minister (Mr. Trudeau) that what happens to a nun in the Philippines,

or to a follower of the Dalai Lama in Tibet, or to a Tamil in Sri Lanka, constitutes matters of equal importance.

Obviously Canada's ability to apply pressure is greater in some parts of the world than others, but unless our national concern about people everywhere is well understood around the world, expressed concern about conditions in some places can only be unconvincing.

Dealing with Central America, for example, it seems to me that Ottawa should not approve the requested $15 million aid package to Nicaragua unless and until the Sandinistas cease their systematic attacks on Jewish Nicaraguans. Our Government has refused to reinstate aid for El Salvador and Guatemala on human rights considerations, and the same considerations should apply to Managua as well. Basic rights, Madam Speaker, should not be divisible on the basis of geography.

* * *

THE ADMINISTRATION

CALL FOR ESTABLISHMENT OF DEPARTMENT OF CO-OPERATIVES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, the New Democratic Party has long supported the principles of the co-operative movement. In fact the roots of our Party are the same as those of the co-operative movement in the West.

Over the last 20 years co-operatives have experienced a tremendous growth and now have about 10.5 million members and over $45 billion worth of assets. Co-ops market some 45 per cent of all Canadian agricultural products, including 80 per cent of the wheat crop and 60 per cent of dairy products. Canadian farmers buy 30 per cent of their farm supplies, including machinery, through co-operatives. Credit unions and caisses populaires provide from 25 per cent to 75 per cent of all retail financial services in the four western Provinces and Quebec. North America's largest consumer and financial co-ops are located in Calgary and Vancouver respectively.

In order to recognize the contribution of co-operatives to the economy, we call upon the Government to make them a permanent part of the economic structure by establishing a Department of Co-operatives, or at least a division, with the duty to co-ordinate co-operative involvement through the Government. Co-ops have more than proven the worth of their contribution to society, and it is high time that the Government officially recognized this contribution.

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[*Translation*]

PROVINCIAL AFFAIRS

QUEBEC LIBERAL PARTY LEADERSHIP CONVENTION—IMPACT OF ROBERT BOURASSA'S VICTORY

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, on Saturday, October 15, the Quebec Liberal Party elected Robert Bourassa as its new leader. His brilliant and overwhelming victory is a clear demonstration of what Mr. Bourassa represents for the people of Quebec. His words are incisive and his attitude inspires confidence. There is no doubt he will be able to draw the people of Quebec to the Quebec Liberal Party, which, with him as leader, brings new hope to Quebecers who have had enough of a péquiste and separatist Government. Madam Speaker, Mr. Bourassa's victory is a first step that may put Quebec back on the road to economic recovery.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

STATE OF ACCOMMODATION IN QUESNEL, B.C.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, as is the case in many Canadian towns and cities, Quesnel, British Columbia, has been long and well served by the Royal Canadian Mounted Police. The detachment has joint municipal and provincial policing responsibilities, and costs are divided accordingly.

The Quesnel RCMP detachment, with its 42 officers and staff, has been housed in a section of the local Post Office-Manpower building for a number of years. This accommodation is an absolute disgrace, a fact that is well known to the city, the Province, the force, and the Department of Public Works.

Of a total area of approximately 2,400 square feet, which includes the cell blocks, working areas are restricted to 29 square feet per employee. This space, which is approximately five feet by six feet, must accommodate desks, chairs, filing cabinets and the like.

Air conditioning is a wild dream and the heating system is so bad that moisture condenses on the office floor, and frost often develops on the walls of the cells. The electrical wiring has been condemned by municipal, provincial, and federal inspectors. The staff sergeant must vacate his office for every private interview and breathalyzer test conducted as his is the only office with a door.

The officers working under these unbearable conditions must suffer in silence, but the staff has registered grievances with their respective unions. The situation is critical and can no longer be tolerated. The Solicitor General (Mr. Kaplan) must move to correct it immediately.

* * *

● (1410)

DISARMAMENT

DANGERS OF ARMS RACE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, we are now beginning Disarmament Week, an internationally recognized observance of the dangers of the

arms race and of the paramount need to take bold initiatives toward multilateral nuclear weapons disarmament. Two years ago the Liberal Government observed Disarmament Week by inviting foreign nuclear warships into the Port of Vancouver. This year the Government has invited the NATO nuclear weapons planning group to meet at Montebello, Quebec. The Secretary of State for External Affairs (Mr. MacEachen) began Disarmament Week in Canada last night by toasting the U.S. Secretary of State and accepting his praise for Canada's allowing the testing of Cruise missiles in this country. These are not the actions Canadians want or need from their Government in Disarmament Week, or at any other time.

The prospect of a major escalation of the nuclear arms race is now only weeks away. United States Pershing II and Cruise missiles will soon be deployed in Europe, gravely escalating the level of nuclear armament, the level of East-West tension and mistrust, and the risk of nuclear war. These missiles will be deployed because NATO strategists believe they are necessary as a response to Soviet SS-20 missiles in eastern Europe, and because NATO politicians appear convinced that the Geneva arms reduction talks have failed to produce progress.

We are caught now in a new escalation of the super power game of nuclear weapons chicken. Canada could help end this dangerous nuclear escalation and help derail the headlong rush of the super powers toward nuclear confrontation in Europe by proposing a postponement of new weapons deployment, and insisting on a continuation of the talks at Geneva. That could be our contribution to Disarmament Week.

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HEALTH

SMOKING IN PARLIAMENTARY COMMITTEE ROOMS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, on May 24 I spoke under the provisions of Standing Order 21 and mentioned to the House the serious health effects of second-hand cigarette and cigar smoke. At that time I advised of the respiratory impairment suffered by smokers and non-smokers exposed to a chronically smoke-filled environment, and called upon the Standing Committee on Management and Members' Services to regulate smoking in parliamentary committee rooms in order to improve the quality of our indoor air and thereby to set an example for the Canadian public to control smoking in public areas. That was approximately four months ago and, to my knowledge, the recommendations I made at that time, which were based on recently reported clinical studies, have not been implemented.

Because of the proven serious health effects of such second-hand smoke, it is of great concern to me that serious consideration has not been given to regulating smoking in public areas. I can think of no better place to demonstrate this concern than in the parliamentary committee rooms.

CANADIAN WHEAT BOARD

LEVEL OF INITIAL PRICES

Mr. Len Gustafson (Assiniboia): Madam Speaker, the increase of the initial price of barley, as announced by the Minister responsible for the Canadian Wheat Board, was welcomed by farmers. However, the question remains as to why the initial price of wheat and durum was not increased as well. The asking price for Red Spring Wheat in Thunder Bay is 98 cents per bushel higher today. The asking price for durum wheat at Thunder Bay is $1.50 higher today. In checking back on the asking price of wheat over the last few months it has been found that asking prices have been considerably higher than the price the farmer is receiving. I am, therefore, calling on the Minister responsible for the Canadian Wheat Board to take the necessary steps to increase the initial price of wheat and durum so that farmers can meet the serious cash flow problems which they face at this time.

* * *

SCIENCE AND TECHNOLOGY

AEROSPACE INDUSTRY—NEED FOR INCENTIVE BASED STRATEGY

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, the astonishing sweep of technological advance seems to have brought us to the threshold of war in space and war from space. Already nations routinely rely on military satellites for surveillance and communications. Surveillance satellites are a vital component of both super powers' capacity to verify each other's adherence to arms limitation agreements, and to guard against a secret mobilization which would precede a pre-emptive war.

The leading edge of space technology has now moved toward killer satellites which can destroy the surveillance and communications satellites of other nations. There is even discussion of laser and particle beam weapons deployed from space stations.

The peaceful use of space as a place for industry, communications, and surveillance, is every bit as significant as the potential military uses. The incredible innovation of the Canada Space Arm has revealed to the world that Canada is among the world leaders in space age technology. Canada must maintain the capability to participate in the leading edges of high technology if Canada is to preserve or better her place in the world.

I, therefore, urge the Government to institute an incentive based strategy to expand Canada's role in research and development in the high frontier of aerospace technology and to expand its efforts in securing industrial agreements in international defence related industries. Canada should seek to secure larger portions of these expenditures as a condition or component of international, bilateral or multilateral agreements, thereby securing an important corner in a rapidly expanding present and futuristic field of employment and productivity.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT BLAMED FOR INCREASE IN VIOLENT CRIME

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of State for Economic Development. I am sure the Minister is aware of the concerns expressed over the weekend by Mr. Phil Givens, the Chairman of the Toronto Metropolitan Police Commission, relating to the substantial increase in violent crime. Mr. Givens stated that the bitterness, anguish and suffering of unemployed youth are the number one reason for this sharp increase in violent crime. First, does the Minister agree with Mr. Given's comments? Second, what is the Government doing to address this problem?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not entirely clear why the question on violent crime in Toronto is addressed to me as Minister of State for Economic Development.

Mr. Epp: He just gave you the reason.

Mr. Johnston: I have not considered the comments of that gentleman.

I would not at this point want to go through the numerous measures which the Government has taken to deal with the problem of youth unemployment, in particular, unless the House would wish me to do so. The former two Ministers of Employment and Immigration have addressed this problem, and we are continuing to address it. It remains a major priority of this Government, as the Hon. Member knows. However, it seems to me that there may be a lot of reasons why there are problems of violent crime in Toronto and other urban areas, not only in Canada but in the United States and elsewhere around the world, other than this particular issue of youth unemployment.

Mr. Wilson: Madam Speaker, I addressed the question to the Minister because the Minister of Employment and Immigration was not in the House. I thought the Minister of State for Economic Development would have some interest in youth unemployment.

INTRODUCTION OF JOB-CREATION POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, all we have heard from the Minister of Employment and Immigration are his statements about some phantom policies which he is going to bring in with the Throne Speech. Would the Minister explain to this House why these policies cannot be brought into effect right now when the problem is so severe, rather than wait for some indefinite time in the future when a Speech from the Throne will be brought down?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I believe that is a repetition of a question which was addressed last week to the responsible Minister. The Hon. Member is fully aware of the programs which are in effect. Never in the history of this country has so much money been devoted to job creation as has been devoted by this Government.

Mr. McDermid: There have never been so many unemployed, either.

Mr. Johnston: We still recognize, and will continue to recognize, as the Minister said in this House last week, that youth unemployment is a major priority of this Government, and will continue to be so. This problem has been addressed, is being addressed, and will continue to be addressed.

Mr. Wilson: Madam Speaker, the Minister knows that the policies which have been set out apply to 31,000 youth, or 6 per cent of the unemployment problem. That is not action.

IMPACT OF UNEMPLOYMENT INSURANCE PREMIUMS ON YOUTH UNEMPLOYMENT

Hon. Michael Wilson (Etobicoke Centre): Last week in the House, Madam Speaker, I made reference to a long term problem and to something which could create longer term jobs for our youth when I referred to what the Canadian Federation of Independent Business was saying, to the effect that the unemployment insurance program is far broader than just an insurance program, that it is a social program. Yet it is still funded by a payroll tax which hits small business far harder than large business, and inhibits the creation of permanent youth jobs.

Mr. Rossi: Question.

Madam Speaker: Order.

Mr. Wilson: Does the Minister agree that a further increase in unemployment insurance premiums will aggravate this problem of youth unemployment?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am happy to take notice of questions which are being put by the Hon. Member and to address the questions which seem to be puzzling him. The whole issue of unemployment insurance has been under review for many years. It has been modified. The Act has been updated. It is obviously a program which has to be revised constantly, fine tuned, and designed to meet the circumstances of the day. However, surely everyone in this House, in fact everyone in Canada, will have to admit that the program has served this country very well indeed during one of the most difficult periods the country has ever faced, the worst depression since the 1930s.

● (1420)

The Hon. Member talks about violence in Toronto, Madam Speaker. I suggest it is programs like unemployment insurance, cost-sharing work programs and the other safety nets established by Liberal Governments over the years which have provided for stability and, perhaps not eliminated, but certainly made the social stability in Canada the envy of many other countries in this world, including our neighbour to the south. That has been the effect of existing programs, but the Government has never been satisfied with the status quo. We are always looking forward. Indeed, if further modifications can be made that will help improve that situation, they will be made.

JOB-CREATION INITIATIVES—TIMING OF ANNOUNCEMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, it is because of this forward looking Government that I would like to direct a question to the Right Hon. Prime Minister in the absence of the Minister of Employment and Immigration.

Again on the weekend, and this is the third time now, the Minister of Employment and Immigration said in Saskatoon:

> The country's unemployed will get some welcome news in the next Throne Speech. Roberts told an employment seminar the speech will outline new employment initiatives concentrating mostly on young people who need experience to get jobs.

When are we going to get these initiatives? Why can we not get them now? When we do get them, will these young people be hired now, or will we have to await commencement of the next fiscal year?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member's quotation indicated the announcement would be made in the Throne Speech. As the House knows, we have been hoping to start this new session, and we have been saying that for at least six months.

Mr. McDermid: Four years.

Mr. Trudeau: As soon as the Opposition gets its act together and passes the Crow and the Government Organization Act—

Mr. McDermid: What a phony.

Mr. Trudeau: Madam Speaker, I would like to draw to the attention of the Leader of the Opposition that he talked about civility in this House and he was distressed not to see it on this side. Perhaps he could look at his own side.

Some Hon. Members: Hear, hear!

REQUEST FOR EARLY INTRODUCTION OF INITIATIVES

Hon. James A. McGrath (St. John's East): Madam Speaker, there are one in five young people unemployed today, a total of 566,000, who are told by this Government they have to wait for the Speech from the Throne. Given the fact that youth unemployment has been hovering around 20 per cent for about six months, why can the Government not act for these young people, and act now? The Prime Minister knows this House is prepared to set aside its business to hear whatever new programs the Government has to put in place for young people, and to hear them now.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is the trouble with the Hon. Member's Party. It wants to set aside the business, which is the Crow, business which will cause investment in Canada of some $33 billion over the next four years. This is a lot of jobs. Instead of setting aside the business, why does it not deal with the business at hand rather than hiding behind the curtains?

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UNEMPLOYMENT INSURANCE

INELIGIBILITY OF NEWFOUNDLAND FISHERMEN

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. Over the course of the last two or three weeks he and I have been looking at the problem of people who are unemployed and are not eligible for unemployment insurance. Given that the federal Department of Employment and Immigration estimates that over 2,300 inshore fishermen and seasonal plant workers in Newfoundland will not be eligible for unemployment insurance this year because they have not worked a sufficient number of weeks to qualify, what does he suggest they should do?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, we have already had this question in the House, I think, twice. Perhaps the Hon. Member missed the response. I indicated I had been discussing with my officials special efforts which might be made to respond to this problem. There are a variety of things that could be done and we are examining them, as I indicated to the House a couple of weeks ago. It has been difficult for us to decide on a course of action until the fishing season was at an end so we could see what was the full extent of the problem.

PLIGHT OF PEOPLE WITHOUT BENEFITS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, if the Minister wants to answer for the Minister of Finance, that is fine.

When the Minister develops his program for dealing with the problems of these inshore fishermen and plant workers, will he offer the same kind of programs to all the other people in Canada who do not now qualify for unemployment insurance, who cannot find employment, and who are faced today with an inability to meet their basic financial commitments and requirements, and have been forced onto welfare by the Government's inaction?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, one of the possible approaches to take

to this problem is to change the regulations in connection with the number of weeks of fishing required in order to obtain benefits. Obviously, if we are talking about that kind of approach to the fishing situation, we could not apply that generally to a whole range of other occupations.

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LABOUR CONDITIONS

UNEMPLOYMENT IN CALGARY AND CAPE BRETON—EXTENT OF GOVERNMENT GRANTS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration who will know that the city of Calgary has had an unemployment rate greater than the national average for several months in a row. In that context, Canada Works and the LEAD Program will be providing $500,000 for 40,000 unemployed people in that city. That is $12.50 a year per unemployed person. In the meantime, in Cape Breton, the Minister is providing $6,509,000 for 11,000 unemployed people, or $591.72 per person.

Madam Speaker: Order, please. This enumeration of statistics, I suppose, is going to lead to a question, but it must do so immediately.

Mr. Hawkes: Madam Speaker, is that the Minister's view of Liberal justice? Is that his view of Liberal fair pay? Does he think that candidates in western Canada will be proud to go on the hustings with that kind of information to convince western Canadians to stay in this country?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, as I have explained to the House, the allocations are based on a formula which has been communicated quite clearly to Members. That formula essentially reflects the labour surplus in each of the constituencies, either over a short-term period if we are discussing Canada Works, or over a four-year period if we are talking about the LEAD Program. The same formula is applied to all constituencies and produces results which are sometimes more favourable or less favourable to constituencies depending upon what the labour surplus has been.

Mr. Hawkes: Madam Speaker, with those kinds of explanations I think youth unemployment will be higher than the Liberal standing in the Gallup fairly quickly.

Mr. Deans: It is already higher.

RATIO OF GRANTS PROVIDED CALGARY AND CAPE BRETON

Mr. Jim Hawkes (Calgary West): Madam Speaker, I ask the Minister as clearly as I can whether or not he thinks it is fair to provide the people in Cape Breton with 47 times as much money per unemployed person as he provides in the city of Calgary? Is that the Liberals' idea of a just and fair formula for allocating employment funds?

Mr. Lalonde: Get your figures right.

Hon. John Roberts (Minister of Employment and Immigration): Yes, Madam Speaker, I think the formula is fair because it does focus the funds into those areas where there is the greatest need as defined by the labour surplus rate.

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NATIONAL DEFENCE

SENATE REPORT ON MARITIME COMMAND

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of National Defence. In June of this year the Senate Subcommittee on National Defence issued a report on Canada's Maritime Command, which used to be called the Navy, which was in effect a devastating critique of Canada's naval capabilities. The Minister has had this report for four months. Is his Department preparing a response? If so, when might it be made public? If not, why not?

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, first of all I would like to congratulate the Hon. Member on his having been made official Opposition defence critic and his having been recognized to ask his first question.

Indeed, Madam Speaker, there has been a report tabled in the Senate and a response is being prepared. I have been urging that the response be brought forward as rapidly as possible, and of course, it would be dealt with in the Senate because that is where the initial report was tabled.

Mr. Andre: Madam Speaker, I would just remind the Minister that he was not here one day and I asked a question of the Prime Minister.

STRENGTH OF NAVAL FORCES

Mr. Harvie Andre (Calgary Centre): Madam Speaker, after examining Canada's naval capabilities the Subcommittee reached the inescapable conclusion, which many other people have reached, that the Navy, in both current and projected manpower and equipment, simply cannot fulfil the country's defence objectives. Is it the Minister's intention to press for more resources for Maritime Command or the Navy? Alternatively, does he feel that the ten warships to which we will be reduced, basically, by 1992, are sufficient to defend 59,000 miles of coastline?

• (1430)

Hon. J.-J. Blais (Minister of National Defence): Madam Speaker, I do not accept the allegation made by the Hon. Member relating to the number of warships we will have in 1992. As he knows, we have met the time frame that we had identified relating to the replacement of the first six frigates, the St. Lawrence class; the contract has been let and the Government is seeing to its responsibilities relating to the capacity of the maritime forces. As well, we welcome the

report from the Senate. I will be addressing the recommendations of the Senate within that particular Chamber.

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AIR SAFETY

DANGERS POSED BY CIGARETTE SMOKING

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is for the Minister of Transport and concerns a question that has been raised before with regard to safety and regulations on smoking, and the consideration of banning smoking on aircraft. It is not only a question of smoke and the health hazard of smoking on aircraft, but butane flames, matches and the lighting of that material which can be explosive.

An Hon. Member: Do you smoke?

Mr. Harquail: As a matter of fact I do not smoke.

Miss Campbell: That is why you are asking.

Mr. Harquail: I was just confirming that the Hon. Member was quite correct. I gave up that habit some time ago.

Is the Minister considering any action within his Ministry to have the Canadian Transport Commission investigate the danger to passengers inherent in allowing smoking on aircraft, and the measures that could be taken to avoid such danger, by considering the banning of smoking on aircraft?

Miss Campbell: With larger ashtrays.

Mr. Harquail: Could the Minister inform the House if any steps are being considered within his Ministry, or within the Canadian Transport Commission, to protect all Canadians travelling in Canada, indeed including Members of this House, Madam Speaker.

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, the Hon. Member asks a very serious question and it deserves a serious answer. We are carefully considering the whole question relating to fire safety. We are working very closely with the United States Federal Aviation Agency which has just put forward a new series of regulations on fire resistant materials. They have promulgated orders and we will be looking at the responses to see if they can also be applied in Canadian aircraft because of the close linkage and the shared air routes between the two countries.

At the same time, my colleague's Department of National Health and Welfare is also looking at questions relating to smoking generally, as a health hazard. I think the combination of those two investigations will ensure that we provide the most effective balance of measures to protect the Canadian public in their air travel.

EXTERNAL AFFAIRS

GRENADA—INTERNAL POLITICAL SITUATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I should like to direct my question to the Prime Minister or to the Acting Secretary of State for External Affairs. It concerns the continuing confusion over the status of the island of Grenada in the Caribbean. I wonder if the Prime Minister or the Acting Minister could indicate what the situation in Grenada is, not only for the edification of the House but as well for the literally thousands of Canadians of Grenadian heritage who are in Canada.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member will be reassured to know that while the situation in relation to the form of the future government in Grenada is unclear, the situation today is calm. There is a representative of our mission in Barbados who is presently in Grenada to observe the situation. There appears to be no danger whatsoever to the 81 or so Canadians who are resident in that island for one reason or another, or to the few Canadian tourists who are there at the present time.

COMMUNICATIONS INQUIRY

Mr. J. M. Forrestall (Dartmouth-Halifax East): I thank the Minister for that answer, Madam Speaker. May I ask him whether he is in a position to indicate to the House if air flights and the normal means of communication, air and boat and as well telecommunications, telephones, are in working order with Grenada? Granada is a beautiful city, but it is in Spain.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I am unable to confirm to the Hon. Member the situation in relation to telecommunications at the moment, but they have been normalized, and flights have been arriving on and departing from the island.

* * *

GARRISON DIVERSION

CANADIAN REPRESENTATIONS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of the Environment who, this past weekend, met in Halifax with American officials, including the U.S. Secretary of State and the head of the environmental Protection Agency. I should like to ask the Minister what, if any, representations he made with regard to the Garrison diversion issue, and what response he received from the Americans.

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, in conjunction with our Secretary of State for External Affairs, we made representations on the Garrison proposal both on Phase One and Phase Two. We registered Canadian concerns very strongly and very firmly once again.

They were well received, and I think it was a worth-while exchange of views which might lead to an improvement in mutual understanding of what the proposal will lead to in the long term.

REPORTED USE OF FALSIFIED INFORMATION BY PROJECT SUPPORTERS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I have a supplementary question for the Minister. Last week we learned that the United States Department of the Interior has used bogus information to justify claims that Garrison will not adversely affect wet lands and wildlife habitat in northern Dakota. Can the Minister tell us whether this item was discussed on the weekend, and can he tell us what the Canadian Government is doing to check whether any such falsified information has been used by Garrison supporters to justify portions of the project which may have possible adverse effects on the Manitoba ecology?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, in reply to the Hon. Member's question I should like to add that yesterday we obtained agreement to a meeting to be held in Washington between Canadian and American officials in November. They will work out a number of irritants related to Phase One. If that takes place in a satisfactory manner, I hope that some of the concerns of the Hon. Member will be met.

* * *

AIR CANADA

RCMP REPORT ON SELECTION OF MONTREAL HEADQUARTERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the Minister of Transport. In view of his commitment of last week, I wonder if he has had an opportunity to review the RCMP report on the Air Canada matter. If so, what action does he intend to take, separate and apart from anything that has been referred to the Attorney General of Quebec, in regard to criminal implications?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, surely the Hon. Member should know that when a matter is still being considered by an officer of the law, it is a matter on which I cannot comment. I have not had a chance to look at the report. As the Attorney General still has the report on the legal side under advisement, it is a matter on which I cannot comment in the House.

REQUEST THAT TRANSPORT COMMITTEE BE CONVENED

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question is addressed to the Chairman of the Transport Committee. There has been some discussion, and a letter, separate and apart from any alleged criminal activities or implications with regard to the RCMP report. Could the Chairman take steps to convene the Transport Committee forthwith—which has not been sitting for two weeks and which is seized of the Air Canada matter—so that other areas of interest which affect the administration of Air Canada and its operation could be properly examined by the Committee?

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, as the Hon. Member well knows, the Committee has not been sitting for two weeks, but it sat continuously for three months. There is a very important piece of legislation before the House in which members of the Committee are interested, and many Members feel they should be in the House for that debate.

Furthermore, it is my understanding that the President of Air Canada is out of the country for this week and next. It seems to me it would be unfair to call that Committee when he is not available.

* * *

MARINE TRANSPORT

SINKING OF LAKE ERIE FISHING TUG

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct my question to the Minister of Transport. He is undoubtedly aware of the recent sinking of the *Jorge B*, a fishing tug, in Lake Erie, with the resultant tragic loss of three lives. Since that accident concerns have been raised about the seaworthiness of the vessels used in that operation, the inadequacy of the safety equipment, and the lack of proper inspections and proper training for captains. In light of this tragic loss of life, may I ask the Minister if he has looked into the matter? What steps is he taking to improve the situation there in order to prevent further loss of life and further tragedies of this nature?

• (1440)

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, as in all cases of this kind the Coast Guard makes an immediate examination, and an investigation will take place. I think many of the judgments made by the Hon. Member will have to wait for a full accounting from that kind of an examination. If some of those in fact prove to be the case, we would take the appropriate action to correct them. But I would ask the Hon. Member to await the full examination and assessment that we can make and I will share that information with him.

ABSENCE OF LIFEBOATS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I appreciate the Minister's answer. However, the *Windsor Star* surveyed the fleets in the Wheatley and Kingsville area and found that of 37 boats moored at Wheatley on one afternoon, six did not have lifeboats on deck, and of 20 boats which were moored in Kingsville, eight had no lifeboats. In view of that situation would the Minister not consider it urgent enough to

take action immediately to ensure that immediate steps are taken, rather than waiting for the full fledged inquiry that is going on?

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I will certainly take the Hon. Member's representations and speak with Coast Guard officials in that area to determine the accuracy of those reports. If they are accurate, we will take the proper action.

* * *

INDUSTRY

WHITE FARM EQUIPMENT LIMITED—DELAYS IN DELIVERIES OF PARTS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I understand that the receiver of the White Farm Equipment Company is releasing parts to dealers. However, the parent company in the United States is giving delivery times of several months. It appears that it is holding up delivery of parts until the ownership of the Canadian firm is settled. Has the Minister been advised of this and, if so, what action has he or will he take to get these parts delivered to Canadian dealers immediately?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, this is the first time I have heard of that situation so I obviously cannot respond positively to the Hon. Member. I will look into the case.

* * *

NATIONAL SECURITY

SOVIET ESPIONAGE IN CANADA

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. In Sudbury recently the Solicitor General said that "there is a lot of Soviet espionage in Canada and I do not think most Canadians realize it". In order for the Minister to give Canadians and Members of the House a better idea of what he meant, would he state exactly how much Soviet espionage there is in Canada? Has he communicated and explained his views to the Secretary of State for External Affairs?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, this gives me the opportunity to comment on a report which attributed to me a certain quantification of the number of Soviet spies in Canada. I want to assure the House that I gave no such precise quantification. I indicated that there obviously is in this country—as Canadians know from the occasional Png-s, the expulsion of Soviet diplomats—a threat to our national security from agents of the Soviet government in this country. Of course the numbers that are png-ed are a small proportion of the total amount of activity under surveillance in that respect by the Security Service.

REPORT OF MINISTER'S SPEECH

Mr. Chris Speyer (Cambridge): The Solicitor General, in his speech in Sudbury to the Canadian Bar Association, said that the KGB's role was continuing to expand. Will the Minister quantify his statement that "there is a lot of Soviet espionage in Canada, and I do not think Canadians realize how much there is"? Just how much is there?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not feel it is in the public interest to give precise figures about that, neither did my predecessor from the Hon. Member's Party when he was Solicitor General.

I would remind him that if we can move quickly to the establishment of the new Security Intelligence Service, something that I advocate to the House, we would be in a position to have an external review committee which would, for the first time, have the power to overrule, in effect, the Solicitor General and decide that it might be in the public interest to give out that type of concrete information. I am not prepared to do it, but I invite the Hon. Member to support a system in which he would have access to a review of a decision about national security by the Solicitor General.

* * *

PUBLIC WORKS

NATIONAL ARTS CENTRE—RESPONSIBILITY FOR STRUCTURAL DEFECTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Public Works. It concerns structural problems in the National Arts Centre. Sidewalks are crumbling, and water penetration is being found in the recently renovated mechanical room. As well, there are such bizarre conditions as a faked expansion joint, continuous water leaks from unidentified sources, and drains solidly plugged with concrete. Who, and what, are responsible for these conditions?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I will obviously inquire into the accuracy of the details alleged by the Hon. Member and I will give him an answer.

REQUEST THAT MINISTER LAUNCH INQUIRY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, these repairs will cost the Canadian taxpayers some $300,000. Is the Minister prepared to launch an independent inquiry into the structural problems to determine why there has been no quality control and proper inspection of concrete work at the National Arts Centre?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, if the problems alleged by the Hon. Member are more than normal problems of maintenance, I will obviously want to find out why.

* * *

DANGEROUS PRODUCTS

INJURIES CAUSED BY SOFT DRINK BOTTLES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in the absence of the Minister of Consumer and Corporate Affairs my question is directed to the Prime Minister. Four years ago the Government banned the use of 1.5 litre pop bottles after reports of widespread injuries, including several children who lost their eyes. Although the injury record of 750 mililitre bottles was just as bad, no similar action was taken whatsoever, with the result of some 300 injuries reported since then. Now that the Minister of Consumer and Corporate Affairs has met with the industry, what action will the Government finally take to ban the use of these dangerous bottles or, at the very least, to impose the same standards on these bottles as it earlier imposed on the 1.5 litre bottles?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, the Hon. Member is aware that the Minister of Consumer and Corporate Affairs met with representatives of the industry on Friday. While I have not yet had the opportunity to speak with her, I am sure he is also aware of press reports stating that the industry is prepared to conduct an advertising campaign to make consumers aware of the dangers of these bottles. Furthermore, I think he will understand that there was tremendous concern over the previous ban in that it imposed tremendous costs on the industry. Apparently studies have indicated that the costs of such a ban on the 750 mililitre bottle would be prohibitive. I think he should take these arguments into consideration.

Mr. Robinson (Burnaby): The Minister admits that the bottles are a hazard, yet all she is doing is sweet-talking the industry into some sort of PR campaign.

REQUEST THAT BOTTLES BE PLASTIC COATED

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in view of the fact that the industry has a plastic bottle coating plant in Ontario which has been sitting idle since January of this year, why does the Government not use its power effectively to ban these bottles or, at the very least, require that they be coated as the 1.5 litre bottles were coated, and stop mimicking the industry in claiming it costs too much? What is the cost of an eye or arm to a family whose child is hurt by these bottles?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I do not think it is correct to characterize the Minister's action as sweet-talking. However, we are accustomed to that kind of hyperbole on the part of the Hon. Member. The suggestion he makes is one of those which, I understand, is being considered by the Minister and the industry.

Madam Speaker: The Hon. Member for Burnaby.

Some Hon. Members: Oh, oh!

PROMISE OF NEW STANDARDS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, three years ago the industry promised new standards for this bottle, yet it has done absolutely nothing. How many more children will have to lose their eyes or arms before these dangerous bottles, one of which I will—

Some Hon. Members: Oh, oh!

Madam Speaker: Order. The Hon. Member knows that he is not to exhibit any object in the House. I would urge him to do away with that object. The Hon. Member for Burnaby.

Some Hon. Members: Oh, oh!

Mr. Robinson (Burnaby): I will certainly send a sample bottle to the Prime Minister—

Some Hon. Members: Sit down.

Madam Speaker: Order. Will the Hon. Member please resume his seat? The Hon. Member for York-Peel.

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● (1450)

EXTERNAL AFFAIRS

FRANCE—FURNISHING OF JET FIGHTERS TO IRAQ

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of State for External Relations. Would the Minister indicate whether the Government of Canada has warned France of the danger of furnishing advanced jet fighters to Iraq, as have the Governments of the United States, the United Kingdom, the West German Republic, and many of the Gulf nations themselves?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, we are quite aware of the fact that the provision of those planes to Iraq may cause greater tension between Iraq and Iran, but we have made no formal representation, to my knowledge, to the French Government on this matter.

REQUEST THAT MINISTER MAKE REPRESENTATIONS TO FRANCE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is for the Minister of State for External Relations. Surely he will agree this is perhaps the most delicate region in the world today. Would the Minister at least

consider making representations to France and explain the concern of the Canadian Government with respect to its action in furnishing these aircraft?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Madam Speaker, the Government is very much aware of that, and that is one of the reasons why the Secretary of State for External Affairs will be travelling in the region very soon.

* * *

HUMAN RIGHTS

NICARAGUA—PERSECUTION OF JEWISH COMMUNITY—AMOUNT OF CANADIAN AID

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Minister of State for External Relations. The Minister will be aware that the Jewish community in Nicaragua has been reduced to 50 persons and the Sandinistas have waged a systematic campaign against them since 1977. Will the Minister tell us whether this factor and other human rights factors will play a significant role in deciding whether or not Nicaragua will get the $15 million aid package that has been asked for it by the NDP?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member will recognize that the aid packages determined by CIDA are not based upon the findings of the New Democratic Party.

Mr. Stevens: Since when?

Mr. Kilgour: Madam Speaker, the point is that human rights in El Salvador, Guatemala and Nicaragua are equally important.

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EXTERNAL AID

SOMALIA—AMOUNT OF CANADIAN ASSISTANCE

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, on the question of double standards, will either the Minister of State for International Trade or the Minister of State for External Relations tell me why Somalia got $2 million in development aid from Canada last year when it is one of the ten poorest countries? I remind the Minister it is one of strategic importance to the free world and it has been a country staunchly in favour of the free world for about seven years now.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, Somalia is certainly one of the poorest countries in the world. It is not a country that had received a substantial amount of aid from Canada over a long period of time. I think the fact that that amount of aid has been given indicates an increased interest on the part of Canada in that country and in that area.

CROWN CORPORATIONS

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO AMERICAN SUBSIDIARIES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Prime Minister. Can the Prime Minister advise this House whether wholly-owned subsidiaries, American subsidiaries of Crown-owned corporations, are subject to the same conflict of interest guidelines as regular Crown corporations?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understand the Hon. Member is talking about a Canadian Crown corporation which would own a subsidiary in the United States. I would think so, Madam Speaker.

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THE ADMINISTRATION

REQUEST FOR APPOINTMENT OF MINISTER OF STATE FOR MINES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Prime Minister. Last week in response to a question the Prime Minister left the impression that it is not his intention to replace a Minister of Mines to fill the vacancy created by the resignation of his only Minister from Newfoundland. The Prime Minister knows of the reaction of the mining industry to that statement. He left the impression that it might take months, if ever, before a new Minister is appointed. Would the Prime Minister be willing today to be more precise as to what his intentions are with respect to that, namely, will there be another Minister of Mines and a more precise date when the appointment will take place?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot make out what the Hon. Member is allegedly saying about the mining industry. Those who are in the mining industry and know their business know that they have a perfectly good mining Minister in the person of the Minister of Energy, Mines and Resources.

An Hon. Member: Why do we need another Minister then?

* * *

ENERGY

PRICE OF GASOLINE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Two days ago a person could buy one litre of unleaded regular gasoline in the United States for 33 cents. Why does it cost a person up to 38 per cent more in Canada for that same litre of unleaded gas?

Mr. Lalonde: Which Province?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I can reply to that question. The big difference in the prices in Canada is very often caused by the provincial taxes.

Some Hon. Members: Oh, oh!

Mr. Chrétien: In the case of Quebec, for example, the Province of Quebec takes much more money than any other Province. There is no provincial tax in Alberta. There is a substantial tax in Ontario and, if you compare the level of provincial tax in Ontario and the tax levied in most of the neighbouring States of the United States, the take by the American States is much less than that taken by the Ontario provincial Government or the Quebec provincial Government.

LIBERAL PARTY PROMISE ON PRICE

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I am sure the Minister will know that the federal Government is taking at least the largest portion out of every dollar of gasoline purchased at the pump.

Some Hon. Members: No.

Some Hon. Members: Yes.

Mr. Gurbin: Can the Minister of Energy, Mines and Resources tell us where his promise and the Liberal promise that prices would not elevate beyond 75 per cent of world levels has gone? Where is that promise now? Does that mean Canadian voters, consumers, farmers, business men, and everyone who uses gas, should forget about any promise or commitment to 75 per cent of the world level?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Hon. Member is not too familiar with the last campaign. In the last campaign we said that there was not to be the 18-cent tax above normal prices.

Some Hon. Members: Oh, oh!

Mr. Chrétien: I would like to correct the Hon. Member when he says that the federal tax in Canada is much higher than in the United States. It is at about the same level as in the United States. The big difference in Canada is caused by provincial taxes which are much more in most Provinces than the taxes charged by the States in the United States. Of course the Province of Alberta, and Saskatchewan, have no sales tax and that is why the prices are competitive there.

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FISHERIES

RESTRUCTURING OF EAST COAST INDUSTRY—AGREEMENT WITH BANK OF NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my question is for the Minister of Fisheries and Oceans. It is my understanding from the court proceedings in the fisheries products reorganization in Newfoundland that there is a secret agreement between the Government of Canada and the Bank of Nova Scotia relating to the restructuring of the fisheries. Is it the Government's intention to disclose the details of this agreement to Parliament? If not, why not?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I can say to my hon. friend that this agreement reached between the federal negotiator and the president of the Bank of Nova Scotia has been transmitted in confidence to the Premier of Newfoundland and Labrador, and I think also to the Premier of Nova Scotia. As for making it public, I do not think, because of the sensitive commercial nature of that document, that I am at liberty to make it public at this moment.

Mr. Crouse: I thank the Minister for that answer, Madam Speaker.

NATURE OF FEDERAL GOVERNMENT'S COMMITMENTS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I have a supplementary question for the Minister of Fisheries and Oceans. Did this secret agreement involve the Government in making unusual or special commitments? If so, what are they? What are the amounts committed, and was Nova Scotia's restructuring agreement contingent upon access to the Gulf fishery in 1983 and beyond?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, there is absolutely nothing secret. The agreement that has been reached with the Bank of Nova Scotia and Premier Peckford has been made public by Premier Peckford and myself at a joint press conference. We gave all the figures.

As for fishing allocations, I can assure the Hon. Member that the federal Minister of Fisheries today or in the future will never allocate fish on a bilateral basis. All Provinces participate in that question. For instance, last week all the Deputy Ministers of Fisheries, including the one from Nova Scotia from where the Hon. Member comes, participated in a meeting in Ottawa precisely on that topic, among others. This is the only way we can keep the confidence of all the participants. If I start doing secret deals with one Government, at that point of course there will be a lot of skepticism.

Report of Special Committee

● (1500)

ROUTINE PROCEEDINGS

[*English*]

COMMISSION ON JUDGES' SALARIES AND BENEFITS

TABLING OF REPORT AND RECOMMENDATIONS—REFERENCE TO COMMITTEE

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am pleased to lay upon the Table, in both official languages, a copy of the report and recommendations of the Commission on Judges' Salaries and Benefits; and I ask that this report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

[*Translation*]

CANADA ELECTIONS ACT (NO. 3)

MEASURE TO AMEND

Hon. Yvon Pinard (President of the Privy Council) asked for leave to introduce Bill C-169, "An Act to amend the Canada Elections Act (No. 3)".

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

* * *

[*English*]

STANDING ORDERS AND PROCEDURE

CONCURRENCE IN SIXTH REPORT OF SPECIAL COMMITTEE

On the Order: Motions:

October 3, 1983—*Mr. Baker* (Nepean—Carleton) *(Vice-Chairman of the Special Committee on Standing Orders and Procedure):*

That the Sixth Report of the Special Committee on Standing Orders and Procedure, presented to the House on Tuesday, March 29, 1983, be concurred in.

Hon. James A. McGrath (St. John's East): Madam Speaker, the Hon. Member for Nepean-Carleton (Mr. Baker) cannot be in the House today because he is attending the funeral of the police officer who was so tragically shot last Friday. On the weekend he asked me if I would move concurrence in the sixth report on his behalf.

Madam Speaker: Is there unanimous consent for the Hon. Member for St. John's East (Mr. McGrath) to move this motion in the absence of the Hon. Member for Nepean-Carleton (Mr. Baker)?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is no consent.

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. I submit that consent is not required. I anticipated this kind of situation arising. I am prepared for it, and I want to make submissions to the Chair.

There has been a long standing practice in the House that, where there has been a specific request by an absent Member in whose name a motion stands on the Order Paper for another Member to move it, it has been done as a matter of routine. I wish to cite some precedents for consideration by the Chair. The first is Citation 402 of Beauchesne's Fifth Edition, wherein the following is set forth:

> Merely formal motions for the adoption of reports or for certain papers, to which there is no objection, are usually permitted to be made in the absence of the Member who has placed the notice on the Order Paper.

I ask the Chair and its advisers to pay particular attention to the position of the commas in that sentence, because I propose referring to the Fourth Edition as well as to the French edition of Beauchesne for an elaboration on this submission.

Citation 402 at first glance would appear to preclude motions for the adoption of reports to be made in the absence of the Member who placed the notice on the Order Paper in cases where there has been an objection heard. However, reference to the Fourth Edition of Beauchesne shows that Citation 402 was drawn from previous Citation 188(4). The only change to the words of the citation from edition to edition was the inclusion of a comma after the word "papers". By placing the words "to which there is no objection" within commas, the effect has been to change the original intent of the citation.

In the original citation the matter of the raising of an objection referred only to motions for the production of papers. This interpretation is consistent with the French text of Citation 402 in Beauchesne's Fifth Edition and with Bourinot's Fourth Edition from which the words are taken. I refer the Chair to the French text to be found at page 147 of Beauchesne. I do not wish to fracture the French language by reading the citation, but the Chair will notice immediately the validity of the comparison I draw, supporting the contention I make, which seems to be bolstered by a reading of the French text.

As well, Bourinot provides references to instances where motions have been moved in the absence of the Members who gave notice of these motions. Footnote (c) at the bottom of page 299 of Bourinot's Fourth Edition—and I will not burden the Chair by reading it—cites instances where motions were moved in the absence of the Member in whose name the motion was standing on the Order Paper. I have dug up the citations to which Bourinot referred that indicate the practice goes all the way back to 1878.

In this instance the Hon. Member for St. John's East (Mr. McGrath) informed the Chair that he was specifically requested by the Hon. Member for Nepean-Carleton (Mr. Baker) to rise today to move the motion on behalf of the Hon. Member, who is unavoidably absent. It would be different if that specific request were not present. There would be some merit in the suggestion that a Member could not rise to move a motion

standing in the name of another Member if that specific request were not present. If that were to be the case, there could be chaos in this place.

However, here we have a specific request by the Hon. Member for Nepean-Carleton in whose name the motion stands, a specific request made of the Hon. Member for St. John's East who is now attempting to exercise the right of the Hon. Member for Nepean-Carleton to have the motion which stands in the name of the Hon. Member for Nepean-Carleton heard.

Therefore I submit that inasmuch as the Hon. Member for St. John's East has been authorized to move concurrence in the sixth report of the Special Committee—

Mr. McGrath: And is a member of the Committee.

Mr. Nielsen: —is also a member of that Committee and has been authorized by the Hon. Member for Nepean-Carleton in whose name the notice of motion stands, the Hon. Member is within his rights to proceed with moving concurrence in that report and should be permitted to do so.

On the basis of those precedents, I submit that the Chair has no obligation to seek consent. Indeed, what is being sought by seeking unanimous consent is the right of the Hon. Member for Nepean-Carleton himself to make that specific request of another Member and specifically to authorize that other Hon. Member to move the motion standing in his name.

● (1510)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there are three points I wish to make. First of all, the Chair asked the unanimous consent of the House, and we made it clear that we were not giving our consent. Consequently, the remarks made by the Member for Yukon (Mr. Nielsen) are somewhat belated, and if the Chair agrees to consider them, I submit this would be tantamount to allowing an appeal from a ruling made by the Chair, because asking for unanimous consent means the Chair had decided that such consent was necessary for the motion to be moved. In fact, the Chair was correct in saying that unanimous consent was required, because my second point refers to Citation 402 of Beauchesne's Parliamentary Rules and Forms, as interpreted by the Hon. Member for Yukon.

The Member for Yukon mentioned a difference between the texts of the Fifth and the Fourth Editions. He said that a comma in the Fourth Edition was deleted in the Fifth Edition. However, aside from the adjustment that may have been made, I think his interpretation—in the Fifth Edition a number of adjustments were made in texts that were erroneous in the Fourth Edition, and the purpose of the Fifth Edition was to adjust and modernize the Fourth Edition. However, upon reading Citation 402, we realize that taking the text in its entirety, no other conclusion is possible: the requirement that there should be no objection applies both to tabling documents and the adoption of a report. Practically speaking, which of the two is more likely to raise objections, tabling documents or presenting a report? As far as I know, there has never been any objection to tabling documents, while when a report is tabled, if there are no objections, requesting concurrence becomes a formality, since the Parties will have consulted beforehand, and if the chairman of a committee or anyone else who was to move a motion for concurrence is absent for some reason, since consultations have been held and no objections raised, there is agreement and unanimous consent is given, although according to Citation 402, it would not be necessary. However, sometimes there are objections to committee reports, and that is the case today. I therefore submit that Citation 402 does cover this case and that the Chair was correct in requesting unanimous consent before allowing the Hon. Member to move the motion on behalf of another Member. In the circumstances, Citation 402 seems quite clear: it does not allow another Member to move a motion or the adoption of a report if objections are anticipated. In this particular case, no one indicated to the Chair that consultations had taken place between the parties and that everyone was prepared to concur in the adoption of this report. On the contrary. Therefore, since the Chair has not been notified of the absence of any objections, the Chair must apply the general rule and, since this is a departure from our usual practice, request the unanimous consent of the House, which was denied. We did so for two very simple reasons, and I would like to put them on the record, because I do not wish to cast any doubts on the reasons that the Member for Nepean-Carleton (Mr. Baker) may have for being absent.

The first reason is that the House has before it a very controversial bill, and that obviously, debating the report today will prevent us from proceeding with the debate on Bill C-155. That is the first reason why we did not give our unanimous consent, and why we object to the report being tabled, which was ample justification for the Chair to request the unanimous consent of the House. This is a dilatory manoeuvre to prevent us from continuing debate on Bill C-155, as the Progressive Conservatives did last Friday. They are doing so now. They are wasting the time of the House of Commons by debating subjects other than those the Government wishes to introduce for debate under the Standing Orders as is its prerogative.

The second reason is that by moving the adoption of this report, as we said before during the debate last Friday the Chairman of the Committee on Procedure and Organization, that is of the Special Committee on Parliamentary Reform, stressed this in the House, as did Member for Sarnia-Lambton (Mr. Cullen) and other Members as well; it is all on the record the Progressive Conservative Members are reneging on an understanding that was reached in committee that no motion to concur would be moved for the time being, and since they are not respecting the understanding that was reached by committee members, there is no reason why we should agree to

support their lack of ethics vis-à-vis their colleagues. In the circumstances, we definitely object to a debate on this report today, and the Chair was entirely correct in requesting the unanimous consent of the House, and allowing the Member for Yukon to proceed is tantamount to allowing an appeal from the Chair's ruling.

[*English*]

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I will be very brief. I want to deal with three points which are novel and new with respect to this issue. First, my colleague for St. John's East (Mr. McGrath) did not in the course of standing on this motion ask for unanimous consent. It was not a question of his proceeding on that basis.

The second point which is relevant is that the President of the Privy Council (Mr. Pinard) imputes motives with respect to moving a legitimate and quite proper motion in the course of Orders of the Day. Any Member imputing motives with respect to a legitimate motion regarding parliamentary reform is out of order. How preposterous that is. I will not comment further because I do not want to be in the same position as the President of the Privy Council when he enters into argument as to whether or not this motion should be supported.

Third, I want to talk in terms of analagous situations on which Your Honour has ruled on many occasions. When a Member has initiated proceedings on the Order Paper, we in this House have accepted the proposition that, notwithstanding the absence from the House of that Member, valid motions or petitions are dealt with and sustained.

The most obvious example I can give is that the former Member for Leeds, the late Mr. Cossitt, had a number of motions on the Order Paper, I dare say hundreds, with respect to the production of documents and Questions on the Order Paper. It was ruled and held that those questions remain extant and can be pursued by any Member of this House. The analogy is there with respect to a legitimate proceeding of the House.

We have here a situation where the Member in question, performing his responsibilities as a Member of Parliament, has specifically authorized and directed a Member of the House of Commons to move or proceed on a motion which is properly before the House. With the greatest deference, I do not see how any of the arguments made by the President of the Privy Council are relevant.

In my experience, unanimous consent is never asked for with respect to analogous situations in this House. There have been specific rulings with regard to Questions on the Order Paper and motions for the production of papers. I say, Madam Speaker, that you are quite justified in saying whether or not it meets the pleasure of the House. However, when we have a situation of this nature, it does not mean that that particular statement which is made by you is willy-nilly a ruling of the House. In other words, I do not think the President of the Privy Council can come forward and say that you have ruled for all time forward that this circumstance is barred from argument. I would hate to see the day when the House of Commons, by virtue of your initial reaction to matters, would be barred from bringing forward a motion which is of the essence of the parliamentary system and our House of Commons procedure.

I simply urge you, Madam Speaker, to allow my colleague for St. John's East to proceed with this motion, which is on the Order Paper legitimately and has been properly brought forward by my colleague.

Mr. McGrath: I will be brief, Madam Speaker. When I rose to move concurrence on behalf of the Hon. Member for Nepean-Carleton (Mr. Baker), I did not request unanimous consent because, with respect, I did not think it was necessary for me to do so. I say to the Chair, with the same respect, that the Chair inadvertently sought the consent of the House when it was not necessary.

The reason I did not seek unanimous consent to move concurrence in the sixth report on behalf of my absent colleague, the Hon. Member for Nepean-Carleton, whose absence today is for a very good and honourable reason, was because when your distinguished predecessor, Speaker Lamoureux, ruled that any Member could move concurrence, there were no restrictions placed on it. I was rising in my place today not only as a colleague of the Hon. Member for Nepean-Carleton, having been requested to act on his behalf, but as a member of the committee wanting to get along with the business of the House in moving concurrence in a report on which notice had been served by the Hon. Member for Nepean-Carleton.

I believe, Your Honour, with respect, that requiring unanimous consent was not at all necessary because the practices of the House since the ruling of Speaker Lamoureux are such that it is not unusual for an Hon. Member to nod to move concurrence or to move a motion on behalf of an absent Member. It is a frequent occurrence on all sides of the House. If we were to be restricted in that, you would not only be restricting Members of the House but also Members of the Treasury benches who could not in fact move motions on behalf of their absent colleagues. That would seriously hamstring the business of the House.

Madam Speaker: I have listened to all of the arguments and I am certainly confirmed in my first move that it was necessary to ask for unanimous consent in this particular case. The fact that the Hon. Member for St. John's East (Mr. McGrath) did not ask for unanimous consent does not apply, I feel, because the practice of the House is that if someone else but the one who has given notice of such a motion moves a motion, he must get the unanimous consent of the House.

● (1520)

I will read to the Hon. Member from the portion of Bourinot which was quoted by the Hon. Member for Yukon (Mr. Nielsen):

A Member may not propose a motion in the absence of another who has placed it on the notice paper—

The Hon. Member for Nepean-Carleton (Mr. Baker) had placed it on the notice paper. The Hon. Member for St. John's East is moving in his place.

—except with the general consent of the House.

The argument made by the Hon. Member for Yukon in which he quoted Beauchesne is addressed here:

Merely formal motions for the adoption of reports or for certain papers to which there is no objection, are frequently permitted to be made, but all motions involving discussion—

That is the key word.

—must be proposed by the Member in whose name they appear on the paper.

This is confirmed in Citation 402 of Beauchesne in the French which the Hon. Member said was clear to him. It is also clear to me and I shall read it in French:

402. La motion de pure forme tendant à l'adoption d'un rapport ou à la production de documents ne faisant l'objet d'aucune contestation peut généralement être présentée en l'absence du député qui l'a inscrite au *Feuilleton*.

"De pure forme", or merely formal!

That is to say, a formal motion to adopt a report may be made by someone else but a motion as described by Bourinot which involves discussion must be proposed by the Member in whose name it appears on the Order Paper. The English version of Beauchesne is also quite clear. Therefore, I must maintain my decision that there was no unanimous consent; and therefore, I cannot accept that motion.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,972 and 4,991.

[*Text*]

LOTO CANADA INC. BOARD OF DIRECTORS

Question No. 4,972—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of Loto Canada Inc. and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of Loto Canada Inc.?

Hon. Céline Hervieux-Payette (Minister of State (Fitness and Amateur Sport)): 1. The Board of Directors of Loto Canada Inc. consists of the following three people: Mrs. Dorothy Pratt, Ottawa, Ontario, (Homemaker); Miss Danielle Desbiens, Montreal, Quebec, (Assistant Dean of the University of Québec); Mr. Gordon Kritsch, Gloucester, Ontario, (Public Servant).

2. Both Mrs. Pratt and Miss Desbiens receive the standard remuneration of $250 per diem for attendance at Board of Directors' meetings, which, on average, are held 12 times a year. Mr. Kritsch, because he is a public servant, does not receive any remuneration as a Director.

At their meetings, the Directors of Loto Canada rotate as chairperson. There is no president. The most senior executive is a senior vice-president on contract, at $550 per day, paid on average for 10 days a month. Other than expenses as provided in the by-laws of the Corporation, and the previously mentioned fees, there are no other benefits awarded to either the directors of Loto Canada Inc. or the senior vice-president.

CBC—REVENUES FROM COMMERCIAL ADVERTISING

Question No. 4,991—**Mr. Hawkes:**

1. What amount did the Canadian Broadcasting Corporation receive from commercial advertising in the fiscal year 1982-83?

2. What proportion of that amount came from Crown corporations?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: 1. $154.2 million, 2. 1.6 per cent ($2.4 million).

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 4,886 and 4,928 could be made orders for returns, these returns would be tabled immediately.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that questions Nos. 4886 and 4928 be deemed to have been made orders for returns.

Some Hon. Members: Agreed.

[*Text*]

CAPE BRETON DEVELOPMENT CORPORATION

Question No. 4,886—**Mr. Waddell:**

1. For each fiscal year from March 31, 1968 to March 31, 1983, what were the losses in the coal division of the Cape Breton Development Corporation?

2. In each of the fiscal years, what were the contributions made by social costs inherited from the previous owners, such as pension costs for employees and pre-retirement costs, to these annual losses?

3. (a) What were the total direct and indirect costs, including coal cleaning, for each of the fiscal years (b) what was a breakdown of each category included in direct and indirect costs and their percentage of total costs for (i) 1968 (ii) 1973 (iii) 1978 (iv) 1983?

4. For (a) 1968 (b) 1973 (c) 1978 (d) 1983, what were the numbers employed underground, surface and administrative in the coal division?

5. For (a) 1968 (b) 1973 (c) 1978 (d) 1983, what was the total compensation paid to the category of (i) underground (ii) surface (iii) administrative workers?

6. (a) For each year since 1968, what were the total expenditures made on the development side of the Devco Corporation (b) how were the expenditures divided as between wages and salaries and other expenditures (c) how many new

jobs are estimated to have been maintained as to sector, industry and occupations as a result of the development division's expenditures since 1968?

Return tabled.

FITNESS AND AMATEUR SPORT ADVISORY COMMITTEE

Question No. 4,928—**Mr. Mazankowski:**

1. Is there a National Advisory Committee on Fitness and Amateur Sport and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Return tabled.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motions Nos. 36, 37 and 38 (Mr. Benjamin).

Mr. Arnold Malone (Crowfoot): Madam Speaker, when speaking to Motion No. 36 moved by an Hon. Member of the New Democratic Party, I would particularly like to look at the proposal that the focus of attention of any performance obligations would rest singularly on the railways. While I understand the sentiments of Hon. Members of the New Democratic Party in putting forward such a motion, it seems to me that it is in the wisdom of the House to bear in mind that, when looking at the question of performance objectives, we must necessarily look at a systems analysis. It would be wrong, both academically and technically, to presume that to focus our attention on only one link of the chain would give us an appropriate analysis of the entire chain.

To suggest that all of the performance obligations within the authority of the Grain Transportation Administrator should focus only on the railways would, I submit, leave void the question of what problems might exist within many other areas. These include the areas of trucking, loading at country elevators, the country elevators themselves, inland terminals, the terminals at port, the hopper car allocation system, the grain inspectors, the port facilities, tugboats and tugboat operators, the international shipping arrangements and the international shipping contracts, the Canadian Wheat Board as it applies to its capacity for international sales, labour organizations and a host of other dimensions, all of which need to be considered.

In essence, Sir, the New Democratic Party is suggesting that the concept of performance guarantees is important, and that is a position that does not differ from that of the Government or the Official Opposition. However, to focus singularly the concept of performance guarantees on only one element, that of the railways, implies to me more of a vindictive attack on a national organization than an intent to solve a problem.

Mr. Althouse: Everybody else is regulated except them.

Mr. Malone: Mr. Speaker, you will again hear the Hon. Members of the NDP who have taken their morning steroids exercising their vocal cords at a much higher volume than is usual.

The truth of the matter is that the whole system, if it is to function, must function with all of its dimensions in place. Just moments ago when Madam Speaker rose, she asked if any Hon. Member wished to speak. The NDP did not put up any speakers then but now that I am up, their Members want to speak. That does not surprise me but perhaps they can rest for a while because I will be sitting down shortly. I would like to hear how they can possibly defend the position that the Grain Transportation Authority should be able to have all of its power focused only on the railways and on none of the other dimensions.

If we turn to those persons who are most affected by a slowdown in the movement of grain, the prairie farmers, and ask them what their concerns are with regard to the movement of grain, certainly very high on their list would be the question of strikes and physical breakdowns in the system, particularly through the Rocky Mountains. I commend to your attention, Sir, the period of time in 1974 when, out of the 52 weeks available for movement of grain in that crop year, only 13 weeks were trouble free and most of the problems were caused by strikes or rockslides through the Rocky Mountains. That means that when there are performance guarantees that must be met, we obviously cannot simply make sure that the railway is the only one that has to measure up. There is a great deal of room for the country elevators to simply not perform in a proper manner.

Mr. Benjamin: No, the Board has sanctions.

Mr. Malone: As I am being told by the people who sit beside me to my far left, there is also the question of the Canadian Wheat Board. The Wheat Board in itself may not allocate the cars appropriately. Surely there ought to be the right of

investigation into the Wheat Board. It could well be, Sir, that the terminals are not putting the grain through. We simply cannot make the presumption that once the grain gets to the port terminal, it will automatically be loaded. If that presumption could justifiably be made, then, of course, the grain transportation authority would not need to investigate. But surely we ought not to tread on such dangerous ground as to presume that the port authority would always automatically load grain efficiently, and that same fact holds true of the Canadian Wheat Board in the making of its contracts in the international marketplace. Surely it is prima facie evidence that if the Canadian Wheat Board did not act in the international markets to bring onstream viable sales for Canadian grain, no matter how efficient the transportation systems of CN and CP are, if the sales are not there, obviously the grain is not going to be moved. All that becomes a part of the dimension of the question of how we put together a system where the authority has the right to check every part of the system.

• (1530)

I do not know what protection the New Democratic Party is trying to provide to which people, and for what motive it wants to pull out from a whole system of grain transportation one element and say it is only that element for which the authority has the right to investigate on the record of performance. It is nothing other than clear logic to say that if performance is your end result, all of the factors which lead to improved performance ought to be considered. Even the Wheat Board ought to be subject to questions.

I hear some coaching from behind me, from the Hon. Member for Regina East (Mr. de Jong) who is trying to protect the Wheat Board from questions. The New Democratic Party would like to make the Canadian Wheat Board a Crown corporation like Petro-Canada, Air Canada and the CBC, and just give it taxpayers dollars and never have it accountable to anyone. The truth of the matter is, Sir, that we need to have a system which is viable and in which every dimension of the system is ready to be checked. Any program which is put forward which says that the fundamental basis of this program is the question of performance, and then only one dimension of performance is focused on, is naive at best, and I will not tell you what it would be at its worst, Sir. I conclude simply by saying that the amendment is naive and falls short of meeting its objectives. The original motion is a better one because in fact we have the capability of carrying out a full investigation of all sections of the system. It is that kind of investigation which is necessary if we are going to have as the ultimate result the high rate of performance which the authority can demand.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, it is a pleasure to follow the Hon. Member for Crowfoot (Mr. Malone), and to listen once again to the oracles from that end of the House continue on in their efforts to attempt to downgrade the Canadian Wheat Board and other agencies. It is rather puzzling to listen to the Conservatives adopt what is almost the philosophy of one of the more famous Liberals in this country's history, William Lyon Mackenzie King, a former Prime Minister. To quote from a poem by Frank Scott entitled, "W.L.M.K."

> The height of his ambition
> Was to pile a Parliamentary Committee on a Royal Commission.

In this case we are not piling a parliamentary committee on a Royal commission, but what the Tories and the Liberals are asking for is an investigator to investigate the investigators to investigate the investigators. Joe McCarthy would have a field day in this place.

It is ridiculous for those who talk about bureaucracies and who attempt to lecture the Canadian public and the Members of the Canadian House of Commons about the evils of bureaucracy, to at the same time, want to pile another bureaucracy upon another bureaucracy, to police self-policing organizations, whether these be labour organizations or the Canadian Wheat Board for example, which already has a series of second looks built into its very structure involving both Ministers of the Crown and the Parliament of Canada. It is ridiculous to pile investigators upon investigators and bureaucracies upon bureaucracies and still claim we care about the public purse and that we care about having Government agencies which people can understand. It is indeed puzzling.

Hon. Members, of which the Hon. Member for Crowfoot was one, wanted to know why the New Democratic Party—to paraphrase his words—wanted to single out the railways. We do not believe that is really what is happening. We believe, as many contributors to this debate have made clear up to this point, that the Canadian Wheat Board and the other agencies which the Tories may or may not want—it is very vague—to come under the purview of the new super czar, already have their own self-policing mechanisms or policing and investigative mechanisms set in place by the Government of Canada or one of its agencies. We do not believe it is necessary to extend overseeing powers further.

Why do we believe that the CPR is not one of those which can be totally counted upon to police itself in terms of the public welfare? We do not believe that the CPR or the other railways, have up to this point been sufficiently supervised, in terms of the public interest, since the initial railway agreements were signed with the Government of Canada shortly after the time of Confederation. One way of looking at Canadian history, Mr. Speaker, is that Canada was created because the CPR needed someone to pay for its railway. It needed taxpayers and it needed a government to pay the cost of building its railway and to ensure that its future position would be secure. Canada was developed because the CPR needed someone to build its railway, and the Hudson Bay Company needed someone to pay for the policing of its territories. And we have behaved that way ever since. All one has to do is to look at how free and easy it has been for that major railway to have its own way with governments, whether they be Liberal or Conservative, since Confederation. One begins to wonder who is policing whom in this country. I feel that we in the New Democratic Party, and that portion of the

Canadian electorate which has continuously given its support to us, can be forgiven for believing that if any corporation or any institution in Canadian society needs a second look into its operations from time to time to ensure that it is behaving in such a way as not to come into major conflict with the public interest, surely that institution is the Canadian Pacific Railway, and the railways in general.

It is interesting to note that underlying the debate, not only on these amendments but the entire debate on the reform, if you will, of the Crow rate, is the question of the investment plans of the Canadian railway system. Considering the huge bonus they are going to get as the result of the Government's program—sometimes supported by the Progressive Conservative Party sometimes not—why is it that the investment plans of CN Rail for the first year in which the Government proposals are intended to come into effect are down by 22.9 per cent? Why is it that the investment plans of CP Rail are down by some 20.4 per cent just at the time that they will begin to reap the bonanza handed to them on a silver platter by that Government, and by the Official Opposition because of its shilly-shallying and indecision over whether it supports or does not support the proposals now before us? If that does not suggest that perhaps there ought to be some singling out, some special second look, some special supervision, then I do not know what does.

● (1540)

We have nothing against the argument that if these agencies or companies receive large influxes of taxpayers' money there should be some authority vested in the new commissioner or some other agency to ensure they are performing up to snuff. But, if we already have institutions with a built-in self-policing function, where either their membership or participants are able to exert from a multiplicity of disciplines some control over their behaviour in accordance with the broad interests of all of those in the industry or in Canada as a whole, then we in this Party believe, because it is part of our general philosophy, that they should be allowed to continue with that function. But if we have evidence that the major parties to all of this, the railways, particularly the CPR, the one agency which will receive billions of dollars over the next few years as a result of the generosity of the Government and of the Opposition—and we have a century of history to give us a lot of evidence which suggests they need watching carefully, then there are mechanisms by which we can ensure that they do follow through on the commitments they have made. It is quite proper that they should be "singled out", for special observation and control.

So we have no apologies to make for what some Conservative Members, I think the Hon. Member for Crowfoot among them, have at least inferred is the "discriminatory" attitude we have taken in this matter.

The railways are the ones getting the money, they are being given the authority. There is no structure built in to ensure they meet both their moral and financial commitments to the people of Canada. Therefore, Mr. Speaker, I support the amendments and invite Members of good faith and good will from both the Official Opposition and, hopefully, the Government to join with us in ensuring that those who need some supervision get it and that we allow those with self-discipline, as I indicated before, to continue to be free.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to make just a brief intervention on this motion. As Members will know, I come from a city riding and it is sometimes difficult to keep all the details in mind given such a complex piece of legislation. But if one reads over at least a portion of the committee hearings, and tries to stay alert to the general intent of the proposed amendments, I think one should come to the position of having real doubt about supporting the NDP amendment in this particular case.

The NDP sometimes suffers perhaps from a lack of membership, therefore a lack of resources and people to do adequate research. Sometimes the left hand does not really know what the right hand is doing. I guess the classic example of that is the NDP's hasty decision on December 13, 1979, to defeat a budget which was good for the country and in particular good for western Canada. When they did that it became clear subsequently—

Mr. Deputy Speaker: With all due respect to the Hon. Member, I must call to his attention the fact that debate at report stage must be strictly relevant to the amendments before us.

Mr. Deans: It is about time you brought them to order.

Mr. Hawkes: I was simply trying to make the point that in this amendment I think we have a Party, the NDP, which has not done its homework on the implications. In 1979, Mr. Speaker, we put in place a Grain Commissioner. I bring to your attention the fact that he was empowered to deal with the entire system of grain movement. At the committee meeting held on Wednesday, August 31, 1983, the deputy minister had this to say about the Commissioner:

> No, Mr. Chairman. That has not been the experience of the past four years. The general sense of most of the agricultural organizations in western Canada was that the existing entity was working well—

That entity, Mr. Speaker, was put in place by the Conservatives in 1979. He went on to say:

> —that, indeed, there was a potential to do more. That is why there was such broad agreement in both the Gilson process and in the Central Co-ordinating Agency Task Force among those organizations to set up the kind of organizations as provided for in this bill.

In other words, Mr. Speaker, to have a co-ordinator empowered to look at the entire grain system was a Conservative Government innovation in 1979. I suggest to the House that looking back over the last three and a half years we have seen it work and we must be alert to amendments which would remove from that administrative person the power, authority and responsibility to look at the entire system.

I bring to the attention of the House that the Conservative Party moved a motion in committee, which was supported by the NDP, and the chief spokesman on this matter for the NDP agreed with us that it really should be political people, Cabinet

Ministers, who should decide who the system participants are. The Cabinet should decide what aspects of the grain handling system need to be looked at to make it cost effective and efficient in order to meet our commitments to our customers from other nations. But, Mr. Speaker, the intent of the amendments before us today is to restrict the power and authority which the Administrator would have so as to ensure that the system meets those commitments and obligations. Even when one comes from the city, it is a bit of a puzzle why the New Democratic Party would support this Party in its basic thrust to deal with the entire system at one time and then today, move an amendment that would have the effect of restricting the degree to which we can work to make the entire grain handling system a better system. The only explanation is that the New Democratic Party has not done its homework. That was the case in 1979 as well when it brought down a government that was doing good things for the nation and for the West. It threw that Government out of office. Today there is that same lack of research and lack of understanding of the basic implications of the specific words in the motions being moved by the NDP.

● (1550)

I should like to remind Members of the New Democratic Party that in committee they vacillated back and forth on this issue. I can well understand their desire to filibuster the Bill in the House. It has the potential to throw western Canadian farmers into bankruptcy in the same way the National Energy Program threw thousands and thousands of western Canadians out of work and put thousands and thousands of western Canadians into bankruptcy. The piece of legislation before us has that same kind of potential.

If we were to vote for this amendment and take away the powers of the Administrator to deal with the entire system, we would be inviting the system to be overly expensive and not meet the goals and the objectives set out for it. When that happens, all Canadian taxpayers pay for it in one form or another. It is something that is not said in the House often enough to the people in Montreal or Toronto—that what the Government is moving here is a piece of legislation the total impact of which will make the production of grain more expensive. It will result in the cost of a loaf of bread in Montreal or Toronto being greater than it is today.

That is what the Government is doing when it tries to throw this unknown burden on the backs of producers. That is what we would all be doing in this Chamber if we voted for any amendment that would hamstring the ability of the Administrator to make the system less costly. If we lower the cost of transportation we will lower the price of grain. In the retail markets of Toronto and Montreal we will have lowered the cost of meat, lowered the cost of bread, lowered the cost of flour. If we vote for amendments that have the potential to make the system more expensive and to waste money, we will have raised the cost of beef, raised the cost of bread and raised the cost of flour.

I urge Members on all sides of the House to reconsider the amendments and vote them down because they would have the effect of building inefficiencies into the system and, therefore, additional wasteful costs.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I find it interesting to follow the Hon. Member for Calgary West (Mr. Hawkes).

An Hon. Member: And pretty difficult.

Mr. Deans: It is easy to follow in the sense that I speak after him, but it is difficult to follow in the sense of understanding what he said.

I noticed with interest his comparison between our position taken in 1979 with regard to the budget of the then Conservative Government and the position we take today with regard to the amendments we have placed before the House.

I want to say something that I know you are well aware of, Mr. Speaker. The decision we took in 1979 was supported wholeheartedly by the people of Canada in February, 1980. The decision we are taking today will be supported wholeheartedly by the people of Canada for years to come. Unfortunately, because of the coalition that has developed between the Government and its Conservative allies, the chance that we will be able to implement what we consider to be a more rational approach to the administration and handling of grain, will not be allowed to occur. I am as positive today about the correctness of what we are doing in these particular amendments as I was about what we did in 1979 in our motion which spoke out clearly against what the Conservatives were trying to do to the country economically.

I want to reinforce that by saying that just as in February, 1980, the people of Canada expressed their opinion, which was exactly the same as ours, that the Conservatives should not be allowed to govern, today, given the opportunity to vote on these three amendments, they would rise en force and say to the Conservatives, "Get out of bed with the Liberals. This is an unholy alliance. You must stop this destruction of the West. We will vote against you on these matters."

I can think of nothing that makes more sense or is more logical than what we are proposing today. You know as I do, Mr. Speaker, that when you give one body authority over another self-regulating body, you just put a further impediment in the way of progress. It is clear to me that we have already established in law and in practice that when you have agencies that currently deal with the handling and disposition of wheat and other grains, but primarily the Wheat Board and the Grain Commission, when you have bodies which have operated as effectively and efficiently as they have over the years and which fully understand the complexities of the marketplace and have been able to develop procedures and processes to gain markets for the farmers of western Canada, the last thing you want is to superimpose another body to second guess them at every turn. But that is what the Government is proposing and that is why we are trying to stop it.

We have a history that goes back 100 years, more or less, of effective operations with regard to the Wheat Board for as long as it goes back and as far back as the old Canada Grain Act goes. Suddenly to come up with a program that would give one person the power to second guess this most efficient, effective group and give that person the right to decide whether it was doing its job in conformity with what is in the best interests of the Canadian farmer and of Canada as a whole as we continue to find markets for our products—to give that individual, whose primary purpose as set out in the Bill is to guarantee that there will be a grain transportation system, and his or her two or three employees the right to—

An Hon. Member: Twenty-five or 30.

Mr. Deans: My colleague says 25 or 30 employees—to give that person and those employees a mandate to begin the process of interfering in the extremely good work of the Grain Commission and the Wheat Board, makes no sense at all. I do not know what it is the Conservatives are talking about. For the life of me I cannot understand why they continuously rise and mumble into their beards about some sort of overseeing capacity that is necessary. Not a soul in western Canada believes that. Why they would align themselves with the scourge of the West, the Liberal Party, on this matter—why they would choose to creep into the still warm bed they just got out of last week in order to appease the Liberals in their squeeze for the destruction of the entire farming community, is beyond comprehension.

• (1600)

When I see what is going on here, I must ask why the Conservatives are doing this. The Conservatives almost gained respectability in the last three weeks by moving toward the position we have been putting forward ever since the Bill was introduced. The Conservatives have been sitting on the fence since the introduction of this Bill, never quite sure what position to adopt. Finally they decided that they would like to see the entire matter delayed for three years, which I quite frankly feel is not long enough. But at least it showed that they were moving in the right direction. When confronted with a most reasonable proposal, which we are now offering and which has been consistent with our view of this Bill from its introduction, they suddenly decide to jump ship and leap back into the sinking boat of the Liberal Party. That is beyond my understanding. The 62 per cent in the Gallup poll has clearly gone to their heads.

Mr. Flis: Mr. Speaker, I rise on a point of order. The Hon. Member for Hamilton Mountain (Mr. Deans) always speaks to the topic and remains relevant. I am amazed that today he seems to be straying completely away from Motions No. 36, No. 37 and No. 38. I suggest he would be more in order if he could explain to the House why Dennis McDermott, President of the Canadian Labour Congress, has asked his Party to end their attempts to delay this legislation.

Mr. Deputy Speaker: The Hon. Member will have an opportunity to enter debate. That is not a point of order. The Hon. Member for Hamilton Mountain.

Mr. Deans: Thank you, Mr. Speaker. I am grateful to you for putting him in his place. It would be better if he listened rather than spoke. I have been carefully setting out what we have been attempting to achieve. I wish to say that you well know, Mr. Speaker, that the President of the Canadian Labour Congress is in full support of our actions. What he did not understand was why the Government would not listen to reason. I also know that the President of the Canadian Labour Congress supports these sets of amendments in particular which we put forward. He stands four square behind us on these particular amendments.

What he is questioning, as I am today, is why the Government is so reluctant to accept these useful suggestions. We would like to complete this debate by putting forward a practical solution, and I will complete my part of it in two seconds. I suggest to the Parliamentary Secretary to the Minister of Transport (Mr. Flis) that one small step toward finding that practical solution would certainly be the acceptance of these three amendments.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I believe Motions No. 36, No. 37 and No. 38 are very important in terms of curtailing the power of the Administrator of the Senior Grain Transportation Committee. I would rather see more power given to the farmers, their organizations and the Wheat Pools of this country through the Canadian Wheat Board. These organizations are very important indeed.

The three motions before us today seek to amend Clause 18 of Bill C-155. That clause defines the duties and functions of the Administrator. The Government opposite is attempting through this legislation to give considerable power to the Administrator of the Senior Grain Transportation Committee. One of those powers will be the authority to impose sanctions on participants in the grain transportation and hauling system in this country. The clause goes into considerable detail about the type of power the Administrator would have. It also allows the Administrator to make forecasts in the movement of grain and to ensure that all the participants in that system act appropriately. The Administrator will monitor not only the railway system but the other participants in the grain handling system as well. It seems to me that giving the Administrator so much power means that we are setting up another level of bureaucracy that will compete with other Government institutions which already exist. Therefore, one must ask, which institution will have the final say in various matters?

According to Clause 18, the Senior Grain Trnasportation Committee and the Administrator come under the authority of the Minister of Transport (Mr. Axworthy). However, the Administrator will have the power to impose sanctions on the Canadian Wheat Board for which there is a Minister responsible. Presently, the Minister responsible for the Canadian Wheat Board is Senator Hazen Argue, who does not sit in this House but in the Senate. Therefore the Administrator who is

answerable to the Minister of Transport will have the power to impose sanctions on the Wheat Board, which is represented by a different federal Minister. As well, there is the Canada Grain Commission, which is under the authority of the Minister of Agriculture (Mr. Whelan). According to this clause, the Administrator can impose sanctions and monitor the performance of the Canada Grain Commission. Therefore, we see another level of bureaucracy in which one Government agency will have the power to regulate two other Government agencies. In light of that, I am surprised that the Conservative Party does not support the motions moved by the Hon. Member for Regina West (Mr. Benjamin).

Since Canadian farmers are very supportive of the Canadian Wheat Board, I believe it is important that we do not permit the Administrator of the Senior Grain Transportation Committee to hold authority over the Wheat Board. I believe it is time for greater economic democracy in our country where ordinary farmers, in this case, can have more say over their work and the manner in which their grain is transported and sold. An example of this economic democracy is the Wheat Board Advisory Committee which is elected by the farmers and overwhelmingly supports the Canadian Wheat Board. Yet a majority of Members in the House support an agency that will have the power to impose sanctions on the Canadian Wheat Board. As a Member from a mixed farming area where the Wheat Board has much support, I do not want to give the Administrator, a bureaucrat who is not directly accountable to Members of Parliament, that kind of power.

While I wish the Conservatives would call for more economical democracy and freedom for the ordinary farmers of this land, the opposite is taking place as a result of this singular power being given to an Administrator.

Mr. Malone: Like Jack Horner.

Mr. Nystrom: It is like giving Jack Horner all that power in his new job as head of CN. The Hon. Member for Crowfoot (Mr. Malone) is concerned about Jack Horner. That is why he should support Motions No. 36, No. 37 and No. 38.

My colleague, the Hon. Member for Regina West (Mr. Benjamin), is suggesting that sanctions should only apply to the railway companies, the Jack Horners of the world in the CN and CP. If we are going to have the Grain Transportation Committee, then it should have the power to impose sanctions only on the rail line companies.

● (1610)

Mr. Malone: On the line.

Mr. Nystrom: We do have a Wheat Board and we do have a Grain Commission and we have farmers who are involved in the Wheat Board and in the UGG. Therefore, it is for reasons such as these that I think my friends in the Conservative Party should be very enthusiastic to lend their support to this particular motion before the House. I do not think there are any farmers in my riding who would support a Bill that would place the Canadian Wheat Board in a position which is subordinate to the Administrator of the Senior Grain Transportation Committee. We should be responding to the wishes of those farmers when we debate legislation in the House.

The three amendments before us—as I think everyone knows, but just to make it clear—would take away the ability of the Administrator to levy fines on any system participants, except for the two railway companies. I think that is very important. I have already mentioned the reasons that I think it is very important. The Administrator would not have the right, if we pass these motions before the House, to fine the Canadian Wheat Board, and it is the farmers' funds that are in the pool account in the Canadian Wheat Board. It is as if the Government through the Administrator imposed a fine on the farmers of this country, and I do not support that. I do not think the Conservative Party should be supporting that since many of their Members represent prairie ridings in Saskatchewan and elsewhere.

Mr. Malone: Hear, hear!

Mr. Nystrom: I see that we have now the conversion on the road to Damascus of the Hon. Member for Crowfoot. Perhaps he will convince his big city colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) to support this very reasonable and very democratic amendment which will give the farmers a little more freedom and more liberty in our economic system in Canada.

Mr. Malone: Freedom to starve.

Mr. Blenkarn: This is nonsense.

Mr. Nystrom: The Conservative Party's Member from Toronto, who is an expert on the Prairies of course, says it is nonsense—

An Hon. Member: He is as great an expert as the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Nystrom: —to make sure that the farmers have more freedom and more clout in the marketplace. I am sure my farmers will be very interested to hear that a Conservative Member from the big city of Toronto thinks they have too much power and authority and wants to impose another bureaucrat on the farmers to police them, to impose sanctions on them, to take money from them. That, Mr. Speaker, is not at all what I stand for in this House.

Mr. Blenkarn: You don't know what to stand for.

Mr. Nystrom: I think it is very important that this power be given to police the railways. In my riding we have all kinds of rail lines over which farmers have had trouble with the rail line companies. I think of a line that goes from Preeceville through Lintlaw, through Nut Mountain and on to Kelvington. I have met many times with farmers who live along that rail line and who have shown me how the rail line is not being kept up, how the tracks have been warped and how the trains when going down that line could go only at a few miles per hour. I can think of other rail lines in my constituency. I could name

many, many examples of rail lines that have not been kept up properly by CN and CP. We all know that the two railways have immense power, in many ways they have absolute power over the future of some of these small communities. When a rail line goes, often the community goes as well.

Mr. Deputy Speaker: I hesitate to interrupt the Hon. Member, but his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised at the time of adjournment are as follows: the Hon. Member for Bow River (Mr. Taylor)—Labour Conditions—Unemployment in Bow River constituency—Allocation of funds. (*b*) Application of grant formula; the Hon. Member for Burnaby (Mr. Robinson)—Penitentiaries—Decision to end Laval University educational program; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Beef stabilization plan—Meeting of provincial Ministers.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport, and Motions Nos. 36, 37 and 38 (Mr. Benjamin).

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

Some Hon. Members: Question.

Mr. Deputy Speaker: I might draw to the attention of the House that while Motions Nos. 36, 37 and 38 have been grouped for debate, they are to be voted on separately.

All those in favour of Motion No. 36, will please say yea?

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

All those in favour of Motion No. 37, will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

All those in favour of Motion No. 38, will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 39 and 40 will be grouped for debate but voted on separately.

Mr. Len Gustafson (Assiniboia) moved:

Motion No. 39

That Bill C-155 be amended in Clause 19 by adding immediately after line 20 at page 10 the following:

"(2) The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of, and in the interests of producers."

Mr. Les Benjamin (Regina West) moved:

Motion No. 40

That Bill C-155 be amended in Clause 19 by striking out lines 27 to 32 at page 10 and substituting the following therefor:

"(3) The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under section 21(*k*) of the Canadian Wheat Board Act, or any Orders of the Governor in Council, to make available the quantities and types of grain needed to achieve sales commitments."

Mr. Gustafson: I am pleased to speak to Motion No. 39, which indeed was voted on in committee, opposed and defeated by the Liberals. I think any prairie boy who knows anything

about the Canadian Wheat Board would stand in his place and defend a strong Canadian Wheat Board. The NDP, on the other hand, has tried to indicate that somehow or other the Conservatives were out to destroy the Canadian Wheat Board. Nothing could be further from the truth. We have heard this kind of talk again and again in the House.

● (1620)

When I ran in the riding of Assiniboia, I recall very clearly that in local newspaper ads one of the first points was a strong Canadian Wheat Board. Anyone who knows the history of the Prairies in the dirty thirties can go back to the time before the inception of the Canadian Wheat Board when there were some very difficult periods for farmers. Certainly prairie farmers depend on the Canadian Wheat Board, a strong Canadian Wheat Board. This is not to suggest that the Canadian Wheat Board has made no mistake. At times there have been questions and certainly there must continue to be improvements. However, this motion deals with the ability of the Administrator to undermine the Canadian Wheat Board. In part it reads:

—the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of, and in the interests of producers.

The objectives of our Party are very clear. We have taken a balanced approach to the Bill and to the amendments we have put forward. We have made it clear in our amendments that we want a freeze, particularly relating to increased freight rates which farmers cannot afford. While we have made it clear that this is a bad Bill, at the same time we have tried to do everything possible and in the best interests of producers to have our amendments address problems faced by farmers and certainly serve in their best interests.

Motion No. 39 does exactly that. It speaks out and says that the Administrator does not restrict the powers of the Canadian Wheat Board. I would be very surprised if in the next few minutes I do not see Members of the New Democratic Party standing in their places and saying exactly the opposite. I want it clearly on the record that Motion No. 39 standing in my name indicates the direction of the Progressive Conservative Party.

Another important factor alluded to in the last paragraph of the motion is, "to achieve sales commitments on behalf of, and in the interests of producers". One problem producers and farmers will face in the near future will be competition in the international marketplace. The motion clearly indicates that the Administrator would in no way interfere with the best interests of primary producers. We talked in committee and in the House particularly about the types of subsidies granted by different countries around the world. These will certainly have an impact upon sales commitments. Also we talked about the subsidies granted by the European common market, by the United States of America and by countries like Japan and the Pacific Rim countries, which will create a special challenge. We believe the Canadian Wheat Board is up to this challenge, but in no way do we want restrictions on the part of the Administrator.

The wording in Motion No. 39 reads, "on behalf of, and in the interest of producers". We in the Progressive Conservative Party have displayed in our amendments a keen awareness of the situation on the Prairies. First is the ability to pay. Today I raised in the House the fact that the Minister had increased the initial price of barley but failed to do what he should have done, that is, increase the initial price of wheat, hard red wheat which is selling at 90 cents per bushel more today at Thunder Bay and Durum which is selling at $1.60 per bushel more at Thunder Bay than what farmers are receiving. The Minister is not acting in the best interests of primary producers. Here we have $1 per bushel which farmers cannot get their hands on. While it might be safe to say there is some flexibility, the truth of the matter is that farmers, particularly young farmers, are paying very high interest rates on money borrowed from the banks. Farmers' money is being held by the Government for a period of time, money which could be a source of cash flow they desperately need.

Another example would be western grain stabilization. There is $860 million in a fund which could be paid out to farmers, if the Government and the Minister had the will to make some slight changes in the direction of their administration. Motion No. 39 deals exactly with that type of direction. It allows the Canadian Wheat Board to act in the best interests of producers. It is important that this be done. This is why I am pleased to rise in my place and put forward this motion. I hope the NDP will support it, not misinterpret it and try to go the full cycle and be on both sides of the fence. I hope Members of that Party do not try to create the contortion they have in the past.

I see Mr. Speaker is rising. Is my time up?

Mr. Deputy Speaker: May the Hon. Member continue with unanimous consent of the House?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

Mr. Benjamin: Mr. Speaker, I compliment the Hon. Member for Assiniboia (Mr. Gustafson) on his motion. I suspect it is not his fault that it is in the wrong place and is insufficiently worded. His motion and mine attempt, in a slightly different way, to accomplish the same objective.

I find it interesting that the Tories want a regulator regulating another regulator, namely the Canadian Wheat Board. They support the idea that the Administrator can put sanctions on the Canadian Wheat Board. In the next breath, the Hon. Member for Assiniboia comes up with his motion, all for motherhood and against sin, in favour of the Canadian Wheat Board.

● (1630)

The Hon. Member made the mistake of using the word "contortion". The Tories have exercised all of the proverbial

positions. In the committee and in this House we have had a litany of Tory attacks on orderly marketing through the Canadian Wheat Board. We witnessed that until they got into trouble. As soon as they started getting static from the folks back home, they flopped. They made an attack on the co-operative movement. They are the birds who moved amendments, supported by Liberals. To do what? To reduce the representation of the Wheat Pools.

Mr. Deputy Speaker: I call the attention of the Hon. Member to the fact that debate at report stage should be strictly relevant to the debate before us.

Mr. Benjamin: I mentioned earlier how they flopped. Now with Motion No. 39 they have flipped. They flopped in the previous motions so that the Canadian Wheat Board could be sanctioned and have producers' money used up by some other agency of the Crown. Now they have flipped with one for the Canadian Wheat Board. They flipped and flopped in committee and earlier in this House on the Canadian Wheat Board and the co-operative movement.

Much has been said about accountability and authority. My motion asks that nothing interfere with the powers of the Canadian Wheat Board under Section 21(k) of the Canadian Wheat Board Act or any orders of the Governor in Council to make available the quantity and types of grain needed to achieve sales commitments. The words "and in the interests of producers" at the tail end of the motion of the Hon. Member for Assiniboia is fine because that is already the mandate of the Wheat Board under the Canadian Wheat Board Act. The Board operates only in the interests of the grain producers and no one else. If the Member wants to add those words, I am agreeable.

Today I received some words of support for what we are trying to do. They came from the President of the Canadian Labour Congress. He supports the position we have taken. He supports the retention of the statutory grain rate for grain producers, the rebuilding of railways lines and the taking of equity ownership for any capital investment into railways upgrading. That person speaks on behalf of two million workers in this country. He is enunciating a policy resolution of the Canadian Labour Congress and the 100-odd unions which belong to it.

I have been particularly saddened listening to the Hon. Member for Vegreville (Mr. Mazankowski). I have always thought highly of him. I still do, but it bothers me and, I am sure, many other of his good friends to listen to him and his colleagues continually crying and whining about 1979. They are the guys who manufactured their own defeat. They are the dummies who, with a minority Government, said they were going to govern as if they had a majority. That has to be the dumbest thing that anybody in politics has said since Charles II lost his head. Now they are whining and crying. They have no class. They do not know how to win well, they do not know how to lose well—no class.

The Hon. Member for Assiniboia talked about their keen awareness. Their awareness was not so keen in committee when they voted to weaken the powers of the Canadian Wheat Board, when they supported the Liberals. They brought in amendments to weaken the powers of the Wheat Board. Now they are keenly aware. They have Motion No. 39 of the Hon. Member for Assiniboia. The Progressive Conservative Party, like the Liberal Party, is in favour of killing the statutory Crowsnest Pass freight rate. They still support that.

The Hon. Member for Vegreville is trying to cover their political backsides by saying "Let us not do it for three years because we may have an election out of the way by then". They have yet to come out opposed to the destruction of the statutory grain rates for our grain producers. They support that destruction. The architect of the legislation is a guy that the Hon. Member for Vegreville hired when he was Minister of Transport. He is the architect of the legislation. The Tories support the killing of the statutory grain rate.

We will vote for the Conservative Motion No. 39, but my Motion No. 40 does better. It contains the wording asked for by the Canadian Wheat Board when its officials appeared before the Committee on Transport. Mr. Esmond Jarvis, the Chief Commissioner, appeared before the committee and cited what should be in the Bill by way of an amendment. That is my motion, not this namby-pamby motherhood notion of the Hon. Member for Assiniboia, who is trying to cover his tracks in a riding where 90 per cent of the people support the orderly marketing principle of the Canadian Wheat Board. He is in favour of an Administrator being able to sanction the Wheat Board and being able to fine the Wheat Board, such fine to be paid with grain producers' money.

On one page of these motions the Tories want to undermine and weaken the Canadian Wheat Board; on the next page of these motions, they are keenly aware. Isn't that interesting. When it comes to contortions, they make the people of Asia look like amateurs. The most expert people in the world on stage and on screen when it comes to physical contortions are those from East Asia. However, when it comes to politial contortion, this Tory outfit puts everybody else to shame. This outfit is all over the lot. I wish they would quit crying and moaning about things of their own doing. They should quit trying to blame everybody else for their own errors of commission and omission. They should give up on this blatant, crass political opportunism in trying to save their neck in the Prairies. They are doing this because they attacked and continue to support the weakening of the Canadian Wheat Board. They attack, then frantically try to cover their tracks. They are busier than a cat on a tin roof. When they realize what kind of trouble they are in, they want to put the representation back on for the wheat pools. They have flopped and flipped and flipped and flopped repeatedly since this legislation was introduced in May. We will vote for Motion No. 39, but No. 40 is better. Motion No. 40 complies with what is needed by the Canadian Wheat Board in the best interests of grain producers. I hope, Mr. Speaker, that when we get to Motion No. 40 on a deferred vote, I will see the Conservative Members voting for a motion that is better located, better worded and will perhaps help them improve upon their flip-flopping. I

am all for helping them if they will help get more protection for the authority of the Canadian Wheat Board.

● (1640)

Mr. Deputy Speaker: The Hon. Member's time has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, it is rather entertaining for me to see Hon. Members of the NDP on the run. The Hon. Member for Regina West (Mr. Benjamin) has stooped to the lowest of all lows. I suppose that if I were a Member of a Party that stood at 14 per cent in the polls, I would use every act of desperation as well.

The fact of the matter is that Hon. Members of the New Democratic Party continue to make fools of themselves. They have lost their credibility here in the Chamber and I suspect that they are losing it very quickly out there in the country as well. The NDP is the Party that was going to stonewall and obstruct and kill this Bill. What do we see now? We see this Party bringing forward 174 amendments to try to improve the Bill. They were not too successful because they stretched the point a little bit.

Only 46 of those 109 motions were found in order and 64 of them were simply frivolous motions that made no sense. As a matter of fact, a good portion of those motions were what I would refer to as musical clauses. All that the NDP Members were proposing to do was to move a clause from one section of the Bill to another section. They were playing the game of musical clauses and trying to convince the people that they were really digging in for an all-out fight. It was simply frivolous though, Mr. Speaker.

The fact is that this issue is one that is too important to be dealt with in the frivolous manner employed by Hon. Members of the NDP. This issue is too important simply to stonewall, block or propose frivolous amendments in order to engage in innocuous debate. The issue simply goes beyond the responsibility of all Members of the House.

Quite frankly, the Hon. Member suggested that we were prepared to accept sanctions as applied against the Canadian Wheat Board. The Hon. Member should know very well that our Party moved an amendment in committee which now stands in the name of the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) to remove sanctions as applied to system participants other than the railways. The Hon. Member for Regina West thought that it was a pretty good idea when it was brought up in committee and he supported it. He moved that amendment here and it will be dealt with. I could say to him that our Motion No. 44 is considerably better than his Motion No. 38. Quite frankly, we are glad to have him on board.

The other thing that the Hon. Member for Regina West has suggested is that we in committee were trying to take away and undermine the integrity and the power of the Wheat Board, and that now here in the House we are trying to do something different. I only draw to the attention of the House and of the people who may be watching today the fact that it is clearly on record that the Hon. Member for Regina West agreed to support this very same amendment that we are dealing with right now. I will read from page 129:31 of the committee's Proceedings and Evidence where the Hon. Member for Regina West is reported to have said:

> If Mr. McKnight's amendment covers the ground that I am concerned about as well as any ground he is concerned about, I will be quite happy to withdraw mine and move his in. But I need more out of our legal counsel and our officials.

The legal counsel to the committee, Mr. Keith Thompson, said, as reported at page 129:36 of the committee's Proceedings and Evidence:

> What is important to the farmers, of course, is the ultimate ability of the Wheat Board to sell. Without that, there would be no movement of the product.
>
> So in my opinion, these final three lines of this particular proposal capture the essence for the existence of the Wheat Board and identify its principal functions.

That was said by the committee's legal counsel. We should not have to hear any namby-pamby suggestions from the Hon. Member for Regina West which would indicate that we were moving amendments deliberately to undermine the role of the Wheat Board. As a matter of fact, the thrust of the amendment is simply to do just the opposite.

There is absolutely no doubt, Mr. Speaker, that the Canadian Wheat Board is an institution that enjoys broad based support in western Canada. It enjoys the broad based support of the farmers who produce grain and who want to market their grain at a price that will give them a reasonable return for their investment and for their efforts. Very simply put, this motion seeks to reaffirm that fact.

As the Hon. Member for Assiniboia (Mr. Gustafson) pointed out, there are criticisms of the Canadian Wheat Board. There are some farmers who are not always happy with it, but fair, just and constructive criticism certainly has a place. Some farmers do not like the fact the commissioners are appointed at pleasure for a period of time until they reach the age of 70. We talk about accountability and there are some farmers who do not really like that. However, in the final analysis, the farmers line up in support of the Canadian Wheat Board.

Hon. Members of the New Democratic Party, like a herd of fox terriers, have always tried to make the case that any improvements that are advanced by anyone in an attempt to make the system more efficient, responsive and reliable are simply undermining the Canadian Wheat Board or the Canadian Grain Commission. If we were to follow the NDP strategy, we would surely be moving grain with horse and buggy and we would have elevators every five or six miles.

Such has been the case with the Administrator. Members of the New Democratic Party, the membership of the pools and some other farm organizations used the same fear tactics, innuendo and hysteria when we talked about the introduction of the grain transport co-ordinator when that office was set up in 1979. My goodness gracious, we were going to undermine the Canadian Wheat Board and the whole concept of orderly marketing. Everything was going to go out the window. What

did happen, Mr. Speaker? The fact is that when the GTA was set up, it was the best thing that ever happened because it prevented the Canadian Wheat Board from getting involved in all of the little dog fights that occurred with respect to the allocation between Board and non-Board grains. As a matter of fact, if anything, Mr. Speaker, it enhanced the integrity of the Canadian Wheat Board. Members of the Canadian Wheat Board will say that privately and publicly.

This kind of a transportation agency must be a neutral body. It must act as sort of a referee bringing all parties together and ensuring that when there is a breakdown, the onus or blame is laid upon the right party. At the very least, that cuts out the finger-pointing and it gets people talking and working together rather than fighting through the issuance of statements in the press.

The role of the Administrator must be clear. He must have a clear mandate and he should have adequate resources to do the job. The Agency must be responsive to the needs of the grain handling and transportation industry and it must have accountability to that industry. There is no question about that. It must be equipped to deal effectively with the grain producers' concerns in order to ensure that the transportation system serves the interests of the producers effectively. It must also have the necessary stature to deal with the transportation system on an equal footing with all other participants. These are the kinds of things that are required. That is why, when we reviewed the development of this particular concept in the form of this legislation, it became quite clear that the agricultural organizations in western Canada felt that the concept of the grain transportation co-ordinator or, as it is now called, the GTA, was working well. There was broad agreement between all organizations in western Canada.

Members of the Canadian Wheat Board itself, in their presentation to the committee on August 18, 1983, said that the current system with the GTA making the initial splits in car allocations has not become too cumbersome, and they went on to say that it is working well. Hon. Members of the NDP say that there is no one in western Canada who supports the concept of the Grain Transportation Agency Administrator. Well, I shall read from page 14 of the brief presented by the pools:

> The Pools accept the formal establishment of a Grain Transportation Agency Administrator with co-ordinating functions and powers.

There it is. That group speaks for a hundred and some thousand farmers. The United Grain Growers speaks for some 90,000 farmers. They all support the concept of the grain transportation agency co-ordinator. What are Hon. Members of the NDP harping about, Mr. Speaker? They are again simply trying to spread fear, innuendo and hysteria.

The fact is, Mr. Speaker, that when we as a Government set up the concept of the grain transportation co-ordinator, or Administrator as the position is now called, it was never our intention to undermine the integrity, the role or the power of the Canadian Wheat Board. That has not happened to date and, I submit to you, Mr. Speaker, it will not happen in the future. In order to ensure that it does not happen in the future, we have proposed this motion which will ensure that it does not happen so that there can be absolutely no doubt and no question about our intentions. There should be absolutely no question and no doubt as to where we stand and where the producers stand in so far as the Canadian Wheat Board is concerned. Let that be fundamentally clear. Therefore, Mr. Speaker, I hope that in spite of the flim-flammery which we have heard from it, the New Democratic Party will join forces with the Conservative Party to support the integrity and the authority of the Canadian Wheat Board. We welcome its support.

• (1650)

The Acting Speaker (Mr. Blaker): The Hon. Member for Saskatoon East.

Hon. Ray Hnatyshyn (Saskatoon West): West. I am sure, Mr. Speaker, you are sitting in your chair wondering—

The Acting Speaker (Mr. Blaker): Saskatoon West, of course.

Mr. Hnatyshyn: Saskatoon West. East is east and west is west. I am from the West.

You may be asking yourself the question, Mr. Speaker, what is the essence of this debate in terms of this amendment and, indeed, almost every other amendment which has been brought forward, in terms of this legislation? It is extremely important legislation as far as all Canadians are concerned, but is of particular concern and interest to us in western Canada. I know you will be bemused, Mr. Speaker, over the fact that the debate is taking place on this side of the House. There are differences of opinion which are being expressed between the New democratic Party and the Conservative Party, and sometimes we agree. However, it is really distressing, when we have an important statement of principle put forward by my colleague, the Hon. Member for Assiniboia (Mr. Gustafson), that this legislation shall not in any way have a negative impact upon the operations of the Wheat Board, having as it does such influence on western Canada, that Government benches are absolutely mute. Not a word is being said by those Hon. Members. They have no interest in this legislation. Any time anyone gets up and addresses this issue with respect to western Canada, the Government benches are absolutely quiet. Those Hon. Members sit there and watch. They listen. They attempt to suggest that if we speak on behalf of our constituents in western Canada about the importance of the Wheat Board, that somehow—to put it in the words of an Hon. Member on the Government benches—we are filibustering. I can assure you, Mr. Speaker, and the Hon. Member for Sarnia-Lambton (Mr. Cullen), that they will have precious little comfort when the people of western Canada discover the arrogant way in which the Liberals address this important legislation. That Party has not a thing to say. Where does it stand in connection with the Wheat Board? What is its position? I may disagree entirely with the New Democratic Party but I know where it stands—at least I know where it stands today.

I suppose the position taken by the Liberal Government is simply this; it really does not have to participate because its allies are speaking on its behalf. In western Canada there is a question which is asked, "What do you get when you add 23 per cent to 14 per cent?" The answer in western Canada is that you get the old Liberal-NDP coalition. That is what one finds if one looks at the Gallup poll. When it comes to Wheat Board issues or matters pertaining to western Canada, the Liberals know they have their allies to support and sustain them in government on every important issue. It is understandable, I suppose, that Hon. Members opposite are not speaking.

I would like to deal with the essence of what has been said here. This matter came up in committee. It is a question of looking at the amendment which was put forward by my colleague, the Hon. Member for Assiniboia. There were all sorts of legal advice which committee members received about the precise way in which this legislation should be put. The Hon. Member for Regina West (Mr. Benjamin) makes reference to his motion No. 40, which states:

The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under Section 21(k) of the Canadian Wheat Board Act—

The Hon Member says that is a superior protection for the Wheat Board. I know we had the benefit of legal counsel but, quite frankly, I like the unequivocal way in which it was put by my colleague, the Hon. Member for Assiniboia. He has not limited the matter. He has said, "This legislation shall not impinge negatively on the powers of the Canadian Wheat Board." He does refer to one section. He does not refer to one subsection of the legislation. He says that we in this Party, unlike the New Democratic Party, are behind the Canadian Wheat Board 100 per cent. We are not behind them with respect to just Section 21(k) of the Canadian Wheat Board Act. We want every power, either those stated as law or those determined by the courts of this land, supported, if it comes down to a contest between this legislation and the powers of the Wheat Board. It is very simple. We believe in putting things in very simple form. The matter was raised in those very terms by my colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). These people have been working on that committee for very long hours. Much attention has been paid to give support to the Canadian Wheat Board. They attempted to deal with this legislation in a responsible manner and attempted to bring forward constructive suggestions. Hon. Members, such as the Hon. Member for Red Deer (Mr. Towers) and the Hon. Member for Swift Current-Maple Creek (Mr. Hamilton), who were prominent with respect to this legislation, are Members of the Conservative Party. If it were not for the Hon. Member for Regina West, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and the Hon. Member for Prince Albert (Mr. Hovdebo), the New Democratic Party would have had no representation on that committee. Therefore there are no lectures needed in this House from the NDP as to whether our Members are flip-flopping. As far as we in this Party are concerned, we say what we mean to the western Canadian citizens and the farmers. They understand straight talk. They understand when we make an unequivocal statement in support of the Canadian Wheat Board in this legislation. We do not have to couch it in equivocal terms. We do not have to refer to a section of the Canadian Wheat Board Act. We simply say that we support it absolutely, categorically and without equivocation. That, Mr. Speaker, is understood.

I would like to refer to some of the complaints made by the Hon. Member for Regina West with respect to this matter. The Hon. Member said that there was some concern in his Party with respect to the pools and how supportive the New Democratic Party has been for the Wheat Pools and the producer-owned grain companies in western Canada. I blanched, quite frankly, when I heard those statements, because I sat through the hearings in my native Province of Saskatchewan. We sat long hours, from 9 a.m. to midnight every day, and I was proud to be able to sit with my colleagues and try to come to terms with what people were telling us. Anyone who wants to read the transcripts of what transpired at those hearings in Regina will find an unadulterated tirade against the Wheat Pool movement by Hon. Members in the New Democratic Party. It was unceasing and consistent. That Party was up every day, with every one of the witnesses, attacking the Wheat Pools, attacking the whole purpose of the Wheat Pools in Saskatchewan, attacking the delegate system, attacking every fabric of the Wheat Pool movement in western Canada to the point where I could hardly believe it. The CCF Party, which was so supportive, now apparently has changed its tune because it is now apparently under the direction of the CLC and Mr. McDermott. The Hon. Member for Regina West was always talking about how proud he was to be able to reflect the position of the CLC with respect to this legislation.

I tell you, Mr. Speaker, the fact of the matter is that it is hard to believe that the NDP has sunk to the position it has now when one thinks back with a certain amount of pride, as a western Canadian, to the principles which were behind the evolution, the creation of the CCF Party. What has happened to that Party now? What has happened to the New Democratic Party? The fact is that it is prepared to support the Liberals as any cost. Any time the Government is in any trouble at all, it always has its western wing there ready to support it. This is of very serious concern, and when we hear the kind of attack which the Hon. Member for Regina West attempted to launch on this particular amendment, we see how desperate that Party is. It does not give us the exact truth. In fact, it makes statements with respect to the position of our Party which are contrary to the truth.

• (1700)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to rise and speak on Motions Nos. 39 and 40. As has been pointed out before, they are somewhat the same although the wording is different. As I suppose is to be expected, the NDP motion is stronger and much more supportive of the Canadian Wheat Board. I guess we can say that the NDP has been consistent all the way through this Bill in its protection of the Board at every opportunity. I suppose we also could say that the Liberal-Conservative coalition has been consistent in

weakening both the Wheat Board and the Prairie Pools. The Hon. Member for Saskatoon West (Mr. Hnatyshyn) and the Hon. Member for Vegreville (Mr. Mazankowski) heavily attacked the Hon. Member for Regina West (Mr. Benjamin) on subjects he never brought up in his speech or presentation at all. Methinks they protest too much.

These motions deal with the need to protect the Wheat Board, something we should not have had to discuss in this particular Bill. Unfortunately, orderly marketing is not a central belief of either the Conservative or Liberal Parties and they are quite willing to attack and weaken it whenever they possibly can.

The Canadian Wheat Board is probably one of the most accountable agencies in Canada. The money used to operate it comes entirely from the producers, not a cent from the Government of Canada. It produces an annual report which is delivered to the farmers in every community concerned. Members of the Board fan out and speak to farmers in communities in all parts of the prairie Provinces. As I said, these kinds of motions should not have been necessary, but they are because the other Parties have coalesced to weaken the Wheat Board and they decided that the Administrator will have more power than the Wheat Board.

Mr. McDermid: You know that is not true and you do not believe it.

Mr. Hovdebo: I hope the Conservative Party will vote against Motion No. 39 and vote for Motion No. 40 because it covers the area better than Motion No. 39.

In this area of grain transportation, Mr. Speaker, we have a combination of statutes, regulations and Orders in Council which are administered by different entities. Therefore, it is necessary to protect certain things in this Bill which we know are the responsibility of certain agencies. In this case we need to protect the Canadian Wheat Board and, in the same clause but not in these amendments, the Canadian Grain Commission. Right now the Governor in Council, under this Bill, can change the powers of the Canadian Grain Commission, the Canadian Wheat Board and the grain transportation coordinator. He can take powers from the Canadian Wheat Board and give them to the Administrator, take them from the Administrator and give them to the Grain Commission. Therefore, it is necessary to take an amendment like that presented by the Hon. Member for Assiniboia (Mr. Gustafson), and put it in the Bill to protect the existing powers of these agencies. But as the Hon. Member for Saskatoon West said, the wording of Motion No. 39 is so broad, it does not really protect those powers. We need to say that the powers are protected as they exist in the Canadian Wheat Board Act, not just broadly protected because that does not specifically say they are protected in the way we would like to see them protected.

The intent of this legislation, Mr. Speaker, is basically, and I suppose inevitably, an attempt to allocate to the railways the right of return in the movement of cars, but it does not establish how those cars will be allocated. At present that is done by the Wheat Board with the assistance of the Grain Transportation Administrator, who has the right to interfere or adjust to some extent. However, I think we should go back, as did the Hon. Member for Vegreville, to the presentation made by the Canadian Wheat Board Commissioner. Here we have a very good example of selective quotations by the Hon. Member for Vegreville because I am going to read the same quotation he read except I will read another line. Mr. Jarvis said:

> "It is an economic fact in the grain industry . . . transportation and sales are inextricably linked; but transportation must effectively serve sales needs. The current system with the GTA making the initial splits in cars has not become too cumbersome. But a danger exists. Policy makers—and we say this to you—should be very careful in not separating further the vital link between transportation and sales.

The implication is that we cannot take the allocation of cars away from the Canadian Wheat Board. We must protect that power of the Wheat Board and do it in every way we can. The Canadian Wheat Board Advisory Committee also made a presentation to the Standing Committee on Transport and said exactly the same thing, if not in exactly the same words. Mr. Gibbings, who had just completed about 12 years or 15 years as a Wheat Board Commissioner and who was before that the President of the Saskatchewan Wheat Pool, also stated that:

> It is imperative that grain sales and grain transportation not be separated. The Canadian Wheat Board must be able to arrange the transportation of its own product or it cannot fulfil its obligations to western grain producers or their customers overseas. The board's marketing success, meaning sales success, depends on its ability to make day-by-day or even hour-by-hour decisions on grain movement. Its flexibility must not be compromised.

● (1710)

These agencies, which know what is going on in the movement of grain across the country, and know that we have been the most successful country in the world in terms of moving grain considering our most difficult circumstances, all say that we must leave the power with the Canadian Wheat Board. It is therefore very important that the best of these two amendments be passed.

As I mentioned earlier, I hope the Conservative Party will look at the two motions and choose the best one to protect the producers of the West. There are no ifs and buts about it.

The legislation is designed to gather, under a new agency, the power and authority presented and exercised by the Canadian Wheat Board. What we must do is to make sure that the powers that make the Wheat Board successful are not undermined by this legislation.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the common effect of these two motions is to enshrine in Bill C-155 the current role of the Canadian Wheat Board with respect to car allocation. In Motion No. 39, proposed by the Hon. Member for Assiniboia (Mr. Gustafson), there appears the following phrase:

> —to make available the quantities and types of grain necessary to achieve sales commitments—

It is not clear whether such a responsibility is already defined in the Canadian Wheat Board Act, nor is it entirely clear what the legal intent of the phrase is. It may be an

attempt to preserve the Wheat Board's responsibilities with respect to the block shipping system. However, the block shipping system is not mentioned in the Canadian Wheat Board Act.

Motion No. 40, put forward by the Hon. Member for Regina West (Mr. Benjamin) would have the effect of preventing the Governor in Council from determining what agency of the Government should have the power to allocate cars.

I should like to remind those Hon. Members who sat on the Transport Committee and the two movers of these motions that to Clause 19 we added subclause (3), which reads as follows:

> The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act respecting the purchasing and selling of grain.

To an amendment proposed by the Opposition, the Government added a subamendement which resulted in subclause (3) of Clause 19. We feel that it is a great improvement to the Bill and pretty well covers the intent of Motion No. 39 and Motion No. 40. We therefore do not feel that those motions are necessary at this stage of the Bill and we will vote against them.

Subclause (3) of Clause 19 was drafted in parallel with subclause (2) of Clause 19, which reads as follows:

> The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Grain Commission under the Canada Grain Act respecting the handling of grain in elevators.

Those two subclauses clearly cover the intent of Motion No. 39 and Motion No. 40, and therefore I do not feel those motions are required at this stage. If they were accepted they might cause confusion and might be interpreted as restricting the power of the Governor in Council under another Act to give the new grain transportation Administrator the responsibility for car allocation. I know the Hon. Member for Vegreville (Mr. Mazankowski) would not want this as I believe he and his Party created the position of the Grain Transportation Agency Administrator.

For these reasons we will vote against Motion No. 39 and Motion No. 40, but I thank Hon. Members for bringing them forward.

This afternoon I have listened very intently and I think it has been a very productive afternoon. We disposed of four amendments with very brief debate. This is the kind of co-operation that we had in committee. There was a spirit of co-operation and bargaining in good faith. Because of that spirit, we accepted 89 amendments in committee, including that to Clause 19(3) which pretty well covers the intent of Motion No. 39 and Motion No. 40.

Sensing this spirit of co-operation, I would seek the unanimous consent of the House to sit extended hours in order to conclude debate of report stage of Bill C-155. We have had a very productive afternoon. This is the kind of productivity and co-operation that we saw in committee. If we could extend this kind of co-operation and debate in good spirit by extending the hours, I think we could get a lot accomplished. The constituents who elected all of us would be very proud of this attempt to increase productivy. At a time when we are asking Canadians, farmers and industry to increase productivity, I think this would be a sign that we too are tightening our belts and want to increase productivity.

In that spirit of good faith—

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

The Acting Speaker (Mr. Blaker): The Hon. Member for Yukon (Mr. Nielsen) on a point of order.

Mr. Nielsen: Mr. Speaker, as a point of order, I do not know whether the Hon. Member has been in consultation with the Government House Leader; I have. I am here now waiting for our critic on agriculture. He has consulted me regarding the provisions of the Standing Order which would impose limitations on debate. We are going to consider the request of the Government House Leader with respect to the limitations that he has proposed.

I can say to the Hon. Member that those considerations and those discussions under the Standing Order providing for limitation of debate would be shot down in flames if he were to make any motion now with respect to extending hours. I have given my undertaking to the Government House Leader, and I will call him back this afternoon as soon as I have had the opportunity to speak to our critic, the Hon. Member for Vegreville, to see if we can meet the suggestion made by the Government House Leader. It would be totally self-defeating if any motion to extend hours were to occur in the middle of those negotiations.

Mr. Axworthy: Mr. Speaker—

Mr. Flis: Mr. Speaker—

Mr. Evans: Mr. Speaker—

Mr. Hnatyshyn: Who is in charge over there?

Mr. Friesen: There are three of them.

Mr. Blaikie: Take one stooge at a time.

The Acting Speaker (Mr. Blaker): I want to indicate that the House has a motion before it which is faulty in that I would require a seconder for it. In any event, the House has also heard a point of order from the Hon. Member for Yukon. I see that certain Hon. Members want to rise on the point of order and I think it is proper that I hear those Hon. Members. I will recognize next the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Evans).

• (1720)

Mr. Nielsen: The Chair recognized me before the motion was moved.

Mr. Evans: I believe I have the floor, Mr. Speaker. The Hon. Member was not trying to move a motion under Stand-

ing Order 30; he was simply saying that if there were unanimous consent perhaps it would be possible to extend the hours. But it was clear that the Hon. Member knew the provisions of Standing Order 30 and specifically did not move a motion under Standing Order 30.

Mr. Flis: Mr. Speaker, I want to make it very clear that I did not move any motion, nor did I intend to move any motion. I made it very clear that I sense the same kind of co-operation and spirit of good faith that I felt in committee and based on that, I simply asked for an extended sitting so that we can be as productive as we were this afternoon when we disposed of four amendments.

The Acting Speaker (Mr. Blaker): I am not sure what is happening. I will simply indicate that I thought I heard the Hon. Parliamentary Secretary move a motion indicating a desire for extended hours. I also recognized the Hon. Member for Yukon (Mr. Nielsen). I would say that even though the Hon. Member for Yukon was speaking off the microphone, both he and I recognize that the motion by the Parliamentary Secretary had a certain fault in it, if it was a motion.

I think we are reaching a point where it may not be appropriate to continue. Apparently the Parliamentary Secretary, who made certain comments just now, indicates that he was not moving a motion. In that case, there is no motion. Would the Hon. Parliamentary Secretary like to continue his remarks in debate but not on a point of order?

Mr. Flis: Your ruling is correct. I was seeking unanimous consent of the House, not moving any motion.

The Acting Speaker (Mr. Blaker): If the Parliamentary Secretary was seeking unanimous consent, I can only presume he was doing so on a motion.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. This seems to reflect what is really wrong with our country. The Government cannot gets its act together.

The Acting Speaker (Mr. Blaker): Order. We are having some difficulty with the House of Commons, let alone the country. Perhaps the Hon. Member would come to his point of order.

Mr. Hnatyshyn: I agree that the first statement was somewhat gratuitous but it was accurate. I would like to get clarification. My House Leader says that there are certain consultations going on.

The Acting Speaker (Mr. Blaker): It is a tradition, if I may call it that, that the House pays particular attention to those Hon. Members who may represent their Party on either side of the House, such as in the moments gone by, the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Evans) or the Hon. House Leader for the Official Opposition (Mr. Nielsen), as well as others.

I do not believe we should add to that. Unless certain of those Party spokesmen may wish to rise and claim the floor on a point of order, I think I should recognize the Parliamentary Secretary to the Minister of Transport (Mr. Flis) in debate. If I see Hon. Member who wishes to comment on a point of order with respect to his Party's position, of course I will hear that Hon. Member.

[*Translation*]

Mr. Pinard: I do not think we should complicate matters, Mr. Speaker. It is quite simple. I have been informed that the Parliamentary Secretary has merely asked unanimous consent for extending the sitting hours of the House beyond the normal time of adjournment so as to complete debate at the report stage.

I submit, with respect, that all the Chair has to do is ask whether there is unanimous consent. If there is not, that settles the matter. The Hon. Member said he did not want to move a motion.

When I came in I heard the Member for Yukon (Mr. Nielsen) say that I had asked him to discuss agreeing, under Standing Orders 80 and 81, to time allocation for debate. That has nothing to do with sitting beyond the normal time of adjournment. If Hon. Members object, they are free to do so, but I certainly do not deny the right of the Parliamentary Secretary to ask for the unanimous consent of the House.

[*English*]

The Acting Speaker (Mr. Blaker): Nor do I wish to deny the Hon. Parliamentary Secretary that right. If he wishes to seek unanimous consent, as far as I know, the best way he can do that is by a motion. He can either use his time on his feet to debate or to seek unanimous consent. It is his choice.

Mr. Flis: Mr. Speaker, that is all that I was seeking. I was not seeking permission to extend debate. I had finished debate. I said that in conclusion I am seeking unanimous consent of the House to extend the sitting hours so that we can complete the report stage of this Bill. That is all I seek, unanimous consent to extend the sitting hours.

The Acting Speaker (Mr. Blaker): In that case, I hear the Hon. Parliamentary Secretary seeking unanimous consent, seconded by Mr. Burghardt.

Mr. Nielsen: Mr. Speaker, surely you are putting a question which must be in the form of a motion in writing. If we are going to seek consent on whatever you might have, we would like to see it.

The Acting Speaker (Mr. Blaker): I must answer the Hon. Member for Yukon. It is the tradition of the House that a motion should be put in writing and read by the Chair. If the Hon. Member for Yukon wants that formality, I will insist upon it.

Mr. Nielsen: The Standing Orders require it.

The Acting Speaker (Mr. Blaker): I understand that. However, normally the House proceeds day to day without the

absolute formality of a written notice. On the other hand, the Hon. Member for Yukon has asked that that formality be observed. Accordingly, I will require notice in writing of the motion proposed by the Parliamentary Secretary.

Mr. Flis: Mr. Speaker, I wanted to increase the productivity of the House.

Some Hon. Members: Oh, oh!

Mr. Blenkarn: You have done a good job.

The Acting Speaker (Mr. Blaker): What I now require from the Hon. Parliamentary Secretary is a notice in writing. Unless the Hon. Parliamentary Secretary stands to withdraw the motion—then I get into other procedural difficulties as well.

Mr. Flis: Mr. Speaker, since it is very clear that the Opposition is there just to filibuster, I withdraw my request.

The Acting Speaker (Mr. Blaker): Unfortunately, it is not a request, it is a motion. I do not have it either.

I might be inclined to suggest that to withdraw the motion unanimous consent is required, but since I never received the motion I do not think that I need unanimous consent to ask that it be withdrawn. May we continue in debate.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, you will forgive me if I, as a newcomer, confess that some of the proceedings in the last few moments have left me somewhat confused. I certainly would not expect Members to my left to be confused by events before the House.

I was working very diligently in my office while listening to the debate at the same time. I heard some comments from the Hon. Member for Regina West (Mr. Benjamin) with respect to the debate which has been taking place on this Bill in the last few months with respect to the Crow as well as on the history of the Canadian Wheat Board. I felt it was important to express my views on this issue, particularly bearing in mind that this issue was discussed to some degree during the recent byelection in Brandon-Souris last spring. At that time we had ample opportunity to discuss this very important issue before the electorate of western Canada. We also had an opportunity at that time to have the electorate of western Canada express their opiniion on the issue before them. Some Members of this House were present at that byelection and participated in the campaign. One of the points I want to make very clear to you, Mr. Speaker, and to Members of the House is that the Progressive Conservative Party since the very beginning of that byelection, which takes us back to the early months of this year, expressed sincere and severe doubts about the legislation presented by the Government of the day, particularly with respect to the farmers' ability to pay for the transportation costs, which were hopefully to be improved by the legislation, and that share of the cost passed on to the farmer. During the course of that byelection there was considerable discussion in which I and other Members who campaigned on my behalf took part about the need to protect the farmer from being held accountable for an undue proportion of the transportation costs. Even before the Government talked in terms of introducing an amendment, described as a safety net of some 10 per cent of the costs to be paid to the farmer, we were talking in that byelection about the need to protect the farmer and I was proposing a safety net of some 7 per cent. That figure of 7 per cent was selected because that has been the historic average which the farmer has paid in the last quarter century. Having considered the evidence presented to the committee during the course cf the summer months, we on this side of the House have come to the conclusion that the farmer is unable at this time to pay the kind of money the Government is asking for. We have decided, and it seems very appropriately so, that any increase in farmers' costs must be delayed for a certain period of time and for the very minimum of three years.

● (1730)

I think it is very important for Members of the House and for the public at large to understand that the Progressive Conservative Party has been very consistent in questioning the ability of farmers to pay the amount of money which the Liberal Government was asking of them. We have been very concerned that this historic right, which has been viewed by the farmers of western Canada as a historic right, must not be destroyed in any haphazard manner. It is material that this House go on record as recognizing the question of the ability of the farmer to pay and recognize the concern we have expressed for several months. It is also important that the House and the public at large understand those of us who were involved in any way in the western Canadian grain industry and that we in the Progressive Conservative Party recognize the importance of the Wheat Board as an ongoing part of the marketing system that must be preserved.

As you know, Mr. Speaker, the Wheat Board was developed in Canada in a series of stages. It had its beginning during the period of World War I and then more recently, of course, in the depression of the 1930s. We in this Party are very proud of the part which the Government of the day, the R. B. Bennett Government, played in the development of the Canadian Wheat Board in the 1930s. At that time it was the central selling agency. Eventually, it became the Wheat Board as we know it. We have done everything we can throughout the years in which we have had some responsibility to preserve the importance of the Wheat Board and to guarantee that it will be an ongoing part of the western Canadian grain industry.

It would be fair to say that the activities of the Wheat Board and the powers of the Wheat Board were very much enhanced during the period of time in which the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) had the responsibility for administering the agricultural concerns of western Canada. I think it is important this is recognized, and we reaffirm it over and over again because there are those in this House who would attempt to take the opportunity to confuse the electorate and to suggest that we, as a Party, would do something to weaken the Wheat Board. I wish to say unequivocally that I and other Members of this Party recognize the importance of the Wheat Board, and even though we recognize that there are some deficiencies, it has played a very

important part in the history of western Canada and will continue to do so.

It is therefore most important that the amendment in Motion No. 39 be supported, because it indicates that the Wheat Board's authority will not in any way be impaired by the role of the Administrator. It is that point I wish to make at this time and it is with those remarks that I conclude.

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

The Hon. Member for Wetaskiwin.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to speak in support of the motion moved of the Hon. Member for Assiniboia (Mr. Gustafson). The words of this motion are very important. I recall that when we were in Government we set up the office of co-ordinator. I was one of the members of the task force who set up the rules and regulations by which that co-ordinator should act. It was never the intention at that time or at this time that the co-ordinator—or the Administrator as the position is now called—would in any way inhibit the Canadian Wheat Board's powers. It was felt there was a need at that time for a person or an organization in place that would assist the Canadian Wheat Board in allocating powers.

We have a very complicated system that has developed in the delivery of grain in the West. We have the Wheat Board grains and we have off-Board grains. Some of the latter are delivered to agents of the Wheat Board and sold under its auspices. Others, such as oilseeds, are sold by farmers directly through producer cars or sold through agents of the Wheat Boards, the pools, the UGG and Pioneer to be delivered to ports by those agencies.

It seemed to us at that time that the Canadian Wheat Board would find itself in a dilemma as to whom to allocate cars. For example, if it had just sold a large quantity of grain to a customer and ships were arriving, would it allocate cars for that type of grain and at the same time jeopardize a much needed feeding requirement, say, in eastern Canada or B.C.? How would it make its decision at cross purposes with itself?

We felt at that time it would be in order to create a body or a person which we called a co-ordinator, now called the GTA, who would take into account all these various problems and make a decision as to which elevator, which line, would get the cars that were required.

A problem has also developed in certain areas. Perhaps the cars have been allocated on past experience of that line. For example, if the Alberta Wheat Pool on a specific branch line has been receiving so many cars per week over the last year, then it would be very easy to give them the same number of cars per week in the coming year. Perhaps a farm co-operative or another elevator company, a private company, has built an elevator on that line and farmers, concluding that that facility can provide better service to them, decided to make deliveries to the new elevator instead of the one on the line as in the past. This has been the problem in the past because one company is receiving cars based on tradition on that line and another company which is new is not getting sufficient cars to meet the demand coming on that line.

It is very difficult, then, if we do not have a body set up that is in tune with the allocation of cars day by day, to get some redress to this problem. I remember very well the people at Weyburn, Saskatchewan, who built a high through-put elevator with the ability to provide cleaning services and had the spot of 25 cars capability on that line, and yet they were simply not receiving the cars requested to move the farmers' product. In fact, elevators that had been on the line in previous years were getting more cars in place than they had grain delivered to them. This was not fair to the elevator company. We felt that by putting the grain transport co-ordinator in place that that situation could be rectified.

● (1740)

We set in place a number of very important objectives which had to be followed. The first objective was that the authority had to be neutral. It could not in any way favour one company over another, one agency over another, or offboard over onboard delivery. This was very important, otherwise the agency would lose its credibility. We insisted that it had to be neutral.

Also it was very important that the co-ordinator had a set of rules by which that body had to live. This became difficult without legislation. Over time the role of that agency was more and more defined. As well, it was felt that the agency had to be responsive to the needs of producers. I just gave the example of the Weyburn terminal. I could prove in many situations that even today cars are not being allocated according to the deliveries of farmers to individual elevators. Some elevators are getting more cars than they should be getting based upon deliveries, other elevators are plugged. We have some way to go in making the agency responsive.

The agency needed to be equipped with some authority to do as it felt best for producers. This goes to the whole question of what tools it has, whether in fact it can impose penalties if its orders are not delivered by railway companies or agents of the Canadian Wheat Board. This area has to be dealt with to a great extent.

If we look back on what the agency was set up to do and how it has functioned very well on the Prairies in allocating cars and in the transportation of grain either for export or for domestic consumption, we will find very few individuals, companies or groups of people in western Canada who have had anything but praise for the agency. This amendment attempts to say that the Administrator has certain powers. These powers are being granted to him under the Act. There should be no question of an underlying current which takes away any of the legitimate powers of the Canadian Wheat Board. Its duty has always been to producers, to maximize their sales in international markets. It should continue to perform that duty, and the majority of farmers agree.

No one is questioning that the system can be improved. That is always at the backs of the minds of the representatives of western Canadian farmers and of Members of Parliament who

represent them. I will always stand in my place to support legitimate amendments to improve the efficiency of the system so that western Canadian producers obtain a better deal. That is what this amendment is attempting to do and why we as Members of Parliament ought to support it.

Before the Parliamentary Secretary became confused about whether he was making a motion or seeking unanimous consent, he rose in his place to say that there were certain amendments in committee which would have changed the clause. He indicated that they supported their amendment which they thought was sufficient. Amendments were put forward in committee by Members of the Progressive Conservative Party and of the New Democratic Party. We feel that the amendment before us today is necessary. It must be absolutely clear that the functions of one agency cannot interfere with those of another. That is all this section of the act is attempting to clarify. If we have an unclear Act, we can have a bureaucracy or agency that gets carried away with itself in the interpretation of the wording of a section.

I commend the Hon. Member for Assiniboia (Mr. Gustafson) for bringing forward the amendment. It is worthy of support. We ought to get on with doing just that.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, indeed it is a pleasure once again to have an opportunity to speak on a motion to amend the terrible piece of legislation we are debating, Bill C-155. It is as obvious to me as it is to others in the House that we are moving through amendments today at a rather rapid rate. This was pointed out by the Parliamentary Secretary to the Minister of Transport (Mr. Flis) in his somewhat confusing contribution. I agree with the Hon. Member for Brandon-Souris (Mr. Clark) that many of us were confused by what was going on for a little while, notably by the comments of the Parliamentary Secretary to the Minister of Transport.

I am sure the Government is happy about the rather rapid progress in dealing with the amendments today because the sooner the House finishes with these amendments, the sooner the Government will get down to scrapping the Crow. The sooner the amendments pass through the House, the sooner the Government can throw thousands of prairies farmers off the land by increasing transportation costs some 400 per cent.

Probably the Tories are also very happy about the rapid progress in dealing with the amendments today. Over the last few weeks we have heard them spilling crocodile tears about the dreadful impact of higher freight rates on prairie farmers. How serious are they about saving the Crow? Just a few weeks ago the Hon. Member for Vegreville (Mr. Mazankowski) came into the debate as a shining new convert to the "save the Crow" position. He said that farmers cannot afford to pay increased freight rates and that the Government should postpone its plan to kill the Crow for three years to let the income position of farmers improve. I read a while ago in the *Western Producer* that the Hon. Member has now scrapped in three-year moratorium notion. I suppose that can only mean he is back onside with the Government, supporting an end to the Crow rate. One can only guess.

Also a few days ago I read in *The Globe and Mail* a report on the Crow debate. I indicated that the hopes of some unnamed Tory insiders was that the Government would hurry up and bring in time allocation, to get their Tory friends off the hook, I suppose. Indeed, we may have some scheming going on now which will come up with yet another unholy alliance of Grits and Tories to screw prairie farmers.

Mr. McDermid: Shame.

Mr. Epp: Order.

Mr. Forrestall: You will become just another pretty face from the Prairies.

Mr. Sargeant: I suppose we have to feel some sympathy for the Tories. The reported position of their Leader is only that he wants a united Tory position on the Crow. That does not give us too much to chew on. However, I think it is prairie Tory Members for whom we have to feel the most sympathy. When they went home this summer they discovered that indeed the Crow rate was very important to grain producers. More than that, it is very important to the whole prairie economy. Our prairie Tory colleagues found out that they had better be seen to be defending the Crow when they come back here.

An Hon. Member: Not really defending it.

Mr. Sargeant: Exactly. They have made much of their new faith in the Crow rate. The Government has clearly come to believe, with reason, that the Tories are willing to deal the Crow away. That should not surprise any of us. It should not be a surprise, especially when we consider the rather poor record of the Tories in fielding speakers for this debate. They have about three times as many Members as us, which gives them the right to three times as many speakers. The best they can do so far is one for one with Members of this Party. Their defence of the Crow has been a paper tiger. I can only hope that farmers in their ridings will come to realize this before it is too late.

The amendments we are discussing at present, Motion No. 39 of the Hon. Member for Assiniboia (Mr. Gustafson) and Motion No. 40 of the Hon. Member for Regina West (Mr. Benjamin), are both important, although obviously one is better than the other. They both strive to protect the authority of the Canadian Wheat Board from the broad powers this Bill would give to the Senior Grain Transportation Committee and its Administrator. Of the two, Motion No. 40 is clearly the better. It is most in keeping with the concerns raised by the Wheat Board Chief Commissioner, Esmond Jarvis, when he appeared before the Committee on Transport this summer. For that reason, it is Motion No. 40 that we should accept.

• (1750)

Why is that? The wording of the two motions is very similar. The difference is that the amendment proposed by my colleague, the Hon. Member for Regina West (Mr. Benjamin), specifically mentions that the duties and functions of the

Administrator shall not restrict the powers of the Canadian Wheat Board under Section 21(*k*) of the Canadian Wheat Board Act, or any Order in Council, to make available the quantities and types of grain needed to achieve sales commitments.

The Canadian Wheat Board argued before the committee that the most efficient way to ensure future export sales is to ensure that the Board retains the ability to co-ordinate fully the grain transportation system. I think he is right.

Under Section 21(k) of the Canadian Wheat Board Act, the Board is allowed, subject only to Order in Council, to provide for the allocation of railway cars available for the shipment of grain at any delivery point to any elevator, loading platform or person at the delivery point.

That is a very important authority for the Wheat Board. Without control of the quota system and in the allocation of cars, the Wheat Board loses its capacity to complete its sales. We cannot arbitrarily separate the transportation of those grain sales from the sales themselves. As the Wheat Board told the committee:

> Any further reduction in the Board's ability to co-ordinate transportation will be a very important step backward for the export sales program for western Canadian grains.

Clearly any transfer of authority to operate the bloc shipping system from the Wheat Board to the Administrator of the Senior Grain Transportation Committee would result not only in major problems for the efficiency of the transportation system but also for the effectiveness of the Wheat Board's sales efforts. I am a little distressed that this Bill was not amended in committee to take account of this problem. I know my colleague from Regina West tried repeatedly to have the Bill amended to take account of the Wheat Board's concerns.

It seems odd that when the Bill was drafted that little effort was made to address the concern of the Wheat Board to prevent a future shift in authority from the Board to the Senior Grain Commission by Order in Council. Since the ability of the Board, subject to Order in Council, to co-ordinate transportation of its grain sales is so important to its export grain sales, why was provision not made for the protection of the authority in this Bill? When it was raised repeatedly, why did the Government Members on the committee shy away from making the necessary changes? What is the reason for their reluctance to protect the authority of the Wheat Board? It makes little sense to me.

This amendment is not a major change to the Government's legislation. It only seeks to limit the authority of the Grain Transportation Administrator in a way that is reasonable and, I might add, fair. Without this amendment, only the elevator system and the actual buying and selling of grain would remain outside of the Administrator's control. Is it the intention of the Government to establish a czar over the transportation of western grain? I certainly hope not.

This amendment will ensure that the Wheat Board retains the power to order the direct grain cars in a way that allows it to fulfil its mandate and meet export sales. It would ensure the Wheat Board's ability to retain control over the bloc system of shipping necessary for the export sales of western Canadian grains.

Let me close by saying that we should accept Motion No. 40. I do not say that because it is an NDP amendment. I say that because it does not confuse the Bill, as I must say Motion No. 39 does. As Motion No. 39 now reads, it will replace subclause 19(2) of the Bill. By doing that it would remove the protection written into this Bill now for the Canadian Grain Commission. I do not think that was the intent of the Hon. Member for Assiniboia (Mr. Gustafson). However, whether that was the intent or not, that would be the result.

Motion No. 40 does not replace subclause (2) which deals with the Grain Commission. Rather, it replaces subclause (3) which attempts to deal with the Wheat Board. If we are trying to improve the protection for the Wheat Board, we should be amending the clause that deals with the Wheat Board.

While both Motions Nos. 39 and 40 set out to preserve the authority of the Wheat Board, it is evident that it is Motion No. 40 that we should put forth.

Hon. Jake Epp (Provencher): Mr. Speaker, I want to add my support to Motion No. 39 standing in the name of the Hon. Member for Assiniboia (Mr. Gustafson). I support it because it makes sense. It makes sense if one understands in any way what has happened in the Prairies in the movement of grain and what farmers have been doing in order that some cash flow will allow them to continue business. That is the reason for the motion.

It is just amazing to watch the NDP grasping with their fingernails in desperation, trying somehow to show that whatever they are doing, they are in favour of the status quo on the Prairies.

Mr. Blaikie: Status Crow.

Mr. Epp: Not only that, but time has passed them by. What about credibility? Where is it? At 14 per cent even they are not crowing any more.

Mr. Hnatyshyn: They are the Titanic of western Canadian political Parties.

Mr. Epp: What about the Parliamentary Secretary? Let us look at him, if we can bear the sight for a moment. Obviously the question has been very clearly established by the Government, namely, that it wants closure on this Bill. It does not want to study the Bill any more. It wants to impose high rates of transportation costs on the farmers of western Canada. That is what it wants to do.

The Government would almost have been able to do that today through a parliamentary manoeuvre had the Parliamentary Secretary only followed the script that he was given a little more closely, but I guess he missed it.

Mr. Flis: Mr. Speaker, I rise on a point of order. It is very clear that the Hon. Member never listens in this Chamber because I did not ask for any time allocation. I wanted to give

the Members more time. I was asking for extended hours of debate. Extended hours is not time allocation.

The Acting Speaker (Mr. Blaker): There is a difficulty in that if the Hon. Member for Provencher (Mr. Epp) provokes certain responses of that nature, then perhaps I have to recognize the Hon. Member to answer the provocation. I suggest that if the Hon. Member wants to get on with debate, that is the way to go.

Mr. Epp: Thank you, Mr. Speaker. As always, your judgments are accepted by me. I am just appreciative of the Parliamentary Secretary trying to explain the unexplainable because he wanted the Bill dealt with in one evening. He did not give any time allocation. He simply said "Let's continue". That being the case, I would like to continue tomorrow. I therefore call it six o'clock.

The Acting Speaker (Mr. Blaker): By far and away an excellent proposition.

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BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I would like to designate Friday of this week as an Opposition Day.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LABOUR CONDITIONS—UNEMPLOYMENT IN BOW RIVER CONSTITUENCY—ALLOCATION OF FUNDS. (B) APPLICATION OF GRANT FORMULA

Mr. Gordon Taylor (Bow River): Mr. Speaker, on Tuesday, October 11, I asked the Hon. Minister of Employment and Immigration (Mr. Roberts) why the constituency of Bow River was only receiving $100,000 from the Canada Works Program for 1983. I pointed out that in 1982, there were 685 people unemployed in the Bow River constituency and it received $200,000. This year, 1983, there are 1,893 people unemployed in the Bow River constituency, three times the number of unemployed in 1982, and it is receiving only half the amount of money, or $100,000.

I advised the Minister that it is an odd formula that provides that the higher the rate of unemployment, the lower the grant. The Minister then stated that the formula does bring forward, as he said, rather bizarre results. The Minister advised me that the formula was explained in a letter to me. All the letter said was that the total constituency allocation is now the sum of Canada Works grants and the Local Employment Assistance Development (LEAD) grants and that the basic allocation from Canada works is $100,000. The LEAD allocation is nil unless there were more than 4,360 persons unemployed in Bow River. In other words, the Canadian Government thinks that having 4,360 persons unemployed is all right. Nothing is provided for Bow River constituency under the LEAD Program. The Canada Works Program grant is a minimum amount which is given to any constituency.

That is not a formula at all. It is a sleazy way of granting larger amounts of money to favoured constituencies and/or providing a Liberal slush fund for the next election. It reminds me of the time I was navigating airplanes in World War II. We used a formula to ascertain the exact position of our aircraft by transcribing through trigonometric tables the shots we took of the moon, certain stars and the sun. Some lazy would-be navigators cooked their shots at navigation school by using their location on the ground and working backwards to get the position of the moon or the star. Most of those people were washed out by the RCAF as they would be useless when they did not know where they were in the air and would therefore endanger the lives of the entire crew.

That is exactly what the Minister is doing. He is cooking the amounts of public money in order to favour Liberal ridings. I suggest that by doing this dirty work behind the scenes, he is endangering the political lives of his comrades and betraying the unemployed, particularly the women, the natives and the disabled, that the program is designed to help. If the Minister disputes my statement, let him make public the amounts allocated under this program to all constituencies in Canada. I dare him to do so.

Let us look at what happened in 1982 when there were 685 people unemployed in the riding of Bow River and it received a grant of $200,000. Here are the results. There were 21 applications from Bow River which, if all had been approved, would have created 153 jobs at a cost of $1,500,000. This would have created 5,555 work weeks of employment. However, we only received $282,806 and so there were only five applications which, if all had been approved, would have created 25 jobs or 909 work weeks of employment. I should note that the amount of $82,806 was given to Bow River by a Calgary riding. If that money had not been received, the picture would have been different as only three applications would have been approved, creating some 13 jobs. The five applications approved included a Sarcee people's museum, a Shilo Wilderness Ranch at Priddis, the Drumheller Chamber of Commerce project, the East Coulee Community Association project and the Village of Beiseker project.

Equally good projects were submitted by Big Country Educational Consortium, the Sarcee Seven Chiefs Sportex, the Sarcee Band Administration, the Sarcee Old Agency Lodge, the Banff Library, the Banff Community Skills Bank, the Canmore Any-Space Theatre Company, the Blackfoot Band Housing Society, the Society for the Handicapped in Airdrie, Airdrie T.I.B.S., the Airdrie Campsite Development, Airdrie is

Accessible and Airdrie Ecological Assessment. In other words, it was most frustrating last year for the 16 organizations that drew up proposals and went to the work and expense of presenting the proposals only to be told that there was not enough money to approve them.

What will the situation be this year? The Minister praises the program and builds up the hopes of the people who apply. Then they are frustrated and disillusioned. This year, with only $100,000, it means only about three projects will be approved, with about 12 to 15 new jobs being created. This leaves more than 1,800 people without work. This is certainly a "bizarre" result.

● (1805)

If we were to receive an amount comparable to that of last year, we would have $600,000 or at the very least $500,000. The bizarre way of figuring this out by the new Minister of Employment and Immigration is an insult to the unemployed and an insult to the communities which are going to make applications. This program is a hoax.

If the Minister cannot do any better than this in the Employment and Immigration portfolio, then he should resign. The Minister has never had to meet a payroll. He has never been in business. He does not understand the outside world at all. Perhaps he should leave us and go back behind the sheltered walls of the university and find out how to work out a sensible formula, one which will be fair and one which will raise the grant as the number of unemployed increase.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, regarding the first question put by the Hon. Member for Bow River (Mr. Taylor), I want to inform the Hon. Member that in 1982-1983, the funds allocated to Canada Community Development Projects, totalling $172.5 million, were distributed as follows: first, all ridings received a basic grant of $200,000. Second, ridings with a labour surplus rate of less than 12 per cent over four years received funding for job creation, and this was the case in 33 ridings. Third, ridings with an average monthly labour surplus rate of five per cent or more during the period from October 1981 to March 1982 received a share of the remaining funds calculated according to the difference between the average number of surplus workers during the six-month period ending in March 1981 and during the corresponding period in 1982.

Under the Canada Community Development Programs, Bow River received a basic grant of $200,000. The riding was not eligible for job creation funding, because the average labour surplus rate over four years was 1 per cent. Nor was it eligible for an additional share of the grant, because the average monthly labour surplus rate was 1.4 per cent. The difference in the number of surplus workers in Bow River was 236.

This year, funding for Canada Works and LEAD programs was distributed as follows: first, all ridings received a basic grant of $100,000. Second, ridings with an average labour surplus rate over four years of less than 12 per cent were eligible for LEAD program funding. This was the case in 37 ridings. Third, the remaining funds were distributed proportionally among the ridings where the labour surplus rate exceeded 8 per cent of the labour force. Under the Canada Works and LEAD programs, Bow River again received a basic grant of $100,000. It was not eligible for funding under LEAD, because its average labour surplus rate over four years was 1.7 per cent. Although the number of surplus workers was calculated at 1,893, the riding did not receive an additional share of the grant because its monthly average labour surplus rate was 3.5 per cent. The difference between the amounts allocated to Bow River is therefore due to the fact that the basic grant dropped from $200,000 to $100,000 this year. There are two reasons for the reduction: first, funding for the Canada Works Program was only $109.8 million. Second, since the labour surplus increased last year because of the economic situation, it was necessary to make more substantial funding available to all ridings. Thence the figure of $100,000 for the riding of Bow River. As to whether the same formula was applied to ridings represented by Liberal Members, the answer is that funding for all ridings is calculated in the same way, namely, basic grants of $100,000 for everyone, and depending on the labour surplus rate, certain amounts are allocated under other programs such as LEAD, and that is how funding for the riding of Bow River was allocated.

PENITENTIARIES—DECISION TO END LAVAL UNIVERSITY EDUCATIONAL PROGRAM AT LAVAL PENAL INSTITUTE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, last Friday, I questioned the Solicitor General about the excellent education program offered by Laval University at the Laval Institution in Quebec City. In his reply, the Solicitor General mentioned that the BAGIL program directed by Mr. Mario Ferland, which was set up at Laval and offered to a number of inmates, had not been very successful during the three years of its operation.

Mr. Speaker, I find this conclusion very surprising, since the Minister wrote the following letter to Mr. Ferland on September 14 of this year, in which he said, and I quote:

> I wish to thank you very much for your efforts in developing BAGIL at the Laval Institution. I am aware that, thanks to your efforts, it has become an excellent program that has been beneficial to inmate participants.

● (1810)

Mr. Speaker, there is clearly a considerable discrepancy between what the Solicitor General said in the House last Friday and what he wrote in his letter to Mr. Ferland a month ago, when he described the program as being an excellent one. The question arises why the Minister decided to terminate the

program offered by Laval University. I would now like to quote a letter written by Mr. Ferland to the Solicitor General:

> His explanation is far from satisfactory; as for his suggestion to continue university programs in penitentiaries, this could only have an adverse effect on the development of education in the prison environment.

That is clear, Mr. Speaker.

[*English*]

I think it is most unfortunate, Mr. Speaker, that the Solicitor General (Mr. Kaplan) has apparently refused to listen to the universal advice he received from the Canadian education community, including the Canadian Association for Adult Education, the Association of Universities and Colleges of Canada, the Canadian Association of University Teachers, the Canadian Teachers' Federation, the National Union of Students, the National Associations Active in Criminal Justice, the Church Council on Justice and Corrections, the John Howard Society, and the Canadian Labour Congress, along with a host of individuals right across the country including Members of Parliament on all sides of the House.

These representations were to the effect that, first of all, specialized university programs developed in Canada in several penitentiaries should be continued. They should not be weakened by off-the-shelf courses, for example, or by distance education or correspondence courses. Their budgets should not be reduced.

Most importantly, the idea which the Minister is now proposing of fees for students will in effect kill post-secondary education programs not only in the Atlantic Provinces and Quebec, at Queen's University in Ontario, and Manitoba where the Minister refused to fund such programs, but it will also kill the very successful program in British Columbia which is being operated by the University of Victoria.

The Minister has suggested that there are not enough students involved in the program in Quebec, but I note that the programs in Quebec and Ontario, unlike the very successful program in British Columbia which I strongly support, are very new programs. There has never been a university program in the Atlantic region. Apparently there has not been much interest on the part of the CSC to begin such a program in that region even though St. Francis Xavier University expressed a willingness to consider the possibility a number of years ago. But in the case of the new programs in Quebec and Ontario, there has not been enough time to develop larger enrolments. I would suspect much larger enrolments could be developed, particularly if the programs were offered in penitentiaries closer to the university itself. Laval institution and Laval University are several hundred miles apart. I am quite confident that that is one of the reasons for the low initial enrolment in that program. But, to use that as an excuse for killing the program entirely is, in my view, a very serious mistake.

I would note as well, Mr. Speaker, that this particular program has been strongly supported by educators. In the Province of Quebec a petition has been signed by some 200 professors calling upon the Government to reconsider its decision and effectively keep this rehabilitative program. There are not many programs in the federal penitentiary system which seem to work in terms of rehabilitation. To kill a program in Quebec, Ontario and Manitoba which is getting under way and, admittedly, still does not have a large enrolment, and as a result will have a higher per student cost, is a tragic mistake in my view.

• (1815)

Laval University has just been the recipient of a grant from the Donner Foundation to implement a research and study program on post-secondary education in Canada. This is a recognition of the outstanding job done by Mr. Ferland and that university.

I hope the Minister will consider the conclusions of a study done this summer which showed that if inmates are required to make a significant financial contribution to the cost of their university education, the result will be a substantial decrease in first year enrolments and the eventual disappearance of this important rehabilitation program in its present form.

In view of those conclusions, and in view of the clear success of this program as acknowledged by the Minister as recently as last month in a letter to Mr. Ferland, I hope he will reconsider his decision and reinstate this very worth-while program, not only in the Province of Quebec but in Queen's University in Ontario and in Manitoba and, indeed, expand the existing program in the Province of British Columbia.

It is also essential that the Minister's proposal for contributions by students not be implemented as it would result in the death of the program across Canada. The program has been very successful both in terms of rehabilitation and the recognition it has received from many different groups involved in adult education.

[*Translation*]

Mr. Alain Tardif (Parliamentary Secretary to Solicitor General): Mr. Speaker, during oral question period on October 14 of this year, the Member for Burnaby (Mr. Robinson) asked the Solicitor General why he had decided to terminate the education program offered by Laval University at the Laval Institution. As he said himself in his reply to the Hon. Member the same day, the Minister strongly supports providing post-secondary education in federal prison institutions. However, the BAGIL program, set up at the Laval Institution and offered to inmates under federal jurisdiction in the Quebec region who were eligible for university level education, was somewhat limited throughout the three years of its existence. In fact, only 12 student inmates were enrolled at the time the program was suspended. The fact that the program attracted so few students made it very expensive to run, the cost being about $8,000 per student inmate per year. I may add that the low rate of enrolment in programs at Queen's University and the University of Manitoba was one of the factors leading to the suspension of these programs as well. However, the program at the University of Victoria has been expanded, since it has the highest enrolment: 140 full-time and 32 part-time

students out of a total of about 190 full-time and 76 part-time students in Canada in 1982. The average cost per student is therefore substantially reduced. Eventually, more inmates may be taking part in programs, and participating universities will be asked to offer such programs in the various regions. Depending on their experience and the variety of programs available, universities will be able to offer certain services including conventional courses, televised courses and correspondence courses.

[*English*]

AGRICULTURE—BEEF STABILIZATION PLAN—MEETING OF PROVINCIAL MINISTERS

Mr. Maurice Foster (Algoma): Mr. Speaker, on February 28, I raised a question with the Minister of Agriculture (Mr. Whelan) concerning the Government's plan to provide stabilization of the red meat industry, especially the beef industry. At that time the provincial ministers of agriculture were meeting. I asked the Minister if he was prepared to co-operate on a national tripartite stabilization program for the red meat industry. I asked a similar question on September 15. I would be interested to know from the Parliamentary Secretary if the Government is prepared to move ahead with this matter at this time.

I understand that the Ministers and the deputy ministers of agriculture across the country have met several times throughout the summer, in July and I believe again later in August. In fact, of the ten provincial Ministers I understand that four of them representing the four largest beef-producing Provinces of Alberta, Saskatchewan, Manitoba and Ontario have made some agreement to proceed with a tripartite method of agricultural stabilization for the beef industry. I understand that this also applies to the pork industry.

● (1820)

I ask these questions of the Minister because I believe the situation in the red meat industry is really critical at this time. Prices for red meat are approximately 20 per cent to 25 per cent less than they were four years ago. During that four-year period we have seen interest rates climb to as high as 20 per cent and 24 per cent. There have been farm bankruptcies and foreclosures on a scale we have not witnessed since the 1930s. An Hon. Member of this House introduced Bill C-653, a measure that is similar to the farm bankruptcy legislation which was used in the 1930s. There has been a lot of support from both sides of the House toward the implementation of that legislation.

While I understand that negotiations are proceeding to do something in this regard, this would be treating the symptom rather than the problem. The real problem is that the producers of red meat in this country are not receiving an adequate return for their commodity from the marketplace. Obviously that is the best place to obtain an adequate return, because the consumer would then know what the commodity costs what it is worth. The producer should get an adequate return for his investment and work. This does not happen often enough in the red meat industry for these producers to survive. It seems to me that the best interim solution is a tripartite stabilization program.

If we look at the estimates from the Department of Agriculture we see that some $309 million is spent annually for the dairy producers; that the federal Government put up $145 million for crop insurance; that the Western Grain Stabilization contributions of the federal Government are $140 million; and that other stabilization programs for other commodities are only some $88 million a year, with a total of $682 million for stabilization.

Considering the impact the beef industry across the country has on the economy, it is important to the vitality and long term well being of rural Canada that this industry receive stabilization similar to what is provided other commodities produced in our country. I hope the Minister will work with the provincial Ministers in arriving at an agreement in the next few weeks which will result in stabilization assistance for this hard pressed industry, and industrys that occasionally has a good year but too often and for too long has suffered from inadequate returns on its investment while its input costs have continued to rise. I hope the Parliamentary Secretary will be able to indicate in his response that the Government is planning to move ahead during the next few weeks to establish a viable and equitable stabilization support system for the red meat industry.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the task force which had been appointed by the provincial Ministers of Agriculture to develop a tripartite stabilization program for the red meat industry tabled its report at the annual meeting of Ministers of Agriculture at Brudenell, Prince Edward Island, last July. It was unable to come up with a program acceptable to the ten provinces.

The Ministers of Agriculture of Ontario, Manitoba, Saskatchewan and Alberta made a suggestion to the federal Minister of Agriculture (Mr. Whelan), asking for the establishment of a tripartite program. The latter told them that he was prepared to consider their suggestion, but he requested additional information on the subject. He invited the Deputy Ministers of those four provinces to meet with the Deputy Minister of Agriculture Canada to prepare a detailed program at their earliest convenience.

The Deputy Ministers met three times, most recently here in Ottawa on October 6. They agreed on a feasible program and decided to submit the details to their respective ministers. Each participant is now reviewing the transcript of their proceedings and as soon as the Deputy Ministers confirm that the transcript faithfully reflects their agreement and consult their Ministers, the federal Minister of Agriculture will convene a federal-provincial meeting with his provincial counterparts so as to finalize the agreement.

For the time being, we cannot reveal the details of that agreement in principle among the Deputy Ministers. First, we must give each Minister enough time to become familiar with it and to share his views with his colleagues. Hopefully that will be done within a few days.

The details of the proposed program will not be made public before the Ministers meet and the spokesmen for the producers have been consulted.

Adjournment Debate

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

At 6.28 the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 18, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Monday, October 17, 1983 consideration of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport; and Motions Nos. 39 (Mr. Gustafson) and 40 (Mr. Benjamin).

Hon. Jake Epp (Provencher): Mr. Speaker, when we adjourned last evening at six o'clock, I still had a few minutes left and I would like to put some additional comments on Motion No. 39 and No. 40, specifically Motion No. 39, on the record of the House today.

A number of us who have been involved in this debate for some period of time have some concern this morning as to what actions the Government might take today in parliamentary procedure form in terms of this debate. Our spokesman on this debate, the Hon. Member for Vegreville (Mr. Mazankowski), and a number of my colleagues who participated in the committee, in the earlier debate and in the debate at report stage, have always been concerned, because of the major impact this Bill has on the western economy and, therefore, on the Canadian economy, that these motions be debated fully, and not only that they be debated fully, but that the public understand the reason for the very full debate.

Therefore, Mr. Speaker, we have followed the lead of the Hon. Member for Vegreville: we express our points of view and have endeavoured to utilize the parliamentary time as best we could in order to do just that, not only for the western Canadian farmer but for the Canadian economy. One cannot separate the Canadian farmer and the Canadian grain producers as separate entities from the rest of the economy. For that reason we are entering into this debate this morning with some concern that the Government will take steps today which will jeopardize the positive debate which we have been attempting to carry on in the House of Commons.

Motion No. 39 is a motion which will not only protect the function of the Canadian Wheat Board, but also will allow the Administrator to carry out his or her functions. It seems to be a given in this House, Mr. Speaker, that anyone in this House who comes from the Prairies automatically must, and does, pay his allegiance to the Canadian Wheat Board. Throughout the years I have been here listening to various speeches on this subject, it appears to be almost as if one tries to outdo the other in terms of their loyalty to the Canadian Wheat Board. I believe, Mr. Speaker, that point has not escaped you as well, although you do not come from the Prairies.

There is no question that Canadian wheat farmers support the Canadian Wheat Board. They do not want it dismantled. They do not want to see its powers reduced. The farmers want to maintain orderly marketing. They want the Canadian Wheat Board to maintain its ability to get into international markets and to sell grain. That is not our argument. That is not the narrow argument which the New Democratic Party should restrict itself to on this motion; it should look at the issue more broadly. There are other areas of sales potential which possibly the Canadian Wheat Board might not be able to tap or might not have the same contacts with as other agencies. That is the point. We want to utilize every opportunity available not only for the sale of western grain, but to receive the optimum price for the Canadian producer.

I believe this motion, Mr. Speaker, could help in this objective. That is the point we are trying to make in this motion, which stands in the name of Hon. Member for Assiniboia (Mr. Gustafson), and the principle which we are putting forward is quite clear. The Canadian Wheat Board should not only continue its function as it has before; we hope it will have even greater success than it had in the last crop year and that its powers will not be diminished, while realizing at the same time that there are other realities on the Prairies which can be utilized by farmers and the Administrator. We have seen various examples in areas which can only grow feed grains or course grains where farmers have taken risks in the last number of years with high-risk crops.

• (1110)

Why have they done this? It was not only for diversification but because of cash flow. Therefore if everything was under the control of the Canadian Wheat Board, all farmers would be tied into the quota system or block system. In fact, I suggest it would reduce some of the opportunities that farmers and others have opened for themselves on the Prairies. Therefore, I hope that when the NDP study this motion they will not only see that the Canadian Wheat Board will be protected in all its functions and that those functions would in fact be enhanced, but that there are opportunities which could be taken advantage of as well.

There are a number of people here who are not only Members of Parliament but farmers as well. A number of them have diversified in this manner because they are progressive farmers. Since they know they must meet the financial needs of their farming operations, they cannot only be restricted to one agency. I commend this amendment to them and to Government Members. I have not yet heard whether the Government supports the amendment and I hope someone from the Government will rise in his or her place to say that they support not only this amendment, but the Canadian Wheat Board, the Administrator and the need for extra potential and development on the Prairies. If that were to take place and that spirit was shown, I am sure they would agree with this amendment and we could see its passage before this debate ends.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I wish to say a few words in support of Motion No. 39. I become a little tired of some of the things I hear from the NDP. Those Members are forever arguing against multinational and large corporations. They say that there is nothing good about them. However, when it comes to one of the largest corporations in the country, everything about it is perfect. I do not believe that a government monopoly is any better than a private monopoly. While there is a place for government monopoly, we have seen how a monopoly such as the post office has operated. It has come to the point where the post office does not want anyone to compete with it, including the couriers. The post office is now entering the courier business itself. So while there is a place for government corporations, they too can become large and bureaucratic just like any other corporation.

While I support the Canadian Wheat Board, I do not appreciate some of the things it has done. It has not always worked on behalf of the producers and in fact has prosecuted producers. I support it but I do not think that everything it does is right. I believe its actions should be scrutinized carefully to ensure that it will not become a bureaucratic, giant monopoly that will ride over the farmers just like any other corporation.

I have an example of this happening. I hope this is the last time it will happen with the Wheat Board. There was such a large bumper crop in Alberta in 1978 that there was no room in the granaries for the grain and the trains could not handle the shipments. The trains finally moved some grain to make room in the granaries. But the Wheat Board said you cannot use those granaries; you cannot put the wheat in the granaries because that would be overstorage. There was a bumper crop in the area and storage was short; much of it was vital grains. What did the local farmers do? They went to the Alberta Wheat Pool elevator agent. They said: "You have a lot of room in your elevator; how about taking our grain?" He replied: "That seems sensible; we can store it and you can pay a monthly charge for the privilege". However, the Canadian Wheat Board said that any grain in the elevator over and above the quota is an overage, which means any grain in the elevator above the quota.

• (1115)

The elevator had lots of room, Mr. Speaker. The Alberta Wheat Pool was prepared to take it and the farmer was prepared to pay the charge. What was the alternative? The only other thing farmers could do was to dump their wheat on the ground, which meant a complete waste of up to 10 per cent. The farmers bought the storage tickets. The tickets were issued, they paid the charge, and the farmers put their wheat in storage. But the Wheat Board came along and said: "That is an overage; you do not have quota". It would be better if the wheat were stored outside and 10 per cent of it was wasted.

Mr. Bloomfield: Shame!

Mr. Taylor: That is what the Wheat Board said. The farmers said that is not sensible. The elevator agent said it is not sensible. The farmers paid for the storage. They weighed all the grains in the elevator. But what did the Wheat Board do? It started proceedings against the producers.

Mr. Bloomfield: Shame!

Mr. Taylor: The Hon. Member talked about a giant monopoly. The Wheat Board in this case acted just as bad as or worse than any giant oil company acts. The Wheat Board charged these farmers. The Alberta Wheat Pool supervisor verbally told the agent that he was at liberty to issue grain cheques for the grain because the offence had already been committed. Over 70,000 bushels of barley was not paid for. What did the Wheat Board do? The Wheat Board sent the RCMP to confiscate those tickets issued for the storage of barley in the elevator. That barley belonged to the farmers, to those producers.

Some Hon. Members: Right on!

Mr. Taylor: Even if the action were correct, the barley still belonged to the producers and they should have been paid for it. But it took the Wheat Board months before it let the farmers get their pay for the barley. In the meantime the Wheat Board forced the farmers into a court case. Many farmers cannot stand that kind of expense. They are producers. They are grain growers. The farmers had to hire lawyers. Some gave in and said: "We will simply plead guilty and pay the fine". One farmer said: "Not on your life. I am not going to give in. I am right. I am not going to destroy my wheat." The Wheat Board came into existence for orderly marketing on behalf of the producers.

An Hon. Member: Tell the whole story.

Mr. Taylor: The NDP is shouting at me. Its Members do not want the producer looked after. They want the corporation looked after.

Some Hon. Members: Hear, hear!

Mr. Taylor: I am talking for the producer. Whether that giant corporation is a Wheat Pool or Imperial Oil, I am going

to be for the producer and the common man, and the NDP can like it or lump it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Taylor: Members of the NDP can keep on hollering; it doesn't bother me a bit.

What happened, Mr. Speaker? The case went on month after month in the courts. One farmer stood the costs and what did the court find? Finally, the court made a decision. The farmer got an absolute discharge. The judge said it was a sensible thing to do. The Wheat Board was condemned.

• (1120)

This is one case and I hope it never happens again. I support the Wheat Board, but everything the Wheat Board does is not lily white. When they start to pick on the producers who created them, it is time for someone to step in and take some action.

I believe in the work of the Administrator. I believe in the resolution of the Hon. Member for Assiniboia (Mr. Gustafson). He knows the score. He lives on the farm. He knows the good and the bad. He knows the black and the white. He still supports the Canadian Wheat Board but he wants this amendment included, and I want it included. We want to give the Administrator every possibility to do his job so that producers are looked after. I say again for the benefit of the NDP: "Look after the producers; forget about the corporation, it can look after itself".

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on Motions Nos. 39 and 40. I am not sure that has been the case this morning up until now, having listened to the remarks of the previous speakers. Basically we have a choice before us as to which set of wording will make clear in the new Act that the Canadian Wheat Board will continue to have power to allocate cars and to pick up the grain it needs to fill its marketing programs. It buys grain from farmers, finds markets for it overseas and connects the shipping in between.

On the surface the difference between the two amendments is not that great. There is a very real technical difference which leads us to recommend Motion No. 40 over Motion No. 39. Motion No. 39 simply makes a motherhood kind of statement. Motion No. 40 refers directly to the Canadian Wheat Board Act and is very specific about which powers it wants to retain with the Wheat Board as opposed to leaving some doubt as to whether the powers go to the Administrator. I think we should opt for the most explicit motion.

The effective clause in Motion No. 39 which was put forward by the Hon. Member for Assiniboia (Mr. Gustafson) reads:

—the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of, and in the interests of, producers.

It is rather vague. The Speaker said that Motion No. 40 will be dealt with only if Motion No. 39 is defeated. It refers specifically to the powers in the Canadian Wheat Board Act. It reads:

The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under section 21(k) of the Canadian Wheat Board Act,—

Section 21(k) allows the Wheat Board to provide for "the allocation of available railway cars for the shipment of grain at any delivery point, other than cars placed pursuant to a car order book, to any elevator, loading platform or person at such delivery point." It very specifically indicates that the Wheat Board has the power to allocate cars to the exact points where they will find the grain required to fill their markets.

In light of the speeches and the comments in the House, perhaps it would be in order, since we are dealing with the powers of the Canadian Wheat Board, to review why these powers are necessary, what farmers have done to get us to the point where we have the existing Canadian Wheat Board, and why it is important to maintain those particular powers within the Board so that it can continue to do the job it was designed to do.

• (1125)

Very briefly, early on in the settlement of the West it was clear to farmers that they had to do something about the marketing of their grain as opposed to the dumping they were forced to do at the outset. Initially the railways put in rail lines. They decided which elevator companies would gather grain from those lines.

Mr. Fisher: What about the topic?

Mr. Althouse: This is very much on the topic. Read the amendment. Because of that monopoly in each area, there was much political agitation by the farmers to get the Manitoba and Canada Grain Acts. Once they had a system under the Canada Grain Commission of guaranteeing they would be paid for the kind and grade of grain which they delivered, they focused on the elevator system.

Even though the elevators had a grading system in place according to the law and regulations, they very often did not obey those regulations and were mis-weighing and mis-grading. Therefore, there was a lot of pressure put upon the provincial and federal Governments to establish a Government elevator system that would be a further appendage to the Canadian Grain Commission. That was very difficult to bring about.

In some of the provincial elections around 1910, 1911 and 1912, provincial Governments were elected on a platform of introducing government elevators. We had a typical response from the Liberal Party elected at that time on that platform. They put it in as a platform because they needed the votes. They also had a philosophy which they made very clear in the election. It was that governments cannot run business enterprises as well as business enterprises can. After the election, they began to implement their promise of having government

elevators. In those days governments did implement their campaign promises, at least in some manner.

Mr. Pepin: John A. Macdonald?

Mr. Althouse: No, this was the provincial Governments in Saskatchewan and Manitoba, and they were Liberal Governments. They contacted all of the elevator companies asking them to sell their weak and lame elevators to be used in putting together a government elevator company. The companies sent along their poor elevators and even sent along the poor managers who made those elevators such low volume points. They put the worst delivery points and the worst management into one company. The result was a government-owned operation that was not as good as the businesses around it. It was almost a failure, so much so that the farmers finally took the elevators over as co-operatives and they became a success almost overnight.

The first Wheat Board was introduced as a wartime measure during World War I. It was a compulsory Wheat Board. It bought and sold grain to the advantage of the farmers. The main difference with the Wheat Board idea over the private grain market was very noticeable then, and it is still recognized by most farmers. It is that the grain is bought at an initial price at the elevator and resold. The main difference is that the surplus from the reselling does not go to the shareholders of the grain company, as it did under the old system, but to the producers. That is what the final payment has been all about to this day. It is taking the profit extracted from the careful marketing of the grain and returning it to the man on the land who produced the goods.

● (1130)

To that extent, it is a slightly Marxist concept and one which some Members of other Parties have some difficulty with because it is a return to labour. It is the old labour value theory which is sometimes seen, even after 50 years of operation, as a very radical concept.

For that reason, I believe, after the First World War was over, government dropped that organization like a hot potato but farmers began agitating for a continuation of it. The government did not seem willing to do this so it went the co-operative route and set up the Wheat Pools with contracts that the producer signed saying that he would sell all of his grain through the pools for five years. That worked well until the 1930s when the grain market collapsed and the pools almost collapsed.

I believe that all of us remember that during the 1930s there was a Conservative Government under Mr. Bennett. In the dying gasps of his administration, he decided that since he was going to go out to face the people and since he had not had a very good run during his years of power, he would introduce a voluntary participation Wheat Board. This was done in 1935. Producers had the option of selling to the Wheat Board or not.

In 1942, again during wartime, we returned to a compulsory participation Wheat Board. Quotas were installed during that time and by 1946 and 1948 barley and oats were included in the operations of the Wheat Board as well.

The only other events of historic consequence occurred in 1959 and 1960, again under a Conservative Government. Wheat Board participation had been compulsory for quite some time and marketing through the Wheat Board was compulsory. There was a move afoot, I think for philosophical reasons, to reduce the power of the Wheat Board over selling feed grains. During that era the Hon. Member who now represents Qu'Appelle-Moose Mountain (Mr. Hamilton), and who was at that time the Minister in charge, freed up part of the authority of the Wheat Board and put the selling of feed grains within provincial boundaries back on the open market.

Some years later, from 1969 to 1971, Otto Lang, who was then the Minister in charge of the Wheat Board, made it possible to sell—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I too am happy to rise to speak to Motions Nos. 39 and 40, the former being introduced by the Hon. Member for Assiniboia (Mr. Gustafson) and the latter by the Hon. Member for Regina West (Mr. Benjamin). As my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), has indicated, the two motions are quite similar but we believe that the motion introduced by the Hon. Member for Regina West is clearer and more certain, and I would hope that Members of the Progressive Conservative Party and the Government will support that motion.

I was very happy to have been afforded the opportunity this morning to listen to the historical background of the Canadian Wheat Board, because I think it is extremely important as we discuss each of these amendments that each Hon. Member of the House has a grasp of the historical background of the subject we are dealing with. I feel that when dealing with legislation that will change a historical reality in the country, it is extremely important that all Members who will vote on that legislation appreciate what they are dealing with.

To digress for a moment, I feel, for instance, that if a person is not completely aware of the historical background of a subject, he will ordinarily make very bad decisions about the present issue. I will return to the motion in a moment, but as a case in point, much of the American policy in Central America right now is based on the fact that the Americans have no concept of the history of the region. I bring that point up because that is the same kind of mistake that can be made with a Bill like this if one believes that history began yesterday afternoon at 3.15.

Oftentimes when a government makes profound judgments about the future, those judgments are out of context because

that government does not understand the historical background of an issue. That is why the Hon. Member for Humboldt-Lake Centre mentioned to our colleagues on the Government side and the Progressive Conservative side the historical background for the reason we feel the motion of the Hon. Member for Regina West is so extremely important for this Bill. It protects in a very clear and specific way the powers of the Canadian Wheat Board.

I have a feeling that very shortly Progressive Conservative Members will join up with the Liberals and cancel this motion out. That is why it is so important that we tell all Hon. Members what is going on and what will happen.

Yesterday I was surprised to hear my good friend and constituent, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), who has the intelligence and the foresight to live in my constituency of Saskatoon East—

Mr. Nystrom: "Red" Ray Hnatyshyn.

Mr. Hnatyshyn: Don't ask him how I vote!

Mr. Ogle: The Hon. Member for Saskatoon West made what I consider to be a very blatant attack on my colleague, the Hon. Member for Regina West. I understand the process of debate, Mr. Speaker, and I realize that if one has a good point to make, there is no reason not to make it. However, I felt that the remarks of the Hon. Member for Saskatoon West had nothing to do with the speech made by the Hon. Member for Regina West. The best thing that I could say about the remarks of the Hon. Member for Saskatoon West is that they were a lot of hot air.

I do not know how to reprove my friend, colleague and constituent, the Hon. Member for Saskatoon West, but I feel that I shall have to speak to his mother because his mother has always—

The Acting Speaker (Mr. Corbin): Order.

Mr. Hnatyshyn: That's taking it too far now!

The Acting Speaker (Mr. Corbin): Order. The Hon. Member is stretching the rule of relevancy beyond on all bounds and limits. I would invite him to return to the two motions which are before the House.

Mr. Ogle: Thank you, Mr. Speaker. I shall return to the motions before the House. However, I really feel that what I have just said is relevant and I think the Hon. Member's mother is relevant too. She must get in on this.

In any event, the question of orderly marketing is at the core of what we are discussing today. I shall go back to the historical remarks made by my colleague, the Hon. Member for Humboldt-Lake Centre. The question of orderly marketing is essential to the whole question of grain transportation on the Prairies. If anything is done to weaken the authority of the Canadian Wheat Board with its guarantees to see that orderly marketing would proceed, then we are in for trouble on the Prairies. There is no question about that. The process of orderly grain marketing is essential to western Canada as distinct from other wheat growing areas in the world.

For instance, India actually grows seven times as much wheat as Canada but there is not that basic problem of transportation of grain because the people of India use the grain themselves. Our economy and our lives as western Canadians depend upon the fact that the Canadian Wheat Board is able to gather, transport and sell our grain in an orderly way to the grain markets around the world. As my colleague, the Hon. Member for Humboldt-Lake Centre, pointed out, it is extremely important that this facility is preserved. Motions Nos. 39 and 40 are working in that direction.

I would call upon my colleagues in the Progressive Conservative Party and in the Government Party to support Motion No. 40 which protects in an absolute way the reality of the situation. That is what Mr. Jarvis insisted upon in the committee hearings. I would like to put on record what Mr. Jarvis asked for at the committee hearings. He said:

"It is an economic fact in the grain industry . . . transportation and sales are inextricably linked; but transportation must effectively serve sales needs. The current system with the GTA making the initial splits in cars has not become too cumbersome. But a danger exists.

● (1140)

Policy makers—and we say this to you—

He is talking now to members of the committee last summer.

—should be very careful in not separating further the vital link between transportation and sales.

Motion No. 40 would guard, finally, totally and into the future, the rights of the Canadian Wheat Board to protect that link between transportation and sales.

Mr. Gibbings happens to be a neighbour of mine from Rosetown, Saskatchewan. I have known him for many, many years. He first served as a member of the co-op board in Rosetown when I was a student working at the store. He has also been president of the Saskatchewan Wheat Pool and has been a Wheat Board commissioner for the last 12 years or more. He also insists that the separation not take place but that the rights of the Canadian Wheat Board be protected. He has said:

It is imperative that grain sales and grain transportation not be separated. The Canadian Wheat Board must be able to arrange the transportation of its own product or it cannot fulfil its obligations to western grain producers or their customers overseas. The board's marketing success, meaning sales success, depends on its ability to make day-by-day or even hour-by-hour decisions on grain movement. Its flexibility must not be compromised.

We believe that unless it is clearly written into the Bill that that power cannot be changed, the power would be taken away, and the transportation of grain on the Prairies would be in jeopardy in the future.

I appreciate that many Progressive Conservatives are worried about this debate. That is why there are very few of them in the House and why few of them speak on it. There is a tension in the Party. I should like to ask my friends to my right—and many of them are talking to me in loud voices—

why they do not invite the Leader of the Progressive Conservatives to make a speech. We would all like to hear a speech by the Leader of the Progressive Conservatives.

Mr. Fisher: You will never get any ideas from that.

Mr. Ogle: We would like to hear where that Party stands. I would like to hear some of his Irish wit, Mr. Speaker. He and I share the same Irish background. I would like him to come in and give us a clear statement of where the Progressive Conservative Party stands on the Crow Bill.

An Hon. Member: You have the wit and he has the blarney.

Mr. Ogle: I do not see any reason why he should not do that. That is my last remark on this amendment, Mr. Speaker. I look forward to seeing the Leader of the Progressive Conservatives come in and address the House.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, what we are discussing today is the difference between Motion No. 39, the Progressive Conservative amendment, and Motion No. 40, the NDP amendment. Basically, the difference between them is that Motion No. 39 is a political amendment and Motion No. 40 is a legal amendment. Motion No. 39 is in keeping with the cosmetic, political, both sides of the fence approach that the Progressive Conservatives have taken throughout the debate on the Crow, while Motion No. 40, the NDP amendment, is consistent with the comprehensive and consistent defence we have made of the Crow rate and the Canadian Wheat Board throughout the debate on the future of the Crow rate. That is the difference between the two. One is designed to create the appearance of protecting the Canadian Wheat Board, while the other is designed to implement the reality of protecting the powers of the Canadian Wheat Board.

Once again I find myself on my feet in these debates about amendments, pointing out again that the Progressive Conservative Party is again failing to stand with the NDP for the protection of the Canadian Wheat Board. Only last week I spoke on a similar amendment where the Conservatives failed to stand with the NDP for the protection of the Canadian Wheat Board. I do not know if you were in the Chair at that time, Mr. Speaker, but I pointed out at that time that it was no surprise to us in the NDP because the Canadian Wheat Board is the symbol of orderly marketing for many people, that the Conservatives would want subtly—not vociferously and not too enthusiastically because they know the political consequences of that, but subtly—to erode both the reality of that symbol and the symbolic nature of the Canadian Wheat Board.

When it comes down to it, the Conservatives cannot ideologically live with orderly marketing. They have always had a problem with that. It goes against the neo-Conservative strain in the Party. Historically, there may have been Conservatives who were in favour of orderly marketing and who co-operated in setting up many of the institutions in the country for overcoming the inadequacies of the marketplace and for protecting producers and consumers, et cetera. What now prevails in the Progressive Conservative mind is not that conservatism of years gone by. Of course, I am being overly flattering when I speak of conservatism of years gone by, but it is only to point out that now we have the total ascendency of that neo-Conservative ideology in the Progressive Conservative Party which sees orderly marketing as something to be overcome, to be destroyed; they see it as an evil. Anything that interferes with the marketplace is to be regarded as undesirable.

The Conservatives cannot have it both ways, Mr. Speaker. Do they want to preserve the Canadian Wheat Board and the orderly marketing it represents? If they do, why do they not stand with us and support an amendment that actually does that, rather than simply creating the appearance of doing that?

Earlier in the debate the Hon. Member for Bow River (Mr. Taylor) said he was getting tired of listening to the NDP. We were glad that he was not so tired that he could not get up to speak on the amendment, because we always enjoy his interventions. We are glad that we provoked him into using up ten minutes. He told a story about what the Canadian Wheat Board had done to a couple of farmers. I had an opportunity to check with some of my colleagues who know more about the details of the case and I am told that he did not tell the whole story. I know that is unusual for the Hon. Member for Bow River, but he did not tell us that the farmers in question had delivered more grain to the elevators than their quota. He did not tell us that because the grain was there it was holding up the ability of many other farmers—

Mr. Taylor: Baloney!

Mr. Blaikie: —in the area to get their grain to market. We did not hear that from the Hon. Member. Mr. Speaker, the Hon. Member is heckling me. He says I am not taking the side of the producer. What I am trying to do is take the side of the details, of the truth of what actually happened in this case so that all of us can make an independent judgment about what we think is really the case. We did not get that from the Hon. Member for Bow River. We just got a very selective interpretation of what the truth was about that particular case. That is no surprise. It is in keeping with the way in which Conservatives are always looking for ways to distort the facts and undermine the credibility of institutions like the Canadian Wheat Board. In effect, what the Hon. Member for Bow River did, particularly now that I have had the opportunity to check the rest of the story—

The Acting Speaker (Mr. Corbin): Order, please.

Mr. Taylor: Mr. Speaker, I rise on a point of order. The Hon. Member knows nothing about the case and now he is generalizing. Tell the truth and stop talking about the corporations. Have a heart for the little man for a change.

Mr. Blaikie: Mr. Speaker, I am overcome with the piety of the Hon. Member for Bow River. That was not a point of order and I was not talking about the corporations. I was talking about what actually happened in that case. Hon.

Members can make their own judgment about what happened in that particular case.

Mr. Malone: Come on!

Mr. Blaikie: Now the Hon. Member for Crowfoot (Mr. Malone) is foaming at the mouth.

Mr. Malone: You are right, I am. Every time you speak you do nothing but perpetuate falsehoods.

Mr. Blaikie: We seem to have struck a nerve, Mr. Speaker. We seem to have—

Mr. Taylor: It is lies. Tell the truth and shame the devil.

• (1150)

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) was given the floor to make a speech.

Mr. Malone: What a speech! Terrible, despicable.

Mr. Blaikie: Mr. Speaker, I do not want to cause too much excitement over here.

Mr. Malone: Well then, tell the truth. You stand there and fabricate and call it a speech.

Mr. Blaikie: The truth seems to excite the Hon. Member.

Mr. Malone: You could not spell "truth".

Mr. Blaikie: It is refreshing to see Progressive Conservatives excited by the truth.

Mr. Taylor: It is the lies that bother us.

Mr. Blaikie: Generally speaking, they are excited by their own falsehoods. Mr. Speaker, I see you are rising to your feet. Is this to call for order once again or am I nearing my time?

The Acting Speaker (Mr. Corbin): The Chair would ask Hon. Members to co-operate. Under our rules, practices and Standing Orders the Hon. Member who is given the floor to make a speech on the motion before the House should not be unduly interrupted. I suppose there is no harm in occasional verbal sniping, but it should not carry on beyond decency.

Mr. Nystrom: Show respect for this institution.

Mr. Blaikie: Mr. Speaker, one of the other things I wanted to say, having to do with the Crow rate had to do with—

Mr. Malone: That would be interesting.

Mr. Fisher: It would be a first.

Mr. Blaikie: —the remarks made earlier by the Hon. Member for Saskatoon East (Mr. Ogle) about how we need to understand the history of any particular thing in order to really appreciate what is really going on, is this. Let us just recall for a minute that not too long ago in the House we unanimously passed a resolution concerning French language rights in Manitoba. One of the things we were saying when we did that was that we respected the history of Manitoba and certain rights granted certain Canadians at a certain time. We wanted those rights to be respected even though the situation had changed and Francophones in Manitoba are not in the majority any more as they were when Manitoba came into Confederation. We said that a right is a right, and that is what we are talking about when we talk about the Crow rate. If we want to respect history and the rights established in the history of this country, then the Crow rate is one of those kinds of rights. It cannot simply be abrogated because **somebody,** in this case the CPR, decides that they no longer think it is as relevant or as practical as it was when it was initially granted.

When you start to talk about rights, Mr. Speaker, practicality and logistics do not enter into it in the same way they would if you were talking about something else. I ask this House, when it is thinking about the Crow rate, to try and do it with the same respect for history as it did concerning the question of French language rights in Manitoba.

Mr. Breau: You are stretching it too far.

Mr. Blaikie: The Hon. Member for Gloucester (Mr. Breau) says I am stretching the point. I am not stretching the point at all.

Mr. Breau: Is the Crow rate in the Constitution?

Mr. Blaikie: The Crow rate is part of the understanding of this country, particularly in western Canada. That has to be remembered by Hon. Members when they are considering this matter.

Finally, Mr. Speaker, it is a matter of corporate morality. If the CPR and others want to change the Crow rate, then we say now, as we have said from the very beginning, put the whole deal back on the table. Put everything back on the table, not just change whatever side of a historic agreement one side happens not to like any more.

Mr. Pepin: That is procrastination.

Mr. Blaikie: That is the kind of sell-out bargaining that both the Liberals and Conservatives have fallen victim to in this debate.

Mr. Pepin: No change.

Mr. Blaikie: They are willing to put only that one side of the deal back on the table and let the CPR have its way with the country. It goes on forever and ever like that, Mr. Speaker, unfortunately.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I had not intended to take part in the debate on Motions Nos. 39 and 40, but I was so moved by the oratory of my distinguished colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), that I felt—

Some Hon. Members: Oh, oh!

Mr. Pepin: Resist temptation.

Mr. Robinson (Burnaby): I felt, Mr. Speaker, I should rise in my place and express some very serious concerns on behalf not only of my constituents, many of whom are deeply concerned about the implications of these two motions, but also about the broader implications of Bill C-155.

First of all, since I do not believe this has been done yet in the course of debate, I would like to clarify what is in fact before the House. We are now dealing with Clause 19 relating to certain duties and functions of the Administrator under the Act. Motion No. 39 would add to this clause the following:

> The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of, and in the interests of producers.

That motion was moved by the Hon. Member for Assiniboia (Mr. Gustafson). The amendment proposed in Motion No. 40 would replace Clause 19(3) with the following:

> The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under Section 21(k) of the Canadian Wheat Board Act, or any Orders of the Governor in Council, to make available the quantities and types of grain needed to achieve sales commitments.

That motion was moved by my colleague, the Hon. Member for Regina West (Mr. Benjamin), who has done such an outstanding job both in committee and in this House in attempting to preserve the historic Crow rate.

Looking at the history of these two motions in the committee hearings, I am not going to take the time of the House to go into detail but I think it is important to note that Motion No. 39 attempts to restore the wording moved by the Conservative Party at committee stage and subsequently weakened by a Liberal Party subamendment. I believe it was the Hon. Member for Parkdale-High Park (Mr. Flis) who moved an amendment in response to the Tory proposal and the Liberal subamendment was carried.

While we support the essence of both motions, clearly Motion No. 40 should be adopted by this House. It is a much stronger version of Motion No. 39 and effectively more in touch with the representations made by the Chief Commissioner of the Canadian Wheat Board, Esmond Jarvis, who said in his brief that he was very concerned about the shifting of powers to the Administrator and did not want to see any erosion whatsoever of these essential and, I might add, historic powers of the Canadian Wheat Board. His brief very graphically illustrated the need for Motion No. 40 to be adopted by this House. He said:

> The Board still feels that the system operates most efficiently and effectively if grain transportation is fully co-ordinated by the major sales agency.

That, of course, is today and has been historically the Canadian Wheat Board. He went on:

> If this is not permitted, it should be clear that we view any further reduction in the Board's ability to co-ordinate transportation, as a very serious step backward for the export sales program for Western Canadian grains.
>
> Our strong concern is that with the establishment of a Grain Transportation Agency by this Act . . . and under Paragraph 97(b) of the Canada Grain Act, further powers could be shifted by Order-in-Council from the CWB to this agency at a later date.

It is for that reason that we propose Motion No. 40, Mr. Speaker. We are most concerned that under no circumstances should the existing powers of the Canadian Wheat Board be in any way weakened, particularly by regulatory action which is taken without any opportunity for the producers to have input.

The powers of the Canadian Wheat Board have been set out very clearly by my colleagues in the past. Certainly the central concept of the Board is at the core of our support for the existing Crow rate and the existing system of marketing, and that is the concept of orderly marketing. I know that the concept of orderly marketing is one which the Conservative and Liberal Parties have never felt particularly comfortable with, but certainly in my view that concept of orderly marketing as exemplified by the work of the Canadian Wheat Board is essential. Any actions which might be taken by the Government to erode the powers of the Canadian Wheat Board, particularly by regulation, will be vigorously resisted by us. It will not be just with smoke and mirrors, as is the case with the Conservative amendment in Motion No. 39. What we propose is real and effective powers for the Canadian Wheat Board.

● (1200)

The Canadian Wheat Board is in fact one of the most accountable, open and democratic agencies in Canada. It is not a Government funded agency; it is an agency which is funded entirely by the producers. It has an annual report which is in fact delivered to farmers in every community it serves. Members of the Board fan out and speak to farmers in communities big and small in all parts of the prairie provinces.

Motions Nos. 39 and 40 should not in fact even be necessary. The suggestion that the historic powers of the Canadian Wheat Board be eroded is one which should not be made in this day and age. Yet CP Rail, and a number of other powerful resources, have effectively coalesced in an attempt to weaken the powers of the Board and transfer those important powers to the Administrator, taking them out of the hands of the Canadian Wheat Board. Mr. Gibbings, who is a neighbour of my colleague, the Hon. Member for Saskatoon East (Mr. Ogle) and does not live far from the mother of the Hon. Member for Saskatoon West (Mr. Hnatyshyn), has had a very distinguished career as a Wheat Board Commissioner. Before that he was president of the Saskatchewan Wheat Pool and played bridge with the Hon. Member for Saskatoon West. He stated, and I quote:

> It is imperative that grain sales and grain transportation not be separated. The Canadian Wheat Board must be able to arrange the transportation of its own product or it cannot fulfil its obligations to western grain producers or their customers overseas. The board's marketing success, meaning sales success, depends on its ability to make day-by-day or even hour-by-hour decisions on grain movement. Its flexibility must not be compromised.

Those were the words, Mr. Speaker, of an individual who certainly is very experienced in both transportation and sales of grain in the prairie provinces. We in this Party certainly support the essence of Motions Nos. 39 and 40. However, I

believe it is important to place this in a broader context, that is, that we are fighting for the survival not only of a historically important symbol, but certainly for a system of transportation which is vital to thouands and thousands of prairie farmers.

It is important in that context, Mr. Speaker, to note—and I have just received this information which I am sure the House would be most interested to learn—that so far to date during the course of the debate on this important legislation there have been 102 interventions by Members of the New Democratic Party and 11 interventions by—

The Acting Speaker (Mr. Corbin): Order. That is not relevant, I must say, to the motion before the House. In reading the text of the motion, I find no reference whatsoever to what the Hon. Member is now bringing up. I would invite him to speak to Motions Nos. 39 and 40.

Mr. Malone: Mr. Speaker, I rise on a point of order. I am just seeking your clarification. I take it you are suggesting that the 102 speeches by the New Democratic Party were not relevant.

The Acting Speaker (Mr. Corbin): No, of course not. The point I am trying to make, and the invitation I extend to all Hon. Members, is to speak to the amendments and to make their remarks specifically relevant to the amendments. On a number of previous occasions I have asked Hon. Members for their co-operation. We are all experienced Members, and I trust we will abide by the rules and practices of the House in this instance once again.

Mr. Robinson (Burnaby): Mr. Speaker, perhaps to save the time of the House I might ask unanimous consent that this document be appended to *Hansard*. It indicates that there were 61 speakers for the Conservative Party and 102 for the New Democratic Party. I see some indication that that consent might not be forthcoming, so I will return—

The Acting Speaker (Mr. Corbin): Order. The Hon. Member has reached the point of no return: his time has expired. Is the Hon. Member seeking to have his time extended? Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Forrestall: Mr. Speaker, I sit here quite patiently as an easterner listening to the poppycock and damn nonsense from Hon. Members who treat this House as if it were a play area. The distortions, Mr. Speaker, which have come from the distinguished and honourable—supposedly—gentleman to my left leave rational and sane people appalled. You have to sit there in the Chair. What in God's name would you do if you were a shut-in trying to get some entertainment and education and listening to that?

An Hon. Member: Order!

An Hon. Member: Relevancy!

Mr. Forrestall: I want to draw to your attention—

The Acting Speaker (Mr. Corbin): I regret to interrupt the Hon. Member, but may I inquire if he has risen to make a speech or to make a point of order? Would he please inform the Chair?

Mr. Forrestall: Mr. Speaker, I thought I might bootleg four or five minutes. I rise on a point of order simply to correct the record. Participation from this side of the House with respect to this Bill when dealt with on second reading in principle tells an entirely different story than the story which the New Democratic Party would have the people of this country believe. In actual fact, at second reading debate in principle we had 108 participants from the Progressive Conservative Party, westerners, basically, who are concerned about the producers. The New Democratic Party had 68 participants. As of last night this Party had still put up more speakers on this very important legislation than the NDP have in the entire debate, notwithstanding the fact that it has wasted five days of this House on frivolity.

The Acting Speaker (Mr. Corbin): Order. That again is totally irrelevant to the matter which is now before the House. The Chair must admit, however, that certain statements having been made, it is only fair to give the opportunity of reply to the Hon. Members who feel under attack. However, I hope we will now let the matter rest and proceed with orderly debate. Is the House ready for the question?

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in addressing Motions Nos. 39 and 40, I should first of all express my regrets that we were not able to listen to the easterly winds blow a little while longer. It was most edifying to those of us who have rather deep roots within the western part of the country, either directly related to the Prairies or certainly no more than one step removed.

It does bother me, Mr. Speaker, to hear some of my colleagues to the right exaggerate so profoundly some of the differences between the New Democratic Party and the Conservative Party on these amendments. I feel rather sorry for the people out there in television land who may be watching because they will be suffering from a misapprehension. In fact, what is going to happen, as I understand it, on these two Motions is that the New Democratic Party is going to be voting for Conservative Motion No. 39 and if the Conservative Party is to be believed, it is going to be voting for our Motion No. 40 if its Motion No. 39 does not pass. If that is the case, what is all the fuss all about?

I always enjoy, Mr. Speaker, listening to the Hon. Member for Bow River (Mr. Taylor). He is always colourful. I am not, of course, just referring to his jacket. He always makes colourful contributions to this House and he certainly did so on the occasion of his intervention in the debate on the matter now before us. I must question why he went so far out of his

way to create the impression that there was some deep, dark division between the two Opposition Parties on this question. After all, the enemy or, rather, our opponents, especially on the matter of these amendments, are on the other side. I will not call them the enemy because that is not what the spirit of this institution is all about.

● (1210)

In any event, given the substantial agreement that exists between the Conservative Party and the New Democratic Party on these two amendments, I would hope that if this debate continues for any extended period we could perhaps have more calm and cool reason in pointing out what small differences may exist between our two positions.

The differences between Motion No. 39 and Motion No. 40 appear to be very small. The Conservative amendment, Motion No. 39, states:

That Bill C-155 be amended in Clause 19 by adding immediately after line 20 at page 10 the following:

(2) The provisions of this Part respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under the Canadian Wheat Board Act to make available the quantities and types of grain necessary to achieve sales commitments on behalf of, and in the interests of producers.

In comparison, Motion No. 40 presented by the Hon. Member for Regina West (Mr. Benjamin) states:

That Bill C-155 be amended in Clause 19 by striking out lines 27 to 32 at page 10 and substituting the following therefor:

(3) The provisions of this Party respecting the duties and functions of the Administrator do not restrict the powers of the Canadian Wheat Board under section 21(k) of the Canadian Wheat Board Act, or any Orders of the Governor in Council, to make available the quantities and types of grain needed to achieve sales commitments.

Perhaps our amendment is more specific but most observers believe that we are trying to accomplish the same goal. Obviously, the intent of both amendments is to preserve the ability of the Canadian Wheat Board to co-ordinate the movement of grain. Of course the reasons underlining this attempt to find the most effective way to ensure future export sales and the efficient operation of the grain transportation system is to retain the Board's ability to fully coordinate the system.

Unless Clause 19 is amended, it will make the Administrator a virtual transportation czar over the transportation of western grain. That is basically what this party and we understand the Conservative Party have objected to. According to the Government proposal, only the elevator system and the buying and selling of grain would remain outside the powers of this transportation czar. The Wheat Board would effectively lose control over the block system. The Board needs the power to properly order and direct cars to fulfil its mandate. That is the essential reason for the amendment we have put before the House and, I believe, for the amendment the Conservatives placed before the House.

While we do have some differences in philosophy, as has been illustrated by the Hon. Member for Bow River, and other Conservative Members as well as some from my own Party, let us not exaggerate those differences so that it would give the public a false impression that there is a vast gulf separating us, at least during this part of the debate.

Motion No. 39 attempts to restore the wording that was moved by the Conservatives at the committee stage but weakened by a Liberal subamendment in the committee. The Liberals seem to be unmoved by these appeals and their proposal passed.

Motion No. 40 is basically a stronger version of Motion No. 39 and we believe it is much more in touch with the Canadian Wheat Board Chief Commissioner, Edmund Jarvis, who recommended the wording that the NDP has placed before the House. That wording is found in his brief in which he expressed concern about the shifting of powers to the Grain Transportation Administrator. In arguing for a defence of Section 21(k) of the Canadian Wheat Board Act, the Canadian Wheat Board and our Party are referring to a section which allows the Board, subject only to Order in Council, to provide for the allocation of railway cars available for the shipment of grain at any delivery point to any elevator, loading platform or person at the delivery point. In our view, Motion No. 40 is a better alternative. Motion No. 39 as worded does not replace the existing Section 2 but adds to and confuses it.

Perhaps those are not minor differences but neither are they differences of a nature which justify the exaggerated language and opinions that have been expressed during the course of this reasonably short debate on these motions. Surely there is enough dividing us in our attitude toward institutions such as the Wheat Board, and surely there is enough differing opinion in the House and in the country that legitimately divides us on many serious issues involving the Crow debate and other matters, that we do not have to exaggerate what, on the surface and technically, are relatively minor points.

I submit that Canadians are fed up with hostility being overblown on matters over which the depth of feeling is not really that strong. Why do we not at least get together on those matters on which we can agree? At least as far as the Official Opposition and the NDP are concerned, this is obviously one of those issues where the differences are minor. While the amendments may be relatively important in their impact, I would hope Members on the Government side would pay more heed to the serious arguments that have been made in the midst of the confusion raised by the manufactured antagonism between Conservatives and New Democrats than they did in committee.

I believe that the points we are making are valid. Our proposals will make a difference to the producers and to the Canadian Wheat Board, which has done a reasonably good job on behalf of the grain producers of western Canada and other participants in the Canadian grain industry for many years, despite some of its failings. I would ask the Government to reconsider its position and support either motion—hopefully Motion No. 40—when it comes to a vote.

I thank you for your indulgence, Mr. Speaker, and if I have in any way managed to encourage a little more rationality and peace in this place, at least on this issue, I feel I will have performed some useful function in this debate.

Mr. Deans: Mr. Speaker, I rise on a point of order. Is the Minister going to enter the debate at this point?

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I will be brief in my remarks in support of Motion No. 39 and Motion No. 40. I would like to say something that may seem strange to some of my colleagues, but I think the last spokesman for the New Democratic Party set a new tone for the debate. It is unfortunate that the Hon. Member for Regina West (Mr. Benjamin), in beginning the debate for his Party, made some almost incredible statements for one who we have said throughout this debate has spent more time in committee than any other Member from his Party. I compliment the Hon. Member for Kootenay West (Mr. Kristiansen) on his tone and contribution to the debate.

We are debating two motions that, in the opinion of all Members on this side, actually strengthen the ability of the Canadian Wheat Board to do the job for which it was originally established. There have been criticism from time to time by some Members and I would like to bring the attention of the House to one in particular. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) spoke of my colleague for Bow River (Mr. Taylor). He is a man who has served Canada as an elected Member for more years than I have been alive.

• (1220)

Some Hon. Members: Hear, hear!

Mr. McKnight: He has served as a Member of the Legislature in Alberta as well as here in the House of Commons. He also served his country as a member of the Armed Forces during the Second World War. I think any Member who would attack the credibility and ability of someone with that kind of a record should take a look within his soul and at himself to see why that would happen.

Some Hon. Members: Hear, hear!

Mr. McKnight: Most of us in this House, no matter from where we come, western Canada, central Canada or eastern Canada, realize the importance of the Canadian Wheat Board to the grain producers of western Canada. I do not think that is debatable. The Wheat Board has to be strengthened and it has to be maintained to buy, sell and move grain.

I would like to speak to some of the Members of the Government side who ultimately through the democratic process will have the last say on Motions Nos. 39 and 40. I ask them to think what would happen if we turned the shoe around and put it on the other foot. What would happen if there were amendments put forth that would dilute or may be perceived to dilute the powers of the Canadian Livestock Feed Board which serves the members of Quebec, Ontario, the Atlantic region and British Columbia. If we put forward an amendment that was just perceived in the minds of their constituents to alter the ability of the Canadian Livestock Feed Board to do the job those producers and farmers and feeders in that area rely upon it to do, they would feel betrayed. It is an institution which they know is important to their ability to continue to produce livestock and go about their way of earning a living, and they would feel that if that was going to be changed in some way detrimental to the functions of the Board, they would stand, as we on this side have stood, and say "Take a second look".

The Canadian Wheat Board is not another Crown agency. I would surmise the majority of wheat producers and Canadian Wheat Board permit card holders in the western part of Canada do not even think of the Canadian Wheat Board as a Crown agency. They do not think of it as something like CN, Air Canada, Petro-Canada or the post office.

Mr. Malone: Or Canadair.

Mr. McKnight: They think of it as their Canadian Wheat Board, they think it belongs to them. As a matter of fact, it is more than just think, Mr. Speaker. Most producers of grain in western Canada know that the Canadian Wheat Board really does belong to them. Producers pay the operating costs which are taken out of sales, and they elect an advisory committee. The only thing that removes the Canadian Wheat Board from the farmer is Order in Council appointments of commissioners and the guarantee of the public purse as the commitments for initial payments are made. When something happens which makes them say "That is not our Canadian Wheat Board", there will be a lot of concern among Canadian wheat producers in western Canada.

That is why we on this side put forward two amendments. I had the opportunity in committee of moving an amendment similar to the one moved by my colleague, the Hon. Member for Assiniboia (Mr. Gustafson). It was supported by Members of the NDP. We would like to see it supported by all Members in this House. It makes clear the abilities of the Canadian Wheat Board to carry out their duties. I think this amendment does an excellent job, a better job than the amendment in Motion No. 40.

As I read Motion No. 40, the amendment refers to Orders in Council. I am not sure whether that means only Orders in Council under Section 21(k), whether it means Orders in Council relating to the appointment of commissioners, or whether it means Orders in Council relating to the Canadian Wheat Board Act. We have heard some Members say it is a legal definition. Just being a dirt farmer and not knowing that much about legality, I think when doubts are raised as to what is the definition of Order in Council, it means that it should be looked at very closely. In the words of the legal counsel to the committee, the definition put forward by my colleague for Assiniboia fulfils that requirement of establishing without doubt in Bill C-155 the functions and abilities of the Canadian Wheat Board as prescribed by the Canadian Wheat Board Act.

If producers have a feeling that they are losing some control, I do not think the Government that sits opposite or Members in the Opposition would be able to stand still for the hue and cry and for the sheer anger and frustration that producers in western Canada would put forth if they found that any part of this Bill impeded the ability of the Canadian Wheat Board to

do what it does best, and that is sell or facilitate the sale of grain on behalf of producers in western Canada.

The Board has gone through a lot of changes. I think it has gone through changes at a measured pace. We have now part of a dual system when it comes to feed grains. There are all kinds of arguments for another day as to the ability of a dual system to function. The people who make the dual system function under the Canadian Wheat Board Act are the very producers who grow that grain and sell it. If they did not want that system to function in that manner if would not. No one is supposed to sell barley either way under the feed grain act. That is a choice individual producers make. It is not a matter that the Board has lost power but the Board has been made, let us use the word "responsible", by the very producers that it has been established to serve.

I will be voting for Motion No. 39. I hope it will carry. if not, I am sure I will be seriously looking at Motion No. 40 as an alternative. I hope though that Members on the Government side will take a second look. I know the Minister of Transport (Mr. Axworthy) is going to speak. I hope he has had time to consider the amendments put forward by our Party and he has considered the real purpose of the Canadian Wheat Board. I hope he will be giving us some support in this area. Debate can go on and on, but in reality the matter rests with Government Members to make sure that the Canadian Wheat Board is protected and given the ability to do its job.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): I recognize now the Minister of Transport (Mr. Axworthy). I see the Hon. Member for Hamilton Mountain (Mr. Deans) is rising on a point of order.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I notice the Minister is standing and I do not want to interrupt him. However, I move, seconded by the Hon. Member for Nanaimo-Alberni (Mr. Miller):

That the Hon. Member for Yorkton-Melville (Mr. Nystrom) be now heard.

The Acting Speaker (Mr. Corbin): The House has heard the terms of the motion. All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

• (1750)

[*And The Speaker having resumed the chair at 5.59 p.m.*]

Madam Speaker: This morning the House resumed consideration of the Report Stage of Bill C-155. During the course of the debate, the Chair recognized the Hon. Minister of Transport (Mr. Axworthy) as the next speaker, at which time the Hon. Member for Hamilton Mountain (Mr. Deans), pursuant to Standing Order 33 moved:

That the Hon. Member for Yorkton-Melville be now heard.

The Chair having put the question to the House, the bells were sounded to call in the Members. Some time later the Chair was informed by Party representatives that they did not intend to come into the House today to vote on the question. The bells were stopped since it was futile to call in the Members.

It is now six o'clock p.m. and Standing Order 8 requires the Speaker to adjourn the House until the next sitting day. While Standing Order 33 provides for a motion that a certain Member be now heard, the Chair has no choice but to interpret the word "now" to mean at this sitting. Since it is not possible to assume that either the speaker who had the floor when this motion was moved or the Member who was to be now heard would be present in the House or, for that matter, would necessarily want to be heard or to speak, the motion thus lapses because the situation in the House is unpredictable.

A motion under Standing Order 33 that a certain Member be now heard is not in itself a dilatory motion such as a motion to adjourn the House or the debate. However, since the Chair was informed that Members would not present themselves to vote, and since in effect the House has been prevented from conducting its business, this motion is *ipso facto* to be considered as a dilatory motion and, therefore, lapses.

It being six o'clock p.m., I declare that the motion of the Hon. Member for Hamilton Mountain is no longer before the House and that this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, October 19, 1983

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

PRO-LIFE RALLY IN TORONTO

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, so often this House hears about the discouraged, underprivileged, the mistreated, and the very negative side of life. I would like to bring to the attention of the House a very positive occasion, that being a peaceful, non violent rally, as reported by the Canadian Press, of 40,000 Ontario Canadians on behalf of human life. The Metro Toronto Police have stated that this was the largest rally ever held in that city.

These women, men, and children came together to express their deep concern over the many thousands of human beings who have been lost in Canada through abortions every year for the last several years. This show of life support in Canada is in sharp contrast to that of the anti-life group which, notwithstanding the fact that it had been organizing many months for rallies to be held at the same time across the country, was only able to muster less than a thousand people in all of Canada. This lack of attendance at the anti-life rallies points out very dramatically the absence of support for their cause in Canada in 1983.

The anti-life individuals have also attempted to gloss over the fact that they are in support of ending the life of a human being, by stating that they are only for freedom of choice. But their freedom of choice costs a defenceless unborn human being his or her life. Some choice! We, as parliamentarians, would do well to ensure the protection of all Canadians, born and unborn.

* * *

STATUS OF WOMEN

APPOINTMENTS TO SENATE URGED

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, yesterday marked the anniversary of the landmark decision on October 18, 1929, which ruled upon the petition of the indomitable Emily Murphy that women were indeed persons under the BNA Act and, as a consequence, could be appointed to the Senate.

In the 54 years since then women have made great strides toward full legal, social, and economic equality. The struggle to achieve that equality has not ended with the provision for women's rights contained in the Constitution and the Charter passed last year, however. Much yet remains to be done before women can be considered equal in fact as well as in theory.

Women, and their families' dependence upon many of them, remain at a disadvantage in terms of income, social and employment benefits, and pensions. Sexual harassment and violence against women remain commonplace, and women remain under-represented at all levels of government, not the least of which is in this Chamber.

It is to be hoped that in the coming years many more women will stand and be successful candidates in the House of Commons. In the meantime, however, many successful Canadian women from all walks of life continue to make important contributions to our society. On this noteworthy anniversary I urge the Government to give these persons strong consideration in future appointments to fill existing vacancies in the Senate. Emily Murphy would not have accepted that today, 54 years after her victory, only seven out of a possible 104 seats in the Senate are held by women. Nor should we.

* * *

THE JUDICIARY

RECOMMENDED INCREASES IN JUDGES' SALARIES

Mr. Rod Murphy (Churchill): Madam Speaker, the other day Mr. Otto Lang, a defeated Liberal Cabinet Minister and a judicial hopeful, reported on judges' salaries. He points out that the average Superior Court judge receives only $85,000 per year. The figure for Supreme Court justices is $98,000. With salaries like these, Otto Lang has displayed his social conscience. He says:

> For some judges, particularly those in large urban areas and in areas with a high cost of living, cash flow is an increasing problem.

He therefore recommends that salaries should be significantly increased. He recommends increases ranging from a low of $22,000 to a high of $31,000 per year. These are increases of 26 per cent to 30 per cent. The proposed increases are not six and five; they are six times five. Mr. Lang is saying that judges should be above the law of six and five. That vicious legislation has been used to roll back signed collective agreements, to force office clerks back down below the poverty line, and to ensure that pensioners never even approach it.

S.O. 21

Mr. Lang uses quotes from the Conservative Prime Minister, R. B. Bennett, to support his case. That quote is, "If men enjoying large incomes have no ambition to go on the bench, then we have to fall back on the second line." Such an approach indicates that those who foreclose on people's mortgages, and those who work with the banks—

Madam Speaker: Order. The Hon. Member's time has expired.

* * *

THE ECONOMY

DROP IN RATE OF INFLATION

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, I am pleased to rise today to tell the House that Canada's economic recovery program is working. The annual rate of inflation dropped to 5 per cent last month, which is the lowest rate in more than ten years. Not since August, 1972, has inflation been so low. A period of stabilization has now been reached.

In July and August the inflation rate was recorded at 5.5 per cent, and in May and June the rates were 5.4 per cent and 5.6 per cent respectively. We have reached an important plateau in our fight against inflation, thanks to the Canadian Government's six and five restraint program and to the co-operative efforts of the Canadian people.

There have been further signs of a new economic vitality. Since last November about 325,000 new jobs have been created, and the unemployment rate of 11.8 per cent in July has now dropped to 11.3 per cent. This is the lowest rate of unemployment since 1982. Food prices in September have dropped by one per cent, and this is the largest monthly decline in food prices in over five years. The Liberal Government has also managed to reduce the cost of living to 5 per cent from 12.5 per cent a little over a year ago. I see the Conservatives are starting—

• (1410)

Madam Speaker: Order, please. The Hon. Member's time has expired.

* * *

INDIAN AFFAIRS

IMPACT OF MEGAPROJECTS ON BRITISH COLUMBIA INDIAN BANDS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, having fallen victim to the many negative social, environmental, and ecological impacts usually associated with large resource type megaprojects, the people of the Carrier and Sekanie tribes are in the capital this week to seek recognition and redress for long outstanding injustices which have been perpetrated on them. Two major projects, Alcan Kemano I in 1952, and B.C. Hydro W. A. C. Bennett Dam, have seriously disrupted the economic, social and cultural livelihood of the Sekanie, Inginika and FortWare bands, and the Carrier peoples, Gheslatta, and Ominika bands.

Whole communities have been flooded, trap lines destroyed, and in one instance they had to watch dead bodies float from a flooded cemetery. They live in the poorest conditions of any native communities in our country, often suffering from malnutrition and serious infectious disease. They are here soliciting funds and support to prepare themselves for yet another project of equal dimensions, Kemano II.

They know the world will not stand still for them, but they feel they can no longer be treated merely as part of the landscape. Attempts to meet with the appropriate Ministers have so far failed. Their only recourse will be action in the courts, which will neither serve their cause nor the cause of the proponents of the project. Let me remind the House of the problems associated with the James Bay Project when court action was taken.

I urge the Government and the Minister to listen and to act.

* * *

HUMAN RIGHTS

PLIGHT OF CIVIL RIGHTS ADVOCATES IN RUSSIA, SOUTH AFRICA AND GUATEMALA

Mr. Bob Ogle (Saskatoon East): Madam Speaker, each year in mid-October Amnesty International members around the world observe Prisoners of Conscience Week on behalf of people in prison for the non-violent expression of their opinions, the peaceful practice of their chosen religion, or for their colour, sex ethnic origin, or language.

This year Prisoners of Conscience Week is being devoted to men and women who have been punished by their Governments for their work in promoting human rights. This past week in my own City of Saskatoon there has been a cage in front of City Hall in which citizens are placed and where they have to remain until friends come to let them out. But around the world there are many cases of people who cannot be let out so easily.

For instance, seven years in a labour camp, to be followed by five years' internal exile, is the price Ukrainian writer Mykola Rudenko is paying for his efforts to publicize human rights violations in the Soviet Union. His wife, arrested for possessing smuggled copies of her husband's poems, is serving a ten-year sentence. She is in another labour colony 700 kilometres away.

In South Africa, Johnny James Issel, a leading campaigner for black civil and political rights, has spent most of the past ten years under administrative banning orders, or in detention without charge or trial.

In Guatemala, labour lawyer America Yolanda Urizar has "disappeared". A former victim of death threats for her work with local trade unions, she was abducted in March this year

by heavily armed men and driven away in an army jeep. She has never been seen again.

Many thousands of other people suffer such treatment.

* * *

[*Translation*]

THE ECONOMY

SUCCESS OF GOVERNMENT'S SIX AND FIVE RESTRAINT PROGRAM

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Madam Speaker, Statistics Canada has just revealed that the annual rate of inflation in September was 5 per cent, the lowest in ten years.

In May 1982, when the Minister of Finance launched the voluntary 6 and 5 restraint program, he asked Canadians to help get the country out of the recession and into recovery. The program was not an end in itself but a beginning. It was a matter of self-confidence, of mutual trust among Canadians.

Today, with an annual inflation rate of 5 per cent, we can say that Canadians have responded to the appeal made by the Liberal Government and that we know the meaning of the word co-operation. We have made tangible progress. The threat of unemployment is receding, while we are making every effort to maintain our markets. Our costs have started to drop. Inflation is going down, and as it combines to do so, interest rates will follow suit.

Madam Speaker, all we have to do now is to have confidence in ourselves and try not to forget the common good of all Canadians. We can, individually, put our shoulder to the wheel and raise our voices in protest when others do not act in to their share.

Last October, the Prime Minister of Canada said that our future would be determined by how we achieved the objectives of the 6 and 5 policy. We have achieved part of that objective—

Madam Speaker: Order. The Hon. Member's time has expired.

● (1415)

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

CANADAIR—REVIEW OF FUTURE PLANS—REQUEST FOR ESTABLISHMENT OF COMMITTEE

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, I understand there was some confusion about the

Prime Minister's birth date when he first entered this House. I am glad to see that it has been clarified, and I am sure all Members of the House would join with me in wishing him a belated and very happy birthday.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In spite of the cosmetic changes announced yesterday, the Canadair situation, because of the dollars involved and the importance of the technology, has indeed become a national issue and one that goes to the heart of the Government itself of government policy, and not to a given Minister. In view of the growing unease and concern about Canadair and the technology, would the Prime Minister agree to take the initiative as a national priority in establishing a select all-Party committee of the House of Commons so that we could begin immediately the task of working with management, the unions, and the Government, in regard to the future plans and operations of Canadair?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I thank the Leader of the Opposition for his good wishes and those of his Party. It seems to me that the mistake was not so much one of the date of my birthday; it was the fact that the Opposition did not know the times of the sitting yesterday. That is why the wishes are a day late.

Some Hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the Opposition talked about cosmetic changes. I am afraid that is a misunderstanding of the situation. There are some quite considerable changes going on in Air Canada—

Some Hon. Members: Canadair!

Mr. Trudeau: In Canadair.

Mr. McDermid: A Freudian slip.

Mr. Trudeau: I am concerned about the suggestion of having Crown corporations run jointly by committees of the House or associations of various Parties in the House. The whole theory behind Crown corporations is that on their day-to-day operations they not be run by the politicians of one side or the other of the House, and that their objectives have to be defined in the law and in policy statements. In so far as these are concerned, we are happy to have the Opposition, any time it wants, make its points and criticize our views, as it has in Question Period. I think it would be a complete departure from the very important traditions of Parliament if committees of Parliament attempt to run Crown corporations.

Mr. Mulroney: I think the Prime Minister knows quite well that I am not in any way suggesting that Members of the House involve themselves in the management of Canadair.

Oral Questions

IMPORTANCE OF TECHNOLOGY AND JOBS

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, there was a $1.4 billion write-off last year, which was larger than the amount the Government spent on job creation programs. There has also been a running loss of $107 million in the first six months of this year for Canadair. If we take a look at the past, the Auditor General recommended, contrary to Government, that he be instructed to conduct a comprehensive audit on the company with regard to its past, but I am talking about the future.

Given its importance, the importance of that technology and the number of jobs involved, would the Prime Minister not refert this very important matter to an all-Party Committee so that we could work together to see whether it is possible to save Canadair and that technology, in terms of the future of the nation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy to have the undertaking of the Leader of the Opposition that his Party wants to save Canadair. In view of the criticisms we have heard in the past year from members of that Party, we were concerned lest they wanted to repeat with Canadair the mistake they made 20 years ago with Avro. If they want to save Canadair, I think the best principle to apply once again is to let the management run it and, to have Parliament—

Some Hon. Members: Oh, oh!

• (1420)

Mr. Trudeau: —to let Parliament take its responsibilities as it did in committee, in criticizing the financial statements.

In so far as objectives are concerned, I would welcome a statement from the Leader of the Opposition going beyond the one he just made in his question to the effect that Canadair must be saved, that the technology there is worth preserving in Canada, and that his Party supports that. If we can have clarification of these objectives from the other side, then I think we will have unanimity. In other words, if the Leader of the Opposition truly wants to save Canadair, the way to do that is not to put it in the political forum of this House; it is to run Crown corporations as they always have been run, independent of Parliament on a day-to-day basis, and responsibility for long-term objectives on the part of the Government, with reports to parliamentary committees as we have now.

REQUEST THAT SELECT COMMITTEE BE APPOINTED

Mr. Brian Mulroney (Leader of the Opposition): Madam Speaker, the Prime Minister refers to a decision that was taken some 20 or 25 years ago. At that time, of course, he was an active supporter of the CCF-New Democratic Party and he may have taken a very different view. One thing that is unchanged is the requirement for parliamentary accountability.

We are talking about a company that has cost in excess of $1.5 billion and which appears to be running at a rate of a $200 million loss for each of the next two years. We value the technology very strongly, recognize its importance, and are asking the Prime Minister quite simply, not in a partisan spirit, if he will indicate his acceptance of the notion of a select all-Party committee to sit down avec les intervenants to see if the future of Canadair can indeed, in the interest of the nation, be saved.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the Opposition refers to my activities 25 years ago. I refer him to the activities of his own caucus in the past year. There are two committees which are now looking at Canadair, the Public Accounts Committee and the Finance Committee.

Mr. Mulroney: That is for the past. This is the future.

Mr. Trudeau: When we have recommendations from those committees and we see the Opposition showing real interest in the future, we will be able to comment on the recommendations of those committees. As I said, as of now all we have had has been negative criticism and a seeming will to destroy Canadair. I am very happy that the Leader of the Opposition now wants to join the Government in its effort to save this. If they want to continue in that spirit, we would very much welcome their participation in the committees that now exist.

Mr. Mulroney: I join the Government, Madam Speaker, because this Government needs every bit of help that it can get.

CORPORATION'S FUTURE PROSPECTS

Mr. Brian Mulroney (Leader of the Opposition): The people of Canada will quite possibly support future plans for Canadair if all of the facts and the dollars are known—this is what parliamentary accountability is all about—if it is not hidden in the cracks or passed off to some committee or to a junior Minister.

I am encouraged by the Prime Minister's initial response. I come back to the question. It may result in a somewhat unusual procedure, but the problem is unusual, and we are talking about $2 billion of taxpayers' money. Will the Prime Minister agree to the establishment of a select committee, duly empowered by this House of Commons, to examine future prospects and plans for Canadair, taking into account the responsibilities of management and labour throughout that enterprise? We would co-operate fully with that kind of initiative.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): For the third time, Madam Speaker, I am happy to take account of the co-operation which the Leader of the Opposition is suggesting. I propose to him that we wait for the reports of the committees of Parliament which are now seized with the subject. I am informed by our House leader that one committee is going to report within a few days. The Minister responsible will appear

before that committee. He will set before that committee its long-term plans and objectives. He will set them there clearly for either criticism or approval of the Opposition. I hope it will be for constructive criticism if there is such, but, Madam Speaker, if it is, it will be the kind of co-operation the Hon. Leader of the Opposition is suggesting through the creation of yet a third committee of Parliament.

● (1425)

There are now two committees, Madam Speaker, and the long-term plans and objectives will be presented before the Finance Committee within a very short period of time. Let us hear then if the Opposition is united in its acceptance of Canadair, and if it is really sincere in its desire to co-operate with the management and with the Government in making this a long-term success.

CORPORATION'S BREAK EVEN POINT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Prime Minister. With respect to Canadair, would the Prime Minister indicate to the House when he sees the present management getting Canadair to at least a break even point, bearing in mind that Joel Bell has indicated that the company is to lose another $400 million in 1983 and 1984?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I suggest the Hon. Member look at all the statements that were made by the Chairman of the Canada Development Investment Corporation. He should also look at those that clearly indicate there has been a definite improvement in the market for the Challenger-type plane, and that drastic measures have been taken by the Corporation to provide for stricter management of Canadair. Bearing this in mind, the financial situation at Canadair can be expected to improve.

[*English*]

MINISTERIAL RESPONSIBILITY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is again directed to the Prime Minister. Through yesterday's announcement we were notified that vice-presidents of Canadair have been fired for mismanagement. Others among the executive have either been retired or, at least, demoted. Would the Prime Minister indicate which of the present or past Ministers is also responsible for this mismanagement? Specifically, will he tell us if the present President of the Treasury Board had a hand in this gross incompetency, and if the present Minister of Energy had a hand in the mismanagement? Where is their ministerial responsibility in this matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member talks about ministerial responsibility in the past. I would point out to him that in the not so distant past the responsibility was with the private sector. It was the private sector that was losing money. It was losing so much money that it wanted to—

Mr. Stevens: Canadair?

Mr. Trudeau: Yes, Madam Speaker. Canadair used to belong to the private sector. Let the Hon. Member catch up.

Mr. Stevens: They didn't lose a billion four.

Mr. Trudeau: Madam Speaker, they were losing money and that is why they wanted to dump the company. The Hon. Member shakes his head. It is very recent history, Madam Speaker. The Government stepped in to prevent all this technology from flowing out of Canada. The private sector was unable or unwilling to do it. The Government stepped in to rescue Canadair and to try to make it—

Mr. Crosbie: Who's going to rescue the Government?

Mr. Trudeau: Madam Speaker, now the Hon. Member for St. John's West is opening his loud mouth. He should have more respect—

Madam Speaker: Order, please. The Hon. Member for St. John's West did not have the floor. I would urge the Prime Minister to answer the Hon. Member for York-Peel.

Some Hon. Members: Oh, oh!

Mr. Trudeau: That is the not so distant past, Madam Speaker. It was the private sector that was not able to keep this operating. It is this Government, the Liberal Government, that stepped in and tried to make it a going concern. It was losing money; we continued losing money.

The Hon. Member asked about the intermediate period. I believe that at that time Canadair did fall under the Ministry of Industry, Trade and Commerce of which, for part of the time, the present President of the Treasury Board was Minister. He is in fact the Minister who alerted the Government to the mismanagement and to the mistakes in the company. He is the Minister, or one of his successors was, who presided over the transfer of government assets into a management operation, the CDIC. That is the solution we have brought to this. We do not want it to be run by departmental officials who, willing as they are, do not have the expertise to deal with all of the businesses in which the Government is involved. We do not want it to be dealt with by a parliamentary committee as is suggested by the Leader of the Opposition. We want it to be dealt with by this government-owned, this management company called the CDIC, which is taking the steps which now, I understand, are having the approval of both sides of the House—

● (1430)

Madam Speaker: Order. Order, please. I am afraid I have to interrupt.

Oral Questions

REQUEST FOR PUBLIC INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, since the Minister responsible for Canadair is not in the House, I will direct my question to the Prime Minister as well. We have heard from a number of previous questioners that there are a number of questions that must be answered. There have been accusations in the media and elsewhere about the possibility of bribery and kickbacks. We have had Mr. Joel Bell brought in to clean up the situation and, really, all we find is a person who is covering up the situation.

As the Leader of the Official Opposition indicated, this ought to be dealt with in a non-partisan fashion. Since two parliamentary committees have looked at the matter and have been hamstrung in their operations, I should like to put my question to the Prime Minister. Would he consider taking this matter out of the political arena and calling for a full public inquiry under the Inquiries Act?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

Mr. Riis: Madam Speaker, I hope by that response this is not the kind of Crown corporation marketing practice that we will have to expect.

Madam Speaker: Order, please. I have said several times in the House that there is no necessity to comment on the answers. Just the questions are important.

LEASING ARRANGEMENTS FOR JET AIRCRAFT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have a very simple question to put to the Prime Minister. When one of the salesmen for Canadair makes a deal with a company in the United States to buy a jet, and says that Canadair will lease back that jet until it is paid for, is that not a bribe or a kickback?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am informed that the Chairman of CDIC has stated quite explicitly that that kind of practice, though it existed in the private sector, is not one which he would intend to condone or repeat.

CONFLICT OF INTEREST GUIDELINES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Prime Minister. He will recall that the other day he said that the conflict of interest guidelines apply to American subsidiaries of Crown-owned corporations. In view of the obvious breach of the conflict of interest guidelines by three officers of Canadair Inc. in the United States, leasing a plane from themselves for their use around the company—and I point out that it was a Cessna Citation, the opposition's plane at that—why are these people still working for Canadair Inc.? If they are, do the conflict of interest guidelines that the Prime Minister has put in place mean anything at all?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, regarding the Hon. Member's actual question, I would like to remind him that the guidelines prepared by Treasury Board and applying to the Department do not directly apply to Crown Corporations, which draft their own guidelines covering relations between their employees and corporations other than their employer. In the specific case mentioned by the Hon. Member, the Canada Development Investment Corporation made a careful study of the contract and found that the contract had been authorized by Mr. Kearns at the time. Normally, according to the guidelines, the contract should have been approved by the Board of Directors of Canadair before it was approved by Mr. Kearns. That did not happen. Legally, however, the contract, which was signed and, if I am not mistaken, expires in December 1984, still stands. The Chairman of the Canada Development Investment Corporation examined this case thoroughly to make sure that no one connected with Canadair stood to benefit personally by the contract.

[*English*]

Mr. Blenkarn: Madam Speaker, if the Prime Minister will not get into these difficult situations I will carry on and put my supplementary question to the Minister of National Revenue.

VICE-PRESIDENT'S SALES COMMISSION EARNINGS

Mr. Don Blenkarn (Mississauga South): The Minister of National Revenue will know that one David Hurley, Vice-President of Canadair Inc., has made over $1.5 million in sales commissions selling 100 Canadair Challenger jets over and over and over again. This is the same David Hurley who came to the House of Commons Standing Committee on Finance, trade and Economic Affairs and made misrepresentations about the optimistic sales forecasts; this is the same David Hurley—

Madam Speaker: Order, please. Would the Hon. Member ask his question?

Mr. Blenkarn: My question is very simple, Madam Speaker. Why is the Government expecting the House of Commons and the people of Canada to have faith in Canadair when it continues to employ that type of person?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I would ask the Hon. Member to follow the example of his leader who told us not to worry about the past, and who realizes that the Canada Development Investment Corporation will put Canadair back on the right track. I would therefore ask the Hon. Member to do as his leader says: stop worrying about the past and look at the positive measures taken by the Canada Development Investment Corporation to help Canadair get back on its feet and move ahead.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. ALIOUNE BONDIN BEYE, MINISTER OF EXTERNAL AFFAIRS AND OF INTERNATIONAL CO-OPERATION, OF MALI

Madam Speaker: I wish to draw the attention of the House to the presence in our Gallery of Mr. Alioune Bondin Beye, Minister of Foreign Affairs and International Co-operation of Mali.

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CROWN CORPORATIONS

CANADAIR—REQUEST FOR ESTABLISHMENT OF SPECIAL COMMITTEE TO RETURN CORPORATION'S CREDIBILITY

Hon. Roch La Salle (Joliette): Madam Speaker, I wish to direct my question to the Right Hon. Prime Minister and get back to the initial question about the Canadair case.

Although we are invited to look to the future instead of looking back, the Prime Minister must realize that the company's reputation, and we are not out to criticize the objectives of Canadair, has suffered a body blow. In the circumstances, in order to restore the credibility that is essential to any industry that wants to make progress, could the Prime Minister perhaps respond positively to invitation of the Leader of the Opposition to create a special committee, to restore Canadair's much-needed credibility, in the best interests of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think that has already been done. The Corporation's credibility was restored today, when the Leader of the Opposition, in a departure from the policy practised by his Party for a year or more, when their objective seemed to be to destroy Canadair, with its jobs and technology, when the Leader of the Opposition, followed by the Member for Joliette, said they now want to co-operate and make Canadair into something constructive. I can only repeat to the Member for Joliette what I said to his leader, namely, that we shall consider the reports that will be made in a few days by committees of the House, in fact by the Joint Committees of the House that are examining Canadair's financial situation. Let them listen to the Minister responsible, Senator Austin, who, as soon as the Committee is ready, will make proposals for long-term objectives. Let the Opposition then decide in favour or against, but I hope it will be in favour, and in that case, the credibility that was destroyed by members of his own Party and, I am sorry to say, by a CBC program that was aired a few weeks ago . . . this credibility is being restored, and personally, I welcome the decision of the Opposition Parties to support our policy of continued assistance to Canadair.

Mr. La Salle: I have a supplementary, Madam Speaker.

Is the Prime Minister accusing the Progressive Conservative Party of discrediting this company? The Prime Minister knows perfectly well that the Progressive Conservative Party criticized the administrators appointed by this Government to manage the company, and if it is now evident that the company's administrators have failed in their task, I feel that a Special Committee would be useful in order to expose these administrators, get rid of them and restore the company's credibility. Madam Speaker, that is why I am repeating my question to the Prime Minister and asking him to withdraw his statement that this Party has discredited the company. Our Party has discredited poor managers, and the Prime Minister is certainly the first person to realize that today.

Mr. Trudeau: Madam Speaker, I appeal to the memory of the Members of this House, which I hope is better than that of the Member for Joliette. Hardly six months ago, when we wanted to bail out Canadair by making new capital advances, this met with the opposition of the Hon. Member's colleagues on the Progressive Conservative benches. They wanted Canadair to die, thus repeating, 20 years later, the destructive impact on aerospace technology when they killed the AVRO program.

* * *

● (1440)

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADIAN RESPONSE TO UNITED STATES SECRETARY OF STATE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of the Environment. Acid rain is destroying our buildings, killing our lakes, and doing untold damage to the health of our citizens. The Minister himself on the weekend said it had become part of a global crisis. After five years of negotiation, all that the U.S. Secretary of State was able to deliver in his meetings last weekend with our Ministers was a commitment that maybe within a year another proposal will be discussed. Will the Minister tell the House what his response was to this American foot dragging?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, I am glad the Leader of the New Democratic Party has discovered the issue of acid rain at last. I would like to add that his information is a bit mixed up and fuzzy, as quite often is the case. If he wants to know what the Canadian position was in Halifax, which was stated very clearly, I will tell him. We said to the American delegation, and to Mr. Ruckelshaus, that we have a plan in Canada, that we have already moved toward the reduction of acid rain emissions by 25 per cent, that we are anxious to move with the Americans because we know that the ultimate objective of 20 kilograms per hectare per year can only be achieved together, and that

we are anxiously waiting for them to be ready with a plan so that we can start negotiations, get a treaty going, and reach our objectives together.

Mr. Broadbent: Madam Speaker, the Minister has referred to past actions of the Government of Canada which, I point out to him, his predecessor publicly admitted were inadequate.

GASOLINE EMISSIONS CONTROL

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering there are important things which the Canadian Government can do independent of what the United States does, why is it that in the United States there are three times as tough regulations or a level of control over gasoline emissions as we have here in Canada? Will the Minister at least match the U.S. level of gasoline emission control here in Canada? That is action he could take. Why does he not do it?

Hon. Chas L. Caccia (Minister of the Environment): Madam Speaker, I will not let the Leader of the New Democratic Party get away with a statement about a colleague of mine who has done such good work for all Canadians on the matter of acid rain.

Some Hon. Members: Hear, hear!

Mr. Caccia: The present Minister of Employment and Immigration, if he deserves anything, it is respect, recognition, and praise. Having said that, Madam Speaker, I would like to draw to the attention of the Hon. Member that the question of gasoline emissions is an important one and is an issue to which my predecessor has addressed himself in recent months. I am now discussing the matter with the Minister of Transport and I hope to be able to make an announcement in a few weeks.

Mr. Broadbent: Madam Speaker, we hope to have that announcement, and we hope it is a positive one.

SITUATION IN ONTARIO

Hon. Edward Broadbent (Oshawa): Madam Speaker, with specific reference to Canada's largest producer of acid rain, namely, the Province of Ontario, and considering that in the Province of Ontario 1,400 lakes have already been killed because of acid rain and, I understand, another 48,000 lakes are seriously threatened, could the Minister tell us if he has approached the Government of Ontario and asked it to establish specific targets for getting rid of this blight in this our largest Province? If he has not done that, why not?

Hon. Chas. L. Caccia (Minister of the Environment): Madam Speaker, it is pathetic to see the Leader of the New Democratic Party—

An Hon. Member: Answer the question.

Mr. Caccia: —being forced to raise this issue because he has so little confidence in the Leader of the New Democratic Party at Queen's Park. Let me say to the Leader of the NDP that, as far as Ontario is concerned, if he has given up on his counterpart at Queen's Park, he should know that Ontario has set objectives of 43 per cent for Ontario Hydro and reduced standards of emissions for INCO which should reach a level of 1,770 tonnes daily in a matter of time.

An. Hon. Member: What time?

Mr. Caccia: An emission reduction of 40 per cent has been set in Quebec for Noranda. At the same time the Province of Ontario, I am told, is intending to buy 20 per cent of its coal requirements in the form of low sulphur content coal. I am making representations, and have made representations to my counterpart at Queen's Park, and I intend to continue to do so.

* * *

LABOUR RELATIONS

CANADIAN NATIONAL RAILWAYS WILDCAT STRIKE AT RAINY RIVER, ONT.

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is addressed to the Minister of Labour. At the present time there is a wildcat strike taking place among CN employees in the Village of Rainy River. It is likely to begin to spread because it deals with technological changes being introduced by the railway over its system. Would the Minister tell us what he can do to ensure that the technological changes, which have been the cause of wilds cat strikes, can be negotiated between the unions and the management, instead of being imposed unilaterally by management as is now the case?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Madam Speaker, like the Hon. Member, I am disappointed to see this illegal strike. Of course my officials are available, should both parties want assistance to quickly settle the issue.

* * *

[*English*]

CROWN CORPORATIONS

CANADAIR—REAPPOINTMENT OF BOARD OF DIRECTORS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Prime Minister. In his previous response to the Leader of the Opposition he stated he was happy to leave the operations of Canadair to the management of Canadair. In view of the considerable comment made by Senator Austin in reports linking the problems to the directors of Canadair, could the Prime Minister explain why the board was reappointed this summer, with no changes apart from the president?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, but Senator Austin can be asked that question. He has appeared before the parliamentary committee, and he will

appear again very shortly, as I indicated. I am sure he would be very happy to deal with that question.

Mr. Wilson: These appointments are the responsibility of the Prime Minister. Surely the Prime Minister can ask the questions. Why did this $1.5 billion loss to the Canadian taxpayers happen? What was the role of the directors, and what was their responsibility for this?

DIRECTORS' RESPONSIBILITY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, does the Prime Minister attach any responsibility to that board of directors for the loss of $1.5 billion of taxpayers' money?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not in a position to say if they are responsible or not.

An Hon. Member: Who is?

Mr. Trudeau: Well, Madam Speaker, let the Opposition get its act together. In his first question the Hon. Member asked why did Senator Austin recommend or ensure the reappointment of the same people. I am saying that that Senator, as the Minister responsible, will appear before the committee. He will be happy to answer this question.

TASK FORCE REPORT—DIRECTORS CRITICIZED

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a supplementary question on the issue of whether the board is responsible. Is the Prime Minister aware that in 1982 a task force report, which was attached to the Treasury Board submission which approved the authorization of $1.3 billion in loan guarantees to this Company, clearly indicated that the board of directors was responsible for at least $150 million of the loss directly? Of course, legally it is responsible for the whole mess. In view of that, can the Prime Minister pleae explain to this House why it was that this June, in a semi-secret fashion, that entire board should be reappointed, in view of the fact that the Government's own internal task force indicated the board was not fulfilling its responsibilities?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a repetition of the very same question which was asked of me by the previous questioner. I told him I did not have the answer, that I refer the question to the Minister who will be appearing before the parliamentary committee very shortly.

REQUEST THAT AUDITOR GENERAL UNDERTAKE COMPREHENSIVE AUDIT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Prime Minister has indicated he approved that $1.5 billion, approximately, without the benefit of the information which the task force attached to that approval.

The Prime Minister earlier indicated his theory of parliamentary democracy, that Parliament should not be concerned about day-to-day operations of Crown corporations. Apparently he does not feel that Ministers should be held responsible either, because he has not called any to account for this $2 billion they have lost. Will he at least give some comfort to this House and to the people of Canada who are paying these funds, and show that he cares, by appointing the Auditor General to undertake a comprehensive audit and be there from now on, so that we might know there will not be any more hundreds of millions of dollars wasted?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am afraid the more recent questions are undoing all the good the Leader of the Opposition and the Hon. Member for Joliette had established earlier. They are rehashing the questions I heard in this House last Spring at a time when that Opposition was trying to destroy Canadair by preventing the Government from forwarding funds to keep it alive.

Mr. Stevens: That is wrong, and you know it.

Mr. Trudeau: Once again they should get their act together and follow the new lead of the new Leader of the Opposition.

* * *

ADMINISTRATION OF JUSTICE

USE OF INFORMERS BY ROYAL CANADIAN MOUNTED POLICE

Mr. Jim Fulton (Skeena): Madam Speaker, my question is for the Solicitor General. The RCMP offered a constituent of mine the opportunity to become an informer in return for the dropping of criminal charges against him. This case came to a close in Whitehorse on Monday of this week. Would the Solicitor General advise this House what his views are on the use of bargaining by the RCMP for the dropping of criminal charges so long as the person charged will become an informer?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, as the Hon. Member stated the proposition I can certainly say that I do not agree with it, and it would not be Force policy to allow that type of negotiation to occur. But I would like to have the opportunity to look into the particular incident he describes before concluding whether his description is accurate and whether steps should be taken by me in connection with it.

REPORTED OFFER TO IMPAIRED DRIVERS

Mr. Jim Fulton (Skeena): Madam Speaker, would the Minister of Justice confirm that he is aware of cases where people charged with criminal offences such as impaired driving have been put in a position where the RCMP have bargained that away on the grounds that those people become informers? Would he also advise that he has been made aware by Judge

Barry Stuart from Whitehorse that he considers this a dangerous practice? Would he also advise if he is aware of any other cases in Canada where this is applied to indictable offences as well as to summary offences, and whether or not he agrees with this kind of plea bargaining and abuse of process?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I do not have personal knowledge of any of the matters mentioned by the hon. gentleman. I would want to leave a considerable margin for the prosecutors and judges in all cases of plea bargaining.

* * *

ST. LAWRENCE SEAWAY

UNITED STATES PROPOSAL FOR YEAR-ROUND SHIPPING

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of State for External Relations, regarding the concern of some municipalities and communities along the St. Marys River over the U.S. House of Representatives Bill HR3678 which provides for year-round shipping in the Seaway and which could have adverse environmental impact on Canada, such as harming the fishery resource and the flooding of adjacent areas.

Can the Minister say what response he has received from the U.S. administration to the Canadian diplomatic note delivered a few weeks ago? Is the U.S. administration going to use its considerable influence to oppose this part of the Bill in the House of Representatives, and what further actions or steps are planned by the federal Government to protect our environment in this matter?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, at the time of my last inquiry there had been no reply from the United States to this note. I want to assure the Hon. Member that the Canadian Government has no plans for extending the navigation season on the Seaway, particularly in view of the current under-utilisation of Seaway capacity. The draft American Bill on the subject is still at an early stage, and developments remain uncertain. But our note very clearly expressed concerns about the potential environmental impact under the season extension proposal.

* * *

EXTERNAL AFFAIRS

GRENADA—REPORTED SHOOTING OF PRIME MINISTER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is directed to the same Minister on an unrelated matter. Given the reports by Radio Free Grenada of extreme reaction to the house arrest of Prime Minister Bishop and the report, about 2.20 this afternoon, that the Prime Minister had in fact been released but had been shot, and there was no report as to his condition, can the Minister indicate to the House what information he has, for the benefit of thousands of Grenadians here in Canada who will be most anxious and concerned about the well-being of their country and Prime Minister?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the situation in Grenada is extremely unsettled, as the Hon. Member indicates by the latest of the radio reports to which he referred. However, we have no confirmed reports of the shooting of Prime Minister Bishop. What we do have is an indication that his supporters had released him from house arrest and that there is considerable confusion about what is happening on the island. According to our latest indication, there seems to be no danger for the Canadians who are on the island, and there is no report of widespread violence.

SAFETY OF CANADIAN CITIZENS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, in his continuing monitoring of this situation could the Minister not only determine for sure, because he is somewhat vague, the situation of Canadians, whether tourists or otherwise, who may be there, and whether they are free to leave or return to the island? Would he perhaps take an early opportunity tomorrow to give us an updated report as it has now been one week since there have been those extreme difficulties on that island, and particularly pay attention to whether or not there is any suggestion that this same turmoil might be in the process of being extended to other small islands in that part of the Caribbean Basin?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, we have absolutely no indication or reason for thinking that there could be any extension of the unsettled conditions from Grenada itself, where a particular situation exists. We are continuing to monitor the situation. There has been a representative of the Canadian diplomatic post in Barbados present in Grenada and in contact with a substantial number of the Canadians in the area. According to my information there are about 81 Canadians resident there. Through answers to questions we certainly will attempt to keep the House informed about the situation as it develops in Grenada.

* * *

FINANCE

TAX PROPOSAL AFFECTING CHARITIES

Mr. Walter McLean (Waterloo): Madam Speaker, my question is for the Minister of Finance whose Department issued a discussion paper entitled "Charities and the Canadian Tax System", in May. The Minister has heard from a wide cross section of Canadian groups such as health care, and religious and social service agencies. There has been widespread criticism of the proposed elimination of the distinction between charities and charitable foundations.

In light of this simplistic proposal circulated for discussion, does the Minister have plans that he can now announce for amending the proposals put forward, and has he had discussions with the Secretary of State about a more suitable response to the voluntary sector in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, a departmental working paper was published precisely so that all interested parties could express their views, give us their suggestions, and guarantee, on the one hand that there would be no abuses of the fiscal system by the foundations, and on the other, that true charitable organizations would receive all the fiscal benefits provided by the Act. We have had many meetings with representatives from these organizations. We have received many suggestions. We are now examining these proposals and I shall be able to announce in due time certain decisions or conclusions. For the moment, we are still considering the comments and suggestions made to us.

[*English*]

ROLE SUGGESTED FOR COMMITTEE

Mr. Walter McLean (Waterloo): Madam Speaker, while the Minister has had individual representations, there has been no opportunity for these groups to appear before a committee of this House, or in any other public forum. Is the Minister now prepared to put the findings he has received before the Standing Committee on Finance, Trade and Economic Affairs in the same way as the subject of the general support of the voluntary sector has been referred to that committee for discussion?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the suggestion of the Hon. Member is certainly surprising. I have to tell him once again that I made public a working paper which is neither official nor governmental, but simply a departmental working paper, so that the organizations concerned can express their views. I repeat that we have had many meetings. The submissions made by these organizations are in the public domain if these organizations so wish it. When I decide to make a specific legislative proposal to Parliament, this proposal will obviously be considered by Parliament at that time. Until then, I believe that such an initiative would be at the very least premature, and I would invite instead the Parliamentary Committee to concentrate on issues dealing with specific bills.

• (1500)

[*English*]

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-155

Hon. Lloyd Axworthy (Minister of Transport): Madam Speaker, I would like to rise on a point of order.

Mr. Deans: I rise on a point of order.

Mr. Axworthy: I wish to inform the House that there have been consultations among the representatives of the Parties.

Mr. Deans: Point of order!

Mr. Axworthy: It has not been possible to reach an agreement pursuant to Standing Order 80 and Standing Order 81 with regard to the allocation of time on the report stage and third reading stage of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

Mr. Hnatyshyn: Shame on you!

Mr. Deans: Point of order.

Mr. Axworthy: Therefore, at the next sitting of the House I shall propose a motion, pursuant to Standing Order 82, to allocate two sitting days to the report stage and one sitting day to the third reading stage of the Bill.

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I contend that the statement made by the Minister is certainly not a point of order. It may well be a statement by a Minister for which authority has been granted, but there is no point of order that allows a Minister to rise and make a statement.

While I am on my feet, I move:

That we proceed to Orders of the Day.

Madam Speaker: The Hon. Member is quite wrong. Such motions have been moved before under points of order. I have a list of them here. Therefore, that notice of motion by the Hon. Minister is quite valid in the House.

If the Hon. Member now wants to move another motion, he may do so. But that particular motion was perfectly valid. Furthermore, the Hon. Member should know that he may not move the adjournment of the House on a point of order.

Mr. Nielsen: Madam Speaker, I would have expected the courtesy, by the traditional usages and customs of this place, of being heard on the point of order raised before the Chair made a ruling, for I did have submissions to make. I would like to make them now while the Minister is in his seat. You have made your ruling, and I will not question that.

The way that the Minister functioned here was very sneaky and totally unnecessary.

Some Hon. Members: Oh, oh!

An Hon. Member: He learned it from you, Erik.

Mr. Nielsen: I hear the Hon. Member over there with his usual loud voice, saying that he is learning from me. If the Minister had paid closer attention he would know that there is a way to do this properly and not contemptuously as he has done. This could have prevented the problems from arising yesterday had they done it the right way. The right way is to do it during Routine Proceedings and not on any sneaky, contemptuous point of order. In my submission that is the way it should be done, during Routine Proceedings. The Chair will remember that I presented no less than 28 precedents to the Chair last year when discussing this very subject. The Chair agreed at the time that, in addition to other areas in our proceedings, Routine Proceedings could be used for giving such notice. That is what should have been done yesterday and what should have been done today. The Government would have avoided all of the difficulties that it encountered yesterday.

This contemptuous way of proceeding is indicative, of course, in this whole question. To give notice which triggers closure in this fashion just shows the level to which a ragtag bunch on that Treasury bench are prepared to stoop.

Madam Speaker: For the benefit of the House, I believe I should read Standing Order 82 under which the Hon. Minister acted and the House will see what the restrictions imposed upon a Minister are in such a case. Standing Order 82 reads:

A Minister of the Crown who from his or her place in the House at a previous sitting has stated that an agreement could not be reached—

Those are the restrictions.

Mr. Nielsen: That does not apply.

Madam Speaker: What the Hon. Minister did was perfectly in order.

Mr. Nielsen: That Standing Order does not apply.

Madam Speaker: I remember the Hon. Member's submission last year and a number of cases that he cited, but he should remember that I also cited a number of occasions when such a motion—

Mr. Nielsen: One.

Madam Speaker: Well, that is enough.

Mr. Nielsen: Out of 28.

Madam Speaker: It does not say otherwise that you cannot do it.

Mr. Nielsen: Twenty-eight went the other way.

Madam Speaker: It never said you cannot do it on a point of order, and it has been done. Therefore, I have no choice but to declare that it was perfectly in order.

Mr. Deans: While this matter is being discussed, would the Speaker enlighten us on another question? Since it does not say specifically how the question can be raised, whether or not the Minister can raise it on a point of order, could the Speaker point out which Standing Order says that a motion will lapse at six o'clock?

Madam Speaker: Is the Hon. Member reflecting on a ruling of the Chair?

Mr. Deans: Just asking a question.

Madam Speaker: Will the Hon. Member resume his seat. If he wants to do that—

Mr. Deans: I am asking a question.

Madam Speaker: There is a procedure that he can use and I invite him to do so. Otherwise I would ask him to please not mention anything else in the House. He is reflecting on a ruling of the Chair, and that cannot be allowed.

Some Hon. Members: Hear, hear!

Mr. Deans: On a point of order.

Madam Speaker: The Hon. Member has another point of order?

Mr. Deans: Yes, thank you.

Madam Speaker: I hope it has nothing to do with the ruling.

Mr. Deans: Nothing at all. Since there are numerous precedents for what the Minister has done. I would like to know if Your Honour would be kind enough to provide for the House the precedents on other motions and how they too should be handled from now on?

Some Hon. Members: Order.

Madam Speaker: The Hon. Member is again reflecting on a decision I made. I said that this motion was perfectly in order. If the Hon. Member wants supplementary information on precedents of the House on how matters should be handled, he knows—

Mr. Deans: Why don't you go and sit beside them.

Madam Speaker: —that the Table officers are willing to inform him at any time on any procedure he may use, as they always do.

Mr. Nielsen: Madam Speaker, if I heard correctly what you were reading from in support of the Minister's action, it was Standing Order 82 which deals with the motion which follows the notice. With great respect, that is not applicable in the case of the Minister giving notice. As the Chair and most Members are aware, this process follows three stages: first the notice, second the motion following the notice, which follows 24 hours later if the Government wishes, and third, the allocation process of the allocated days.

Today the Minister was giving notice and, without reflecting on the Chair whatsoever, the Standing Order does not provide for that being done on a point of order. Standing Order 82 from which the Chair read has nothing to do, with great respect, with the process we are embarked upon today.

• (1510)

Madam Speaker: I did not quote the Standing Order to the end but the Standing Order, as the Hon. Member for Yukon (Mr. Nielsen) has quite rightly said, exposes the three stages that are necessary in this particular procedure. It does not indicate that it may be done on a point of order, which does not necessarily mean that it cannot be done on a point of order. Therefore, the only restriction upon a Minister in such a case is that he should be standing in his or her place at a previous sitting of the House.

Mr. Robinson (Burnaby): Madam Speaker, I rise on a point of order on this question. The Speaker has indicated that the Minister can rise and give notice of a motion on a point or order. I would draw to the attention of the Speaker Citation 233—

Madam Speaker: Order, please. I have ruled on that.

Mr. Benjamin: Why don't you sit over there?

Madam Speaker: Order, please. I have ruled that this notice of motion is perfectly in order. I will have no more submissions on it. I have ruled.

Mr. Benjamin: Overrule then.

Madam Speaker: Therefore, Hon. Members will know that once the Chair has ruled, they may not comment on the ruling. If they want to challenge it, they know how to do that. There is a procedure for doing that.

Mr. Robinson (Burnaby): Madam Speaker, I rise on a point of order. It is very clear that points of order are questions raised with the view of calling attention to any departure from the Standing Orders or the customary modes of proceeding in debate or in the conduct of legislative business and may be raised at virtually any time by any Member. That is Citation 233. To use a point of order in a manner which is not specified under Citation 233 is in itself a breach of the rules. If I did not know better, I would say the Speaker was taking her marching orders from the Government in this matter.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please.

An Hon. Member: Throw him out!

Madam Speaker: Order, please. I am afraid I have to ask the Hon. Member, since he has said something which really reflects on the impartiality of the Speaker, to withdraw those words.

Mr. De Bané: Tell him to resign.

Mr. Robinson (Burnaby): Madam Speaker, I believe the proceedings which have taken place so far are a mockery of this House.

Some Hon. Members: Withdraw.

Madam Speaker: Order, please. We are not discussing that now. The House may not proceed to any other kind of debate until the Hon. Member has withdrawn those words which reflect on the impartiality of the Speaker.

Mr. Deans: What words?

Madam Speaker: And as the Hon. Member knows, the House cannot function—

Mr. Benjamin: What words?

Mr. Deans: What words?

Madam Speaker: I will not repeat them because they are not supposed to be spoken in this House. I ask the Hon. Member to please withdraw the words that reflect on the Speaker's impartiality.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Robinson (Burnaby): Madam Speaker, I stated very clearly that if I did not know better, I would say the Speaker was taking her marching orders from the Chair because of the abuse which seems to be taking place in this House. It is a shambles.

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. "Marching orders from the Chair?" This time the Hon. Member is saying from the Chair. The last time the Hon. Member said from the Government. What exactly does the Hon. Member want to say?

Mr. Robinson (Burnaby): Madam Speaker, let us be clear on what is taking place here. The Speaker is refusing to listen to a legitimate point of order. I said "if I did not know better", because I cannot imagine that the Speaker would seriously take her marching orders from the Minister of Transport (Mr. Axworthy). If I did not know better, it would certainly have appeared to be the case that the Speaker had consulted with the Government and was taking her orders from the Government, because she is not listening—

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. I have to ask the Hon. Member, and I plead with him to recognize for the proper functioning of this House, that he has gone far beyond what is acceptable in referring to the Chair. I would ask him to withdraw the words used the first time when he made an implication in precise words. His first intervention was quite clear and now he is muddling it up, but I want him to withdraw the words that he used the first time.

Mr. Robinson (Burnaby): Madam Speaker, I have no intention of withdrawing the statement I made.

Some Hon. Members: Oh, oh!

Some Hon. Members: Out!

Mr. Robinson (Burnaby): I believe what has taken place in this House is a travesty. If I did not know better, I would say that the Speaker was in cahoots with the Government to prevent this Party from putting its position—

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. For the last time, will the Hon. Member withdraw those words?

Mr. Benjamin: When is your last time?

Mr. Robinson (Burnaby): Madam Speaker, I chose my words with care. I will stand by those words and I hope that the Speaker might consider in the circumstances Citation 233 of Beauchesne and realize that the Minister had no business doing what he was doing and, in effect, is making a mockery of the processes of this House.

Madam Speaker: Order, please. Since I have warned the Hon. Member for the last time, I am afraid that I have to name the Hon. Member.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move:

That the Hon. Member for Burnaby (Mr. Robinson) be expelled from the House for the remainder of this sitting.

[*English*]

Madam Speaker: The House has heard the terms of the motion. All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

The House divided on the Motion (Mr. Pinard) which was agreed to on the following division:

(*Division No. 370*)

YEAS

Messrs.

Allmand
Andre
Axworthy
Bachand
Baker (Gander-Twillingate)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Breau
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Carney (Miss)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Collenette
Cook
Cooper
Corbett
Corbin
Corriveau
Cossitt (Mrs.)
Côté (Mrs.)
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cullen
Cyr
Darling
Dawson
De Bané
de Corneille
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dupont
Duquet
Ellis
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Foster
Francis
Fraser
Fretz
Friesen
Garant
Gass
Gendron
Gilchrist
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gray
Greenaway
Gurbin
Gustafson
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Harquail
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hnatyshyn
Hopkins
Howie
Hudecki
Joyal
Kaplan
Kempling
King
Lajoie
Lamontagne
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
La Salle
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
MacGuigan
MacLaren
MacLellan
Malépart
Malone
Marceau
Massé
Masters
Mazankowski
McCain
McCuish
McDermid
McGrath
McKinnon
McKnight
McMillan
McRae
Munro (Esquimalt-Saanich)
Nicholson (Miss)
Nickerson
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rossi
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Smith
Speyer
Stevens
Tardif
Taylor
Tessier
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Watson
Wilson
Wright
Yanakis
Yurko—161.

NAYS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Broadbent
Deans
de Jong
Fulton
Heap
Hovdebo
Knowles
Kristiansen
Manly
McDonald (Ms.) (Broadview-Greenwood)
Miller
Murphy
Nystrom
Ogle
Orlikow
Parker
Riis
Sargeant
Young—23.

Madam Speaker: I declare the motion carried.

Mr. Nielsen: Madam Speaker, I rise on a point of order to express our very serious reservations about the events that occurred here today.

The Minister is right in what he did but we are still convinced that the time at which he did it is quite wrong. The integrity of this institution was at stake here. We could not support the juvenile and rude conduct of the Hon. Member for

Burnaby (Mr. Robinson) who was encouraging anarchy in this institution.

The Chair has mentioned options that are available for Members who are dissatisfied with rulings of the Chair. We are going to review all of the options open to us between now and the next sitting, including those that have been suggested by the Chair. We supported the Chair, which is the symbol of authority and order in this place, of all of us.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Any insulting behavior toward the Chair is insulting behaviour toward all of us.

Mr. Deans: Madam Speaker, I, too, regret what has happened over the course of the last two days.

Some Hon. Members: Oh, oh!

Mr. Deans: I remember the days when the Conservatives charged the Chair. I remember the days when the Conservatives kept the House of Commons tied up on points of order. I remember the 15 days when the House of Commons could not sit while the Conservatives tried to get more benefits for their oil company friends. I regret that the Conservatives have chosen to ignore the rules of Parliament and to support the motion.

Some Hon. Members: Hear, hear!

Madam Speaker: In view of the vote that has just taken place in the House and the way that the motion has been resolved, I must ask the Hon. Member for Burnaby (Mr. Robinson) to withdraw from the House for the remainder of the sitting.

And Mr. Robinson (Burnaby) having withdrawn:

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

BUSINESS OF THE HOUSE

LENGTH OF PERIOD ALLOCATED TO PRIVATE MEMBERS' BUSINESS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I wish to ask for unanimous consent, since we are about to start on private members' business, but perhaps I should explain. Although it is 5.15 p.m., I think it would be advisable, if Hon. Members agree, to keep at least one of the three hours set aside for private members' business. On this side of the House, there is consent for granting a full hour, that is, the first of the three hours provided for private members' business. I am asking the consent of the House for one full hour, but we are not prepared, however, to give consent for two additional hours, since it is already late. I also wish to inform our colleagues that there will be Royal Assent

at 5:45 p.m., and that the hour in question does not include the time required for royal assent.

Madam Speaker: Does the House give its unanimous—

[*English*]

Mr. Nielsen: Madam Speaker, could the Government House Leader refresh my memory on the order of business that will be discussed in that hour?

[*Translation*]

Mr. Pinard: Madam Speaker, my hon. colleague knows perfectly well it is the motion that is on the agenda today. The motion was moved by a private Member, on a subject for which the Hon. Parliamentary Secretary to the Solicitor General (Mr. Tardif) is responsible, and that is the motion I am referring to.

[*English*]

Mr. Nielsen: Madam Speaker, we would be very happy to give that consent if the order of business was the business standing in the name of the Hon. Member for Capilano (Mr. Huntington).

Madam Speaker: Then do I take it that there is no unanimous consent?

Mr. Pinard: Madam Speaker, on the order of the day for Private Members' Business which is usually dealt with by my Parliamentary Secretary, I am told that we are talking about Notice of Motion No. 44. That is the offer we are making. We are willing to give unanimous consent to deal with Motion No. 44 and to give it a full hour, not including the time required for Royal Assent.

Mr. Nielsen: We agree.

Madam Speaker: Does the House give unanimous consent for Motion No. 44 to be considered by the House for one full hour?

Some Hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. BOCKSTAEL—DEMOLITION OF PETRO-CANADA RESTAURANT

Mr. Robert Bockstael (St. Boniface): Madam Speaker, I have the honour to present a petition from the undersigned residents of Canada who humbly sheweth that Petro-Canada owns a service station and restaurant at Warren's Corner on the Trans-Canada Highway in St. Boniface; that this restau-

rant-service station has been serving the local and travelling public effectively since 1948 and that, by proceeding with the demolition of this facility and replacing it with a self-serve gas bar, Petro-Canada will cause a loss of 22 jobs at the end of this week. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament for such measures as the House may think expedient to take to encourage officials of Petro-Canada to construct or cause others to establish a convenient truck-stop restaurant on the site—

Madam Speaker: Order, please. The Hon. Member is taking a bit too much time for a petition. He knows that all that is required is to give the title and maybe a few sentences in explanation of his petition. We will consider that the Hon. Member's petition has been given in the House and filed with the Clerk.

* * *

● (1720)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 5,006 and 5,262.

[*Text*]

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES

Question No. 5,006—**Mr. Blenkarn:**

1. Did the Government participate in the Convention on International Trade in Endangered Species in Botswana between April 19 and 30, 1983?

2. Was Canada's delegation the third largest delegation of the ten official delegations at that meeting?

3. Did the Government pay for the cost of six unofficial delegates from the Inuit Circumpolar Conference, the Inuit Tapirisat of Canada, The Assembly of First Nations and the Canadian Sealers Association and, if so, for what reason?

4. What were the names of the delegates sent by Canada, either as official or unofficial delegates?

5. What was the total cost of the Canadian delegation to Botswana?

6. Did sending the delegation of sixteen to the Convention in Botswana constitute an appropriate response by the Government to the 6 and 5 Program?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Canada did participate in the biennial meeting of parties to the Convention of International Trade in Endangered Species (CITES) held in Gaborone, Botswana, April 19-30, 1983. One of the principal reasons for this participation was the presentation at this conference of both a proposal and a resolution either of which, if passed, could have seriously damaged the Canadian economy. The proposal called for the inclusion in an "endangered species" list of all phocid seals including those currently harvested in Canada, either commercially or on a subsistence basis by our indigenous people, a proposal which Canadian scientists judged to be groundless but which if passed would likely have removed any hope for a recovery of the Canadian sealing industry. The resolution called for a complete halt in the international trade of furs taken from animals trapped by what were alleged to be inhumane methods, a resolution which ignored the steady progress being made in Canada to ensure that trapping is carried out humanely, but which if passed could have severely damaged the $600 million annual revenue of the Canadian fur industry.

2. Canada's delegation, with ten members, was the third largest of the 53 official delegations, behind the U.S.A. (15) and Botswana (30), although only slightly larger than delegations from countries such as the F.R.G. (9) or Britain (9). No other country, however, would have been proportionately more adversely affected than Canada if the proposal or the resolution had been passed.

3. Individual Canadian Government Departments subsidized the expenses of participation as observers of the following representatives of non-government organizations: Messrs. Enoch Obed and Peter Ernerk of the Inuit Tapirisat, Mr. George Erasmus of The Assembly of First Nations of Canada, Mr. Willie Deraspe of the Canadian Sealers' Association.

It was considered vital to allow representatives of those Canadians likely to be most adversely affected if the proposal or the resolution were passed to be able to speak for themselves on the issue, especially where such persons are from disadvantaged groups unable themselves to pay the high costs of international travel. All of these observers provided persuasive personal touches which were particularly effective in allowing Third World delegates more closely to identify with the human issues involved. CITES meetings allow the participation of NGO representatives as observers, and nearly 150 attended.

4. The official delegation consisted of:

Mr. Bert Tétreault,
Director General,
Canadian Wildlife Service,
Environment Canada,
(Head of Delegation);
Mr. John Heppes,
Administrator for CITES for Canada,
Environment Canada,
(Alternate Head of Delegation);
Mr. Peter Ittinuar, M.P.,
Special Advisor to the Delegation;
Mr. William T. Munro,
Biologist,
Fish and Wildlife Service,
British Columbia Government;
Mr. George Cowley,
Head, Environment Section,
Energy and Environment Division,
Department of External Affairs;
Dr. Nick Novakowski,

Co-ordinator, Wildlife Research,
Canadian Wildlife Service,
Environment Canada;
Dr. William Doubleday,
Director,
Resource Research Branch,
Department of Fisheries and Oceans;
Mr. Paul Montreuil,
Resource Research Branch,
Department of Fisheries and Oceans;
Ms. Judith Swan,
International Directorate,
Department of Fisheries and Oceans;
Ms. Theresa Nahanee,
Senior Policy Analyst,
Department of Indian and Northern Affairs.

The observers listed in part 3 above could not strictly speaking be considered delegates, "unofficial" or otherwise, since they acted in purely independent capacities. Other Canadian non-government organization representatives attending as observers at their own or their organization's expense included: Mr. Jan Duvekot of the Northwest Territories Government, Mr. Goerge Whitman of the Fur Fashion Council, Mme. Denise Angé and Mr. Oscar Respitz of the Fur Trade Association, Mr. William Anderson of the Inuit Circumpolar Conference, Mr. Don Dailley of the Canadian Association of Zoological Parks and Aquariums, Dr. Nicholas Mrosovski of the Canadian Committee of the International Union for the Conservation of Nature, and Ms. Anne Doncaster of the International Primate Protection League of Canada.

5. The total cost to Canada of participation in the conference included the basic costs of air travel, room, board and incidentals for the 14 federal Government sponsored participants, approximately $75,000, and another $7,000 in expenses associated with participation, bringing the total to approximately $82,000.

6. The Department of External Affairs, in common with all other Federal departments and agencies, continues to observe the 6 and 5 restraints in its over-all conference participation and other budgets. The larger than average size of the delegation to the CITES conference has been compensated for by reductions in or eliminations of other delegations to less crucial conferences. The outcome of the votes of the CITES conference were in doubt until the final counts, and it is reasonable to conjecture that a lesser delegation might not have achieved the singular successes of the one actually sent.

NUMBER OF CANADIANS AT EMBASSY IN MOSCOW

Question No. 5,262—**Mr. Gamble:**

1. What is the total number of Canadians staffing the Canadian Embassy in Moscow?

2. Are there Canadians, in addition to those referred to in Part 1, performing diplomatic or consular services in the Soviet Union and, if so, how many?

3. What is the total number of citizens of the Soviet Union staffing the Soviet Embassy in Ottawa?

4. Are there Soviets, in addition to those referred to in Part 3, performing diplomatic or consular services in Canada and, if so, how many?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. There are 44 Canadian Embassy staff in Moscow.

2. There are no Canadian diplomatic or consular representatives resident outside Moscow.

3. There are 45 Soviet citizens assigned to the Soviet Embassy in Ottawa.

4. There are 16 Soviet citizens who work at the Soviet Consulate in Montreal. Of these nine enjoy consular status.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,493 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the Parliament Secretary have been answered. Is it the pleasure of the House that question No. 4,493 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

Madam Speaker: The return will be tabled forthwith.

[*Text*]

PACIFIC NATIONAL EXHIBITION

Question No. 4,493—**Mr. Siddon:**

1. What was the total cost of the government's participation at the 1982 Pacific National Exhibition in Vancouver?

2. What amount did the Government expend for (a) the rental of exhibition and display area and premises (b) the rental or purchase of display equipment, lighting, utilities, decorations and other related paraphernalia (c) staff salaries for personnel attending to the government displays (d) security (e) transportation of equipment, materials, displays and staff (f) remuneration for contractors, special consultants or other outside personnel in relation to designing, constructing, assembling and/or disassembling each display (g) publicity and public relations contracts (h) publications, brochures, other printed matter and promotional or information handouts in relation to its participation at the Exhibition and, in each case, from which department's budget were the funds expended?

Return tabled.

[*English*]

Mr. Stevens: Madam Speaker, I rise on a point of order. I must once again ask the Parliamentary Secretary why we have not had an answer to question No. 2,042 which was asked on January 29, 1981. That simple request for information—asks what was the total cost—of the Prime Minister's December/January world tour. As we know, Madam Speaker, the Prime Minister is warming up again for another tour. I feel it is only

fair to the Canadian public that we at least get an accounting for the tour he made in 1980-81 before he leaves on his current tour in a few days' time.

Mr. Nielsen: A three-week tour.

Mr. Evans: I would be glad to look into that particular question for the Hon. Member, Madam Speaker.

Mr. Beatty: Madam Speaker, perhaps I could bring to the attention of the Parliamentary Secretary questions Nos. 2,672 and 3,506. The first question was placed on the Order Paper on June 23, 1981. The second question was placed on the Order Paper December 2, 1981. Both these questions deal with the policy of the Government relating to public opinion surveys and request that the Government declassify those surveys. What is the reason for the delay in answering these two questions?

Mr. Evans: I give the same answer to the Hon. Member as I gave to the Hon. Member for York-Peel, Madam Speaker. I will look into the matter and try to get back to him personally and indicate the answer I am able to find.

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

Madam Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

Madam Speaker: Stand.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions stand?

Some Hon. Members: Agreed.

* * *

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,

October 19, 1983

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 19th day of October, 1983, at 5.45 p.m., for the purpose of giving Royal Assent to a certain Bill.

I have the honour to be,
Madam,
Your obedient servant,
Esmond Butler,
Secretary to the
Governor General

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Corbin): Order, please. Shall all orders listed under Notices of Motions preceding order No. 44 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CAPITAL PUNISHMENT

FREE VOTE ON REINSTATEMENT

The House resumed, from April 3, 1981, consideration of the motion of Mr. Fennell:

That, in the opinion of this House, the government should consider the advisability of allowing a free vote in the House of Commons on the reinstatement of capital punishment for first degree murder.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this motion touches the core of a matter which has bothered me and other Members of Parliament for some considerable period of time. In every poll taken, every testing of public opinion in, I suspect, virtually every conceivable constituency in Canada over the past 15 and 20 years, somewhere between 70 per cent and 90 per cent of the respondents to these polls have indicated that they wish—even demand—that the punishment for premeditated murder, which in this motion is called first degree murder, that heinous crime of murder with intent, should be a crime for which the death penalty is appropriate. Yet somewhere along the line certain Members of Parliament, particularly Leaders of Parties in this House, have used the authority of the Party system to prevent a decision on this type of treatment in the Criminal Code to come to a free vote.

The consequence of this is that this Parliament, by the use of the Party system and the control it imposes upon Hon. Members, has managed to prevent what the vast consensus of the public demands. There is something wrong. There is something wrong with the Party system which says not that an Hon. Member should use his own discretion as to what he might want, but which dictates that one has to follow the Party line if one is a Member of Cabinet, a Parliamentary Secretary or a Member of the Government Party. Clearly it is, then, not a question of following one's own conscience when one votes as a Member. It is not a question of following the

dictates of one's constituents. It is a question of following what a Member is required to do in terms of a Party Whip and the Party's position.

There are some issues which are not matters of Party policy or Party position. The issue of capital punishment for heinous premeditated murder is one of those issues. Perhaps abortion is one of those issues as well. Perhaps the right to smoke marijuana should be one of those issues. There are certain issues in our society which deal with the way we look at what is right and what is wrong, and the way the public of Canada looks at what is right and what is wrong. Those particular questions of what is right and what is wrong are not questions of a Party position. They are questions of the individual conscience, not only of Hon. Members but of individuals in our constituencies.

Some of us may say we are obligated to follow the consciences of the majority of our constituents. I tend to take that view. Some of us may say that we were elected to use our best judgment and we are entitled to use our best judgment even though it might be in total contravention of what our constituents want. I believe all of us must take the position that this is not a matter which should come before the House of Commons as a Government matter. It should come before the House of Commons as an open matter, a matter on which all of us can individually vote the way we individually want to vote, not the way we must vote in order to stay within the controls placed on us by the Party system. Every time this matter has come to a vote in this House it has been on the basis of an amendment to the Criminal Code moved by the Government.

● (1730)

In effect, then, Members of the Government Party have been forced to vote with the Government, the theory being that if they did not they would be voting against Cabinet solidarity, against themselves. It is a Government Bill, therefore they must vote for the Government Bill. That position negates the whole concept of Members of Parliament being able to handle issues such as the capital punishment issue in an independent and sensible way, the way our constituents expect us to handle the issue.

I say to you, Sir, that it is vitally important that this House proceed with this motion because we as Members of Parliament should be allowed to express our concern on issues involving the way we as a nation should be governed, on moral issues. At one time, Mr. Speaker, the Criminal Code provided for the chopping off of arms if you committed theft, or even hanging. Certainly in times past people have been stoned for adultery and so on. The question of punishment appropriate to the offence is determined to a large extent not by people who are in the egghead part of society, as many of us are, but by the ordinary, common person. Surely Members of Parliament should be able to come to this place and, when we are dealing with an issue such as capital punishment, be free from the controls of Whips, free from the controls of the way our Party or Leader views the matter, and free to express ourselves by voting clearly on the matter without any control. Therefore, Sir, I say to you and this House that this motion should be supported.

[*Translation*]

Mr. Gilles Marceau (Jonquière): Mr. Speaker, in rising to take part in this debate, I recall the difficult time we had a few years ago when this important subject was debated in the House. It is clear that the motion now before the House is concerned with a very specific subject, namely capital punishment, but it also reflects the kind of society to which we belong and the kind of society we want.

Mr. Speaker, you will recall, since you were in the House at the time, that on July 14, 1976, there was a free vote, and I agree with the comments of the previous speaker who said that the free vote was perhaps influenced, and I think we should realize this, not by Government policy but by party ideology. When I voted as I did, it was to express a philosophy, to show the kind of society to which I wanted to belong, and I was doing so through the political party of which I was a member. However, I can say quite frankly that no one could have forced me or compelled me to act as I did, if I had not, as a matter of conscience, deliberately decided in favour of abolition of capital punishment.

Mr. Speaker, I realize the issue is a difficult one, that it probably goes beyond political parties as such because it depends on the personality, as it were, of the individual and the environment in which he lives.

I was listening to the previous speaker who said that 79 or 80 per cent of Canadian polled were in favour of capital punishment. With respect, I do not share my hon. colleague's opinion. Mr. Speaker, it is clear that the wording of a question tends to influence the answer given by the respondent. If there is a single question in the poll, such as "Are you for or against the death penalty?", and that the question does not suggest any alternative, it is quite possible that a good many Canadians who have just heard about foul crimes would favour the reinstatement of capital punishment. However, if there is a second question in the poll, such as "Are you in favour of handing out a 25-year jail sentence to a criminal convicted of first degree murder?", most, if not all, Canadians would say yes. In other words, Canadians are expressing fear and they are saying to the Government that criminals should not be set free to roam the streets after relatively short prison terms, as if hardened criminals can regain their freedom after spending very little time behind bars.

Mr. Speaker, I can support that statement with personal experience. I received similar letters from two lifers who did not know each other and were not even in the same institution. Yet, their viewpoint was exactly the same: we would rather face capital punishment than a 25-year jail sentence. It proves that, in a world where we are rightfully seeking punishment for odious crimes, I can say respectfully to those who believe that the death penalty is the solution, and to my colleagues

who share that view, that they are mistaken, and that Canadians who support that opinion are mistaken as well, because people who have been convicted of a serious crime punishable by a 25-year jail sentence consider that they are more severely punished when, pursuant to the new legislation, they are kept in jail and deprived of their freedom during 25 years for first degree murder or 15 years for second degree murder.

● (1740)

Mr. Speaker, that is another way of saying that in a debate such as this one, we must try to forget for a moment the nature and circumstances of the crime which has been committed, and think instead about the kind of society in which we want to live.

A criminal is accused of taking someone's life. An individual is thrown in jail because he has committed the most despicable crime, taking the life of a fellow human being. I think it is sometimes difficult to react any other way when confronted with repugnant and totally meaningless crimes. The first impulse of the ordinary man is understandable. He says that the criminal no longer has any right to his freedom or even his life. But should the legislator be influenced and seek vengeance? Should the legislator take a decision when he is emotionally stressed? I do not think so, Mr. Speaker. I think that as spokesmen for all Canadians, our role is to enlighten them and provide them with every means to enable them to make a fair and honest judgment.

Mr. Speaker, when speaking of fair and honest decisions, I think that my colleagues will agree that statistics are undoubtedly a useful tool to make decisions. Polls are the usual procedure to gauge public opinion, but when a decision must be made, we should not make it exclusively to comply with people's wishes. Statistics clearly indicate that since 1956, when the death penalty was abolished, the number of crimes or murders has decreased. But there is a distinction to be made: the number of violent crimes has not diminished. Violence has increased, but the number of murders has fallen. I think that this shows that statistics can be used by both sides on the issue of capital punishment. I suggest that on the whole, the statistics to which I referred tend to support my views, although I do not pretend to be an authority giving confirmed opinion. I am only speaking according to my conscience, since my colleague referred to it a while ago. We all have our conscience. We try to abide by own conscience as legislators when we must cloose a direction which offers true protection and security to Canadians.

Mr. Speaker, as far as public opinion polls are concerned, we realize that some countries have abolished the death penalty. Those countries often have a lower crime rate than before.

On the other hand, there are nations which have both the death penalty and a very high crime rate. Certain countries have chosen to abolish the death penalty for some reason or other, but in this country, in my opinion, we made that decision for a very important reason, and we did so in a non-partisan move.

Moreover, I remember the very eloquent comments of the Right Honourable the then Leader of the Opposition (Mr. Clark), when he stated: "I have realized that the death penalty is no deterrent for the peculiar type of persons that murderers are". He also added the following: "Our duty is to establish whether the threat of capital punishment would deter those who might be likely to take a human life, that is to commit murder". I have seen no strong evidence that the threat of that penalty could be a deterrent, and I agree with the views put forward by the then Honourable Leader of the Opposition.

The Leader of the New Democratic Party (Mr. Broadbent) had also stated, and I quote: "I do not believe there are arguments either of reason or of a moral nature in support of capital punishment". He also stated: "The Solicitor General has stressed like others that the information at our disposal is not conclusive to say the least".

Those are statements made by dedicated politicians, by men with just as good and sound a conscience as any citizen who would advocate capital punishment, and those men of experience and distinction did support at that time the very close vote to abolish capital punishment.

Mr. Speaker, there is a fundamental reason why I cannot, as a member of Parliament and as a citizen, support capital punishment. It is not the kind of criminal acts, frequently of a sordid nature, that have been committed and that call for a penalty. It is, in my view, the injustice involved in reinstating capital punishment. I suggest to you, Mr. Speaker, and in view of your vast knowledge I know you are aware of them, but I take the liberty of reminding you of the facts. To what class of citizens do criminals belong? Most of them come from the ranks of the have-nots, the poor, the unemployed, and those on welfare. They are the ones that are mostly involved in criminal acts that go as far as murder. Why should our society lay on people who are already underprivileged, why should it lay on them the burden of an error that often is not the fault of those who committed it but that of the society in which they live?

The Acting Speaker (Mr. Corbin): Order, please!

● (1750)

THE ROYAL ASSENT

[*Translation*]

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

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate Chamber.

And being returned:

Madam Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following Bill:

An Act to amend the Export Development Act.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

CAPITAL PUNISHMENT

FREE VOTE ON REINSTATEMENT

The House resumed consideration of the motion of Mr. Fennell:

That, in the opinion of this House, the government should consider the advisability of allowing a free vote in the House of Commons on the reinstatement of capital punishment for first degree murder.

Mr. Marceau: Mr. Speaker, I do not know whether the three traditional knocks on this door to summon us to the Senate were meant to ask me to reflect on the comments I had already made before Royal Assent, but in any case, I believe that I can repeat these same comments and say once more that the central argument on which I base my decision not to support the reinstatement of capital punishment concerns justice and equity towards the people most often involved in serious crimes of violence.

As I was saying earlier a society which to show its disapproval and express its anger for an infamous act, commits itself such an act by throwing into jail or taking the life of people who are already disadvantaged, is not behaving with fairness and decency.

Mr. Speaker, much has been said about premeditated acts. However, it has been established that 70 per cent of all premeditated murders are committed by people who are on welfare or unemployed. They are not the ones who are responsible; society is to blame, and if we were to commit such a reprehensible act against people who are already disadvantaged, what we would be doing ourselves would also be unacceptable as we would be forcing people who do not deserve it to pay the price that we should all collectively pay for the acts committed.

Needless to say, there are also cases of miscarriage of justice. I remember the famous Coffin case of the fifties. It

now seems virtually established that Mr. Coffin, who was hanged for the crime, did not commit the murder for which he died.

In any case, Mr. Speaker, I am convinced that we must be guided in this debate by logic and the interests of the people we want to defend. I invite my colleagues who believe that the reinstatement of capital punishment might be the answer, to reflect on the fact that it is not by adding to the violence which has already been committed and by having the government or the Parliament retaliate with a similar act, that we will solve the problem; on the contrary, we would be playing into the hands of those who want to break up our society by promoting violence, who want to destroy it by making us forget that whatever the act committed, someone is involved, a family is involved, and that while a penalty must be imposed, no government and no Parliament is ever allowed to take the life of someone who received it from God. In view of these facts, I believe that we should not reinstate the death penalty.

• (1800)

[*English*]

The Acting Speaker (Mr. Corbin): Before recognizing the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), perhaps it would be useful for the Chair to inform the House that the full hour of debate will expire at 6.34 p.m., since the House took nine minutes to go to the other place for Royal Assent.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a number of comments to make in the course of the debate on Motion No. 44 concerning the advisability of allowing a free vote in the House of Commons on the reinstatement of capital punishment for first degree murder. I would mainly like to direct my comments to the whole question of free votes.

I was interested in the remarks of the Hon. Member for Mississauga South (Mr. Blenkarn) when, in speaking in favour of the motion, he indicated that he saw a lot more room for free votes on matters having to do with what he called moral issues or, as they have also been called, issues of conscience. He cited capital punishment as one of these. There are others which have traditionally been regarded in this way, such as issues having to do with the question of abortion. The Hon. Member for Mississauga South cited the legalization of marijuana as another example of an issue which, in his view, belonged to this category of moral issues and issues of conscience. He felt such issues should stand somewhere beyond the reach of Party discipline where Members of Parliament could make decisions either according to an understanding of having a responsibility to make their own best judgment, which is the traditional conservative view of the role of a Member of Parliament, or according to an understanding of themselves as having a responsibility to respond to majority opinion in their constituencies, which is a more modern, liberal view of politics. In either case, the Hon. Member contended that certain issues ought to be beyond the reach of Party discipline because they belong in the category of moral issues.

• (1805)

I both agree and disagree with the Hon. Member on this and I will try to say why. I agree with him because I think that there ought to be a wider range of issues than at present on which there is occasion for free votes, an occasion for Parliament to express itself without the constraints of Party discipline. In that respect I agree with the Hon. Member.

Where I have some hesitation in agreeing with him is when he wants to limit what is viewed as moral issues to issues such as capital punishment, abortion and so on. That sets up a distinction between those issues and other issues which I find hard to accept. In my view, how we organize our economy is a moral issue. It is not as though we have a little group of issues on one side which have a moral dimension and another group of issues, such as how we organize our economy, how we treat the poor, what our social programs, international relations and policy are as far as the Third World is concerned, on the other side.

Whatever issues lie outside the group of issues which the Hon. Member for Mississauga South articulated also have a moral dimension to them. Everything we do in this House of Commons, every policy that we consider and debate in this House, has a moral dimension to it. My hesitation therefore about that part of the analysis of the Hon. Member for Mississauga South is the danger of setting aside certain questions having to do with morality and, by doing so, implying that there is a broader range of issues which are purely administrative in nature, or technical or managerial and do not have a moral dimension. As I said, everything we consider in this House has a moral dimension.

• (1810)

Returning to the question of free votes, I would agree that there has to be a wider range of issues on which Members of Parliament have occasion to exercise independent judgment and judgments which are independent of Party discipline. I say this for two reasons. The first is that I think there does exist a range of issues on which independent judgment is more appropriate than Party displine and the second is that the heavy hand of Party politics is more omnipresent and pressing in Canadian politics than in the politics of almost any other democratic country of which I am aware.

Now the United States of America is often cited as an example of a political system in which people who belong to one political party or the other feel that there is much more freedom to criticize positions taken by members of their own party or positions taken by Presidents who belong to their own party. That is the Congressional system, but that is not what I am advocating.

I am advocating something that can be found simply by going to the mother Parliament in Britain. As I understand the British parliamentary system from having spent some time there and from having considered these matters as a member of the Special Committee on Standing Orders and Procedure, there is a much broader range of issues on which it is understood and is conventional that Members of Parliament will exercise their own judgment. This occurs, for instance, on matters having to do with the House of Commons itself. The first example of this sort that comes to my mind is because I remember a vote which caused tensions in all caucuses here dealing with pay raises for Members of Parliament. That is just an example of issues which impinge upon the life of the House of Commons itself. Those are issues on which, in my view, Members of Parliament should exercise independent judgment. Caucuses and Parties should feel no compunction to take a position on every issue in this area.

As I understand it, it is also the case in Britain that there is a much more relaxed acceptance of the fact that on issues such as capital punishment, for instance, there will be independent and individual judgments rendered by Members of Parliament. This was demonstrated most recently by the result of the free vote which was taken in the British House of Commons on the subject or restoring capital punishment. The House of Commons in Britain was fresh from a massive Conservative victory. The Government and the Parliament could easily have been dominated by the policy or at least the tendency of the party in power which, I understand, is in favour of the restoration of capital punishment. However, the vote had a strange outcome. The motion to restore capital punishment was defeated in a House of Commons dominated by Conservative members.

There we can see how the free vote works, though perhaps not in the same way as those who advocate a free vote on capital punishment generally hope it would work. Nevertheless, that is an example of what I mean. We would have liked to see a free vote here in the House, as we so often asked for, on the testing of the Cruise missile. Issues dealing with disarmament are other issues for which I think it would be good if Members of all Parties felt freer to express what they truly felt.

• (1815)

In the final analysis it is not just for the sake of individual Members and their feeling this independence that I should like to see more of this; it is for the sake of Parliament itself. I think there is too much emphasis in Canadian politics on Party discipline and Party unity in the sense that too much negative attention is paid to the fact that people who belong to the same political Party may disagree with each other on certain matters, probably not on what is regarded as the core platform or emphasis of that Party, but on a range of issues that are not regarded as essential to the Party's self-understanding. I do not know which came first, the chicken or the egg, in this case; but I think what reinforces this is the fascination of the media with any disagreement within a political Party. Politicians become almost paranoid about doing anything which can be construed as an attack on either their leader or on their Party policy. Any creative debate within political Parties has become almost impossible as a result of the paranoia created by the negative attention paid by the media to any so-called signs of disunity. Probably the same media people complain about political Parties being monolithic, autocratic and that there is not any real debate going on within the Party. Of course, the minute there was debate going on they would be there like a

bunch of vultures trying to exploit it and distort it and make it out to be something other than it was.

For the sake of Parliament and for the sake of the political process, I think there has to be more opportunity for MPs to exercise individual judgment. In the minds of the public there has to be more occasion when they can see that it makes a difference to talk to their MP about an issue—that it makes a difference or at least that it could make a difference, because MPs are not always going to agree with whatever group they happen to meet or that happens to lobby them on a particular issue. Nevertheless, there would be a theoretical possibility that in some instances, and in more instances than is the case now, Members of Parliament could exercise independent judgment and not be expected simply to vote the way the Party votes on that particular issue.

People need to feel that it makes a difference that there are 282 minds in this place, that there are 282 thinking beings in this place and not 282 voting machines which, on every occasion, do exactly what their Party requires them to do.

This takes us back to the life of the House of Commons itself and the need for Members not only to have more independent input into a broader range of issues which may fall outside the reach of Party discipline; it also brings us to the question of Members of Parliament having more control over the life of the House of Commons itself.

This is another matter we discussed in the Special Committee on Standing Orders and Procedure. That is why we recommended, for a start—and I can think of no more appropriate day to mention this—that the House have more genuine control over the selection of the Speaker of the House of Commons. The Speaker would have the moral authority of someone who was genuinely selected by the House of Commons.

We also recommend that the House of Commons have more control over the Commissioners of Internal Economy. I do not want to get too far off topic, Mr. Speaker, but these things are all related to the integrity of Parliament itself as the public sees it. Free votes are related to votes of confidence and the need to rid our Standing Orders of all the procedural ways in which matters which should not be votes of confidence are now regarded as such procedurally in the Standing Orders. If that were eliminated there would be more opportunities for free votes or at least fewer excuses on the part of the Government for demanding of its Members that they regard every vote as a vote of confidence. That would make life more difficult for Government backbenchers, I admit, but in the final analysis it would make life better for them because they would be less robotic, shall we say, in their deliberations and they would feel better about themselves knowing that on occasion they could exercise that kind of freedom.

● (1820)

I believe that these are some of the directions in which we ought to move. I hope a number of Hon. Members were listening to my comments on these matters because I feel there is a consensus in the country that the authenticity of the input of Hon. Members of Parliament has to be greatly enhanced in this institution if it is going to continue to hold what respect it has and to increase that respect.

One of the ways we can do that is by giving to all of our constituents the sense that Members of Parliament make a difference, that what Members of Parliament think and what constituents tell their Members of Parliament makes a difference. The question of free votes and the frequency of them is intimately related to that question. In that respect, I am very happy to have had the opportunity to comment.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I will take only a very few minutes to state my views on this motion. Tragically, this debate could not be more timely. The nation's capital has just experienced the brutal killing of Police Constable David Utman. The alleged killer has been quoted as saying he wanted to kill a policeman, any policeman. This latest incident has once again raised public consciousness and a demand for a debate in this House on the capital punishment question. The need for a full-fledged debate on the death penalty is probably more important in the 1980s than it has ever been, given the rise in the numbers of violent crimes in our society. What is needed even more urgently, Mr. Speaker, is an absolutely free vote on this highly personal, emotional and sensitive issue.

The Prime Minister (Mr. Trudeau) and Members of his Liberal Government not only refuse to bring the capital punishment question back to Parliament for renewed debate, but the Prime Minister has consistently refused to take off the Liberal Party Whips and allow a truly free vote on the death penalty. The reason, I believe, is obvious. He knows that great numbers of Liberal Members of Parliament would vote according to their consciences and reinstate capital punishment.

Quite apart from my own strong feelings about the need to restore the death penalty in this country for first degree murder—and I am on record in this Chamber as giving my reasons for holding that opinion—there is another fundamental reason for which I support this motion in the name of the Hon. Member for Ontario (Mr. Fennell). We have heard recently that a large number of Canadians feel that Parliament is irrelevant. One of the reasons our constituents have a sense of futility about this place is that they do not feel that we, as Members of Parliament, are legitimately representing their interests. Quite rightly, many Canadians feel Members of Parliament are here only to gratify our own egos and to toe the Party line, regardless of the opinions of the majority of people we were sent to Ottawa to represent. Of course, the electors have to make a choice at election time as candidates from different Parties state their opinions on emotional and moral issues like capital punishment.

Yes, there are constraints on those of us in political Parties to adhere to a particular Party line because we are team players, most of us. But there are some issues, moral issues, the conscience questions, where an individual Member of Parliament must weigh very carefully the decision to exercise his or her own judgment on a case, but keeping in mind the majority

view of that Member's constituency. Sometimes that is a tricky decision to make but it is one each and every single Member of Parliament should be given the chance to make on a question of conscience through a free vote and not with Party Whips attached.

● (1825)

What I cannot abide, Mr. Speaker, is this Government's defiance of public opinion on this and other moral questions. We all know of the massive public desire for at least a renewed debate on capital punishment, and a substantial majority want the death penalty returned for first degree murder. They want that death penalty returned to the Statute books. I said a substantial majority: the latest Gallup poll shows that 72 per cent to 74 per cent of Canadians sampled wish a return of the death penalty. But more importantly, the issue facing us right now, the question we must resolve in this afternoon's very brief debate, is the urgent need for a completely, totally, absolutely free vote on this question.

The Progressive Conservative Party, under the leadership of the Right Hon. Member for Yellowhead (Mr. Clark), was committed to an absolutely free vote on the death penalty. Under our new Leader, the Hon. Member for Central Nova (Mr. Mulroney), I am confident that it is still the intention of this Party's leadership to reintroduce the capital punishment question at least for debate. I am equally confident that a new Progressive Conservative Government will allow a free vote on capital punishment.

I will conclude by quoting criminal lawyer Louie Nizer, who said it does no good for sheep to pass resolutions in favour of vegetarianism when the wolves think otherwise. This very minute the wolves are slaughtering our loved ones. What in God's name are we waiting for?

Mr. Fennell: Mr. Speaker, I rise on a point of order. Under Standing Order 41(2) a reply shall be allowed to a Member who has moved a substantive motion. I rise at this point to exercise my right.

The Acting Speaker (Mr. Corbin): The Hon. Member is quite right. However, the Chair has noticed other Members rising to speak at this point and the Chair did recognize the Hon. Parliamentary Secretary in any case. Even if the Chair recognized the Hon. Member for Ontario (Mr. Fennell), it would still have to advise the House under Standing Order 41(3) that the reply of the mover of the original motion closes the debate. At that point in time that then affords an opportunity for any other Member who wishes to contribute to the debate to rise and the Chair would have to recognize that Member. If no other Member rose at that point, of course the Hon. Member for Ontario could be recognized and he would in fact close the debate. But that is not the case because another Hon. Member has risen. It is the Chair's obligation to recognize that other Hon. Member at this time.

● (1830)

I trust that the explanation is satisfactory to the Hon. Member for Ontario.

Mr. Fennell: Mr. Speaker, are you then stating that the debate on this motion is not closed if I do not rise within the allotted time?

The Acting Speaker (Mr. Corbin): Absolutely. It is standard practice that once we have reached the full hour of debate in any given sitting of the House when dealing with Private Members' Motions, the motion does not die; it goes to the bottom of the list. Of course, it can be resurrected and given greater priority, if there is an understanding between the Parties. But that is not for the Chair to decide. In any case, it does not deprive the Hon. Member of his right eventually to close the debate.

The Chair is attempting to explain that we have not yet reached that point because another Hon. Member who has not yet spoken wishes to contribute to the debate.

Mr. Taylor: Mr. Speaker, I rise on the same point of order. I just want to point out two items. First, the House is now under an order that was agreed to by the entire House that the debate would go for one full hour. This motion states that the mover shall have the right to close the debate. Consequently, when those are put together I contend that the Hon. Member for Ontario (Mr. Fennell) should now have the right to close the debate.

The Acting Speaker (Mr. Corbin): It is my understanding that the Hon. Member is giving an entirely different interpretation to the agreement reached earlier this day with respect to the proceedings now under way. I do not want to take extensive time but Hon. Members will recall that the situation which faced the House following an earlier vote was that we had gone well beyond the time of approximately three o'clock when we usually engage in Private Members' Business; in fact, it was well past five o'clock. It is the Chair's understanding that there was agreement between the Government House Leader and the House Leaders for the other Parties at least to deal with one item today. They agreed what item that would be and this is what we are debating. However, I do not believe that in any way, shape or form it was the intention of the Parties to that agreement that debate should conclude today on the motion now before the House.

[*Translation*]

Mr. Tardif: Mr. Speaker, I am aware that this issue was raised in the House on five or six occasions over the past year and a half, as a result of some motions calling again for the consideration of the capital punishment issue, while others called for a referendum. Again, this afternoon, we are being urged to deal with it in a different way through the following motion, and I quote:

That, in the opinion of this House, the Government should consider the advisability of allowing a free vote in the House of Commons on the reinstatement—

The Acting Speaker (Mr. Corbin): Order, please. It being now 6.34 p.m. and in accordance with the agreement reached earlier today, the time allowed for consideration of the motion has expired, and the House stands adjourned until 11 a.m., pursuant to Standing Order 2(1).

At 6.34, the House adjourned, without question put, pursuant to Standing Order.